

FURTHER DEMOCRATIZING EDUCATIONAL OPPORTUNITIES PROMOTING THE "STUDY NOW PAY LATER PLAN" AND SPECIFYING VARIOUS SCHEMES FOR ITS IMPLEMENTATION.

PRESIDENTIAL DECREE NO. 932, May 13, 1976

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WHEREAS, it is of common knowledge that many deserving students are unable to pursue their studies due to financial difficulties;

WHEREAS, it is a declared national policy to democratize access to education by providing opportunities to deserving citizens to pursue higher education and training in the fields of study vital to the development of the national economy;

WHEREAS, the limited scope and coverage of existing state scholarship programs should be supplemented by schemes whereby the state can expand its commitment of financial assistance to deserving students;

WHEREAS, the establishment of an educational assistance program more commonly known as the "study now pay later plan" has been enunciated as a major measure to promote such democratization of education opportunities.

NOW, THEREFORE, I, FERDINAND E. MARCOS, President of the Republic of the Philippines, by virtue of the powers vested in me by the Constitution, hereby order and decree the following to be part of the law of the land.

SECTION 1. This decree shall hereinafter be referred to as the "Educational Assistance Act of 1976".

SEC. 2. Under such guidelines issued by the Educational Assistance Policy Council hereinafter created, poor but deserving students may avail of educational assistance from loanable funds as established below:

- Educational Loan Funds (ELF)

- A loan fund initially constituted at fifty million (P50,000,000.00) pesos shall be earmarked, set up and administered independently at the SSS and GSIS which shall allocate twenty five million (P25,000,000.00) pesos each from their investible funds spread in a yearly contribution of five million (P5,000,000.00) pesos starting calendar year 1976-77. This fund shall be used to service the financial needs of eligible students regardless of whether or not their parents or any of them are members of the SSS and GSIS. The fund shall be in addition to the current educational loan program of the SSS and the scholarship program of the GSIS.
- The PNB, DEP and the Land Bank shall set aside five million (P5,000,000.00) pesos each of their annual investment portfolio for the purpose. These institutions shall submit to the Council the procedural guidelines for their participation taking into account their own charter objectives.
- All private banking institutions and the Amanah Bank shall also earmark a certain percentage of their investible funds for the purpose.
- The amount of loan that may be granted each student shall be determined by the Council considering the

number of years to complete his studies and the amount needed for such expenditures as tuition and other school fees, board and lodging, pocket money, books and supplies and other miscellaneous expenses.

- All loans under this scheme shall be covered by a guaranty fund which is hereby created, under such conditions as may be imposed by the Council.

- Educational Loan Guarantee Fund (ELF)

- The sum of one million (P1,000,000.00) pesos is hereby authorized to be appropriated out of any funds in the National Treasury not otherwise appropriated to constitute the initial Educational Loan Guarantee Fund. Earnings guarantee charges and other credits arising from the operations of this loan fund shall accrue to the Educational Guarantee Fund.

- The guarantee fund shall be administered by the Council.

SEC. 3. The Council may accept donations legacies, grants-in-aid and other contributions to form part of the loan and/or Guarantee Funds.

SEC. 4. The payment of all loans granted to any student-borrowers under the schemes enumerated shall be made immediately upon employment under such payroll check-off system as may be established by the Council.

SEC. 5. A policy making council to oversee this program is hereby created to be composed of the Secretary of Education and Culture as Chairman, the Secretary of Labor as Vice-Chairman, and the Director-General of the NEDA, Secretary of Finance, Secretary of Social Welfare, Budget Commissioner, Presidential Assistant on Youth and Sports Development, Governor of the Central Bank, Administrator of the SSS and General Manager of the GSIS or their alternates as members.

It shall be the function of the Council to:

- Determine and issue the appropriate policies, measures rules and regulations necessary to implement, maintain and enhance this program.

- Issue guidelines to govern existing and future educational assistance programs of other government agencies and the private sector.

- Enlist the cooperation of schools and other relevant institutions for the effective implementation and enhancement of the program.

- Perform such other duties as hereinafter be assigned to it by the President of the Philippines.

SEC. 6. An inter-agency secretariat, the composition and function of which shall be determined by the Council, is hereinafter created, to assist the Council in the implementation of this program.

The sum of two hundred thousand (P200,000.00) pesos is hereby appropriated annually to be included in the budget of the Department of Education and Culture to finance the Operations of the secretariat.

SEC. 7. Qualification of Applicants

Any Filipino citizen who graduates from a duly authorized secondary school, whether public or private, desiring to pursue further studies may avail of assistance under any of the schemes, the basic consideration being he is poor but deserving. The Council shall determine such other qualifications as it deems proper for the purpose.

SEC. 8. This Decree shall take effect immediately upon publication of its implementing rules and regulations in two (2) newspapers of general circulation in the Philippines.

SEC. 9. The Student Loan Fund Authority created under RA 6014 is hereby abolished. Likewise, all acts or parts of acts inconsistent herewith are hereby repealed or modified accordingly.

Done in the City of Manila, this 13th day of May, in the year of Our Lord, Nineteen Hundred and Seventy-Six.

(Sgd.)

FERDINAND E. MARCOS

President

Republic of the Philippines

By the President:

(Sgd.)

JACOBO C. CLAVE

Presidential Executive Assistant

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