

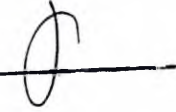
NINETEENTH CONGRESS OF THE )  
REPUBLIC OF THE PHILIPPINES )  
First Regular Session )

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SENATE

S. No. 975

RECEIVED BY:



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Introduced by Senator Manuel "Lito" M. Lapid

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

**EXPLANATORY NOTE**

The relationship between disasters and poverty incidence has long been established in the Philippines. The yearly occurrence of devastating typhoons caused crippling and periodic setbacks to our farmers and fisherfolks. Earthquakes destroyed the economic foundations built by families and businesