



Republic of the Philippines  
**HOUSE OF REPRESENTATIVES**  
Quezon City, Metro Manila



**EIGHTEENTH CONGRESS**  
Second Regular Session

**HOUSE BILL NO. 9305**

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**Introduced by CIBAC Party-List Representatives**  
**EDUARDO “BRO. EDDIE” C. VILLANUEVA and DOMINGO C. RIVERA**

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**AN ACT**  
**ESTABLISHING THE STUDY NOW, PAY LATER PROGRAM,**  
**APPROPRIATING FUNDS THEREFOR AND FOR OTHER**  
**PURPOSES**

**EXPLANATORY NOTE**

Despite the efforts of the Philippine government to recognize the role of education and prioritize its funding, there remain countless barriers to access to quality education. As per the Multidimensional Poverty Index (MPI) published by the Philippine Statistics Authority (PSA), 49.4% or roughly half of Filipino families in 2017 lacked access to basic education.<sup>1</sup> Moreover, 1 out of every 10 Filipinos aged 6 to 24 years old is out of school.<sup>2</sup> This is equivalent to over 3.5 million Filipinos who are not captured in any of our basic, higher, and tech-voc institutions.

Unfortunately, the COVID-19 pandemic has only exacerbated the obstacles to pursuing education. According to the Department of Education (DepEd), the total number of enrollees for SY 2020 – 2021 in the basic education sector has dropped to only 77% of the enrollment in the previous year.<sup>3</sup> Moreover, thousands of private

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<sup>1</sup> <https://cnnphilippines.com/business/2018/11/15/multidimensional-poverty-index-mpi-education-psa.html>

<sup>2</sup> [https://psa.gov.ph/content/nine-percent-filipinos-aged-6-24-years-are-out-school-results-2017-annual-poverty-indicators#:~:text=Based%20on%20the%202017%20Annual,children%20and%20youth%20\(OSCY\).](https://psa.gov.ph/content/nine-percent-filipinos-aged-6-24-years-are-out-school-results-2017-annual-poverty-indicators#:~:text=Based%20on%20the%202017%20Annual,children%20and%20youth%20(OSCY).)

<sup>3</sup> <https://www.pna.gov.ph/articles/1109587>

school learners— specifically 148,852 elementary students, 69,851 junior high school students, 26,138 senior high school students, and 5,698 learners with disabilities— were estimated to have transferred to public schools for AY 2020 – 2021.<sup>4</sup>

In this light, this measure proposes to institutionalize a Study Now, Pay Later program for students in public and private educational institutions to ensure that their education is not unnecessarily suspended or terminated due to lack of financial resources. Under this bill, parents and students can directly access loans from the Development Bank of the Philippines (DBP), while schools can discount from the same financial institution the promissory notes of students and parents with pending loans.

As the pandemic continues to limit the operations and mobility of our business and labor sectors, not to mention its impact on soaring prices of commodities, thousands of families are at risk of withdrawing their children from school if appropriate government support is not rolled out immediately.

Last year, Department of Finance (DOF) Secretary Carlos G. Dominguez announced that the government was eyeing apportioning at least Php 1 billion for a ‘study now, pay later’ plan to prevent students from dropping out and helping schools to stay afloat amidst the pandemic. This led to the launching of various student loan programs of Landbank, such as the i-STUDY loan program for students and parents and the ACADEME lending program for educational institutions.

The State has consistently recognized the complementary roles of public and private educational institutions. The fact is our public education institutions are under-resourced and overburdened, and that maintaining the viability of private education helps promote and protect the right of all citizens to quality education at all levels.

It is the hope of this measure to institutionalize the offering of an accessible and affordable loan program so that more Filipinos will be able to complete their education and gain access to economic opportunities despite financial difficulties. This is a long-term investment strategy that the government can undertake—the best time for which is now—to reduce inequality and promote inclusivity in education.

Given the preceding, the immediate passage of this bill is earnestly sought.

