

20 MAY 20 P 2:57

SENATE

S. No. 1538

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Introduced by Senator Manuel "Lito" M. Lapid

**AN ACT
PROVIDING FOR A MORATORIUM ON STUDENT LOAN PAYMENT DURING
DISASTERS AND OTHER EMERGENCIES**

EXPLANATORY NOTE

The interaction and relationship between disasters and poverty incidence is quite obvious in the case of the Philippines. The yearly occurrence of devastating typhoons had caused crippling setbacks to our farmers and fisherfolks. Earthquakes crumbled the economic foundations built by families and businesses through blood, sweat and tears. Volcanic eruptions literally turned to ashes cityscapes, industries and neighborhoods.

The Coronavirus Disease (COVID-19) pandemic is just the recent iteration of this disaster-poverty nexus. In a recent discussion paper published by the Philippine Institute for Development Studies (PIDS), it was found that one of the projected economic impacts of the pandemic and the restrictions imposed to contain its spread is on employment – a potential 50% reduction in the country's number of workers at the peak of the pandemic¹. The paper also estimated that three (3) in five (5) Filipinos have limited capacity to subsist during a lockdown period that extends beyond one month, without additional support from the government.² On a macroeconomic level,

¹ Abrigo, Michael, et al. *Projected Disease Transmission, Health System Requirements, and Macroeconomic Impacts of the Coronavirus Disease 2019 (COVID-19) in the Philippines*. Philippine Institute for Development Studies. <https://www.pids.gov.ph/publications/7022>

² Id.

it was projected that the Philippine economy stands to lose between Php 276.3 Billion (best-case scenario) and Php 2.5 Trillion (worst-case scenario) due to COVID-19.³

Thus, it is imperative that the government should extend as much economic assistance and protection as possible, especially to the poor who bear the risk of not being able to survive with continued work, economic activity and mobility restrictions. This proposed measure aims to contribute to this social welfare mission.

With most families left without stable sources of income and livelihood during major disaster and calamities, priorities for expenses are restrained to the most basic needs such as food, medicines and other daily needs. Non-essential expenses like those pertaining to education, tuition and other school fees may temporarily disregarded and set aside. To ease the burden to families who have incurred student loans and debts, this bill provides for a moratorium on the enforcement of payment of all fees, charges, and costs relating to the student loan programs for Higher Education and Technical-Vocational Education and Training (TVET). The moratorium covers the period from the declaration of a national and local State of Calamity or Emergency up to thirty (30) days from the termination thereof. In case this period exceeds a total of 60 days, the payment of the student loan and related fees is further deferred until the next semester or term. The enrollment or graduation eligibility of the student is likewise protected if the moratorium would be availed of. If passed, the bill also mandates the retroactive application of the moratorium to students affected by the COVID-19 pandemic.

Through this measure, the student loan liabilities are temporarily eased off from the minds of disaster-stricken families as they focus more on the more basic and essential daily expenses.

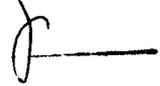
In view of this, early passage of this bill is sought.


MANUEL "LITO" M. LAPID
Senator 

³ Id.

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

1 SECTION 1. *Short Title.* – This Act shall be known as "Student Loan Payment
2 Moratorium during Disasters and Emergencies Act."
3

4 Section 2. *Declaration of Policy.* – It is hereby declared that quality education
5 is an inalienable right of all Filipinos and it is the policy of the State to protect and
6 promote the rights of all students to quality education at all levels. In the interest of
7 promoting the common good and the general welfare, it is hereby declared the policy
8 of the State to provide adequate relief and protection to those students and their
9 families suffering from the ravages of calamities and other emergency situations.
10 Pursuant thereto, collection of student loans shall be deferred for a reasonable period
11 during the existence of hardship and difficulty such as disasters, calamities and other
12 emergency situations.
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14 Section 3. *Definition of Terms.* – For purposes of this Act, these terms are
15 defined as follows:

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- a. *"Disaster"* - a serious disruption of the functioning of a community or a society involving widespread human, material, economic or environmental losses and impacts, which exceeds the ability of the affected community or society to cope using its own resources. Disasters are often described as a result of the combination of: the exposure to a hazard; the conditions of vulnerability that are present; and insufficient capacity or measures to reduce or cope with the potential negative consequences, Disaster impacts may include loss of life, injury, disease and other negative effects on human, physical, mental and social well-being, together with damage to property, destruction of assets, loss of services, Social and economic disruption and environmental degradation;
- b. *"Emergency"*- unforeseen or sudden occurrence, especially danger, demanding immediate action;
- c. *"State of Calamity"* - a condition involving mass casualty and/or major damages to property, disruption of means of livelihoods, roads and normal way of life of people in the affected areas as a result of the occurrence of natural or human-induced hazard.
- d. *"Higher education"* refers to the stage of formal education, or its equivalent, requiring completion of secondary education and covering programs of study leading to bachelor and advanced degrees, including associate degrees;
- e. Technical-Vocational Education and Training (TVET) refers to the post-secondary education or training process which involves, in addition to general education, the study of technical and related fields and the acquisition of practical skills relating to occupations in various sectors, comprising formal (organized programs as part of the school systems) and nonformal (organized classes outside the school system) approaches;
- f. *"Higher Education Institution (HEI)"* refers to an education institution authorized and recognized by the CHED to offer bachelor's degree or graduate courses;
- g. *"State universities and colleges (SUCs)"* refers to public HEIs established by national government and are governed by their respective independent boards of trustees or regents;

- 1 h. "*Local universities and colleges (LUCs)*" refers to CHED-accredited public HEIs
2 established by local government units (LGUs) through an enabling ordinance,
3 financially supported by the LGU concerned, and compliant with the policies,
4 standards and guidelines of the CHED;
- 5 i. "*Private higher education institution*" refers to HEI not owned and controlled
6 by the government or its instrumentalities; and
- 7 j. "*Technical-Vocational Institutions (TVIs)*" refers to learning institutions offering
8 Technical-Vocational Education and Training (TVET).
- 9

10 Section 4. *Scope of Application.* – This Act shall cover disasters and other kinds
11 of emergencies which are (1) national in scope, as declared through a State of
12 Calamity or State of National Emergency by the President of the Philippines, and (2)
13 provincial, city or municipal in scope, as declared through a State of Calamity or
14 Emergency by the appropriate local government unit.

15

16 Section 5. *Higher Education Institutions Covered.* – This Act shall apply to all
17 Higher Education Institutions (State Universities and Colleges, Local Universities and
18 Colleges, and private HEIs) and private and public Technical-Vocational Institutions
19 (TVIs).

20

21 Section 6. *Moratorium on Student Loan Payments.* – There shall be a
22 moratorium on the enforcement of payment of all fees, charges, and costs relating to
23 the student loan programs for Higher Education and Technical-Vocational Education
24 and Training (TVET), whether administered by the HEIs or TVIs themselves or by the
25 Unified Student Financial Assistance System for Tertiary Education (UniFAST) Board,
26 the Commission on Higher Education (CHED) or any other government agency or
27 instrumentality, for the duration of the State of Calamity or Emergency mentioned in
28 Section 4 of this Act and for thirty (30) days from the termination of said State of
29 Calamity of Emergency; *Provided*, that if the covered period exceeds a total of sixty
30 (60) days, the payment of the fees, charges and costs shall be further deferred until
31 the end of the next academic semester or term; *Provided further*, That the availment

1 of the moratorium shall not adversely affect the status of the student regarding his/her
2 eligibility for re-enrollment on the succeeding semesters or terms, or his/her eligibility
3 for graduation; *Provided finally*, That no penalties or interests shall be collected on
4 the payments made by virtue of this Act.

5 Nothing in this Act shall prevent: (1) the public or private HEIs/TVIs from
6 implementing more favorable forms of payment relief or assistance to their students,
7 or (2) the students from voluntarily waiving the benefit of the moratorium on student
8 loan payments.

9
10 *Section 7. Retroactivity Clause for Students affected by the COVID-19 Public*
11 *Health Emergency.* – The moratorium on student loan payments granted by this Act
12 shall retroactively apply to students affected by the State of Public Health Emergency
13 declared by the President of the Philippines in connection with the 2020 Coronavirus
14 Disease (COVID-19) pandemic. The CHED and TESDA shall ensure and monitor the
15 compliance of public or private HEIs/TVIs on the retroactive application of the
16 moratorium.

17
18 *Section 8. Implementing Rules and Regulations.* – Within sixty (60) days from
19 the effectivity of this Act, the Commission on Higher Education (CHED) and the
20 Technical Education and Skills Development Authority (TESDA), in consultation with
21 other relevant government agencies and stakeholders, shall issue the necessary rules
22 and regulations to implement the provisions of this Act.

23
24 *Section 9. Repealing Clause.* — All laws, presidential decrees, executive orders,
25 proclamations, rules and regulations, or any part thereof, which are inconsistent with
26 the provisions of this Act are hereby repealed or modified accordingly.

27
28 *Section 10. Separability Clause.* – If any provision or part of this Act, or the
29 application thereof to any person or circumstance, is held unconstitutional or invalid,
30 the remainder of this Act shall not be affected thereby.

31
32 *Section 11. Effectivity Clause.* — This Act shall take effect fifteen (15) days

1 from its publication in the Official Gazette or in at least two (2) newspapers of general
2 circulation.

3

4 *Approved,*