  
HON. EDUARDO "BRO. EDDIE" C. VILLANUEVA

  
HON. DOMINGO C. RIVERA

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<sup>4</sup> <https://www.rappler.com/nation/students-private-schools-transfer-to-public-coronavirus-pandemic>



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*Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:*

- 1 **SECTION 1. Short Title.** – This Act shall be known as the “Study Now, Pay Later Act.”  
2  
3 **SEC. 2. Declaration of Policy.** – The State recognizes and reiterates the  
4 Constitutional policy to protect and promote the right of all citizens to quality education  
5 at all levels and the complementary roles of public and private educational institutions  
6 in the educational system. Pursuant to this policy, the State shall ensure that all  
7 citizens of the Philippines are given access to quality education, either through the  
8 public or private educational system. In addition, the State shall ensure that the  
9 education of all students is not unnecessarily suspended or terminated due to lack of  
10 financial resources, by creating an accessible and affordable loan program that will  
11 enable students to continue their education despite financial difficulties.  
12  
13 **SEC. 3. Establishment of Study Now, Pay Later Program.** – There is hereby  
14 created a Study Now, Pay Later Program (SNPL) under the supervision of the

1 Department of Education (DepEd) for K-12 students, the Commission on Higher  
2 Education (CHED) for tertiary education students, and the Technical Education and  
3 Skills Development Authority (TESDA) for technical vocational students. The Program  
4 shall be jointly implemented with the Development Bank of the Philippines (DBP) and  
5 the Land Bank of the Philippines (LBP) for the disbursement of the loan, and/or the  
6 discounting of promissory notes issued to educational institutions.

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9  
10 **SEC. 4. SNPL Components.** – The SNPL shall have two components:

- 11  
12 (a) Student Loan, where students who lacks necessary funds can take out a loan  
13 from the DBP or LBP for the payment of their tuition and other school fees, and  
14 reasonable living expenses;  
15  
16 (b) Discounting of Promissory Notes, where educational institutions that have  
17 promissory notes issued by students with outstanding balances can discount  
18 these notes to the DBP or LBP for cash.

19  
20 *Provided*, That nothing herein shall limit the DepEd, CHED, TESDA, LBP, and DBP  
21 from adopting other measures that will further the implementation of this Act.

22  
23 **SEC. 5. Interest Rate Subsidy.** – The SNPL shall provide loan interest rate subsidy  
24 to all students who avail of the loan under the SNPL.

25  
26 **SEC. 6. Repayment Terms.** – The student loans extended under the SNPL shall be  
27 payable within a reasonable period, but it no case be less than one (1) year from the  
28 time of the loan; *Provided*, that in case of student loans granted to tertiary education  
29 and vocational and technical education, the loan shall, as far as practicable, be  
30 payable only once the student has procured an employment with an appropriate  
31 salary, as may be determined by the CHED or TESDA, in consultation with the **Unified**  
32 **Student Financial Assistance System for Tertiary Education (UniFast) Board.**

33  
34 **SEC. 7. Funding.** – An amount of One Billion Pesos (Php1,000,000,000.00) shall be  
35 appropriated for the initial implementation of this Act. Thereafter, an amount not less  
36 than One Hundred Million Pesos (Php100,000,000.00) shall be annually appropriated  
37 in the appropriations act.

38  
39 **SEC. 8. Implementing Rules and Guidelines.** – Within sixty (60) days from the  
40 effectivity of this Act, the DepEd, CHED, TESDA, LBP, and DBP, in consultation with  
41 appropriate government agencies and other relevant stakeholders, shall formulate the  
42 rules and regulations to effectively implement the provisions of this Act.

43  
44 **SEC. 9. Separability Clause.** – Any portion or provisions of this Act that may be  
45 declared unconstitutional or invalid shall not have the effect of nullifying other portions  
46 and provisions hereof as long as such remaining portions or provisions can still subsist  
47 and be given effect in their entirety.

1 **SEC. 10. Repealing Clause.** – All laws, decrees, executive orders, proclamations and  
2 administrative regulations, or any parts thereof inconsistent with the provisions of this  
3 Act are hereby revoked, repealed or modified accordingly.  
4

5 **SEC. 11. Effectivity Clause.** – This Act shall take effect fifteen (15) days after its  
6 publication in at least two (2) national papers of general circulation or in the Official  
7 Gazette.  
8

9 **Approved,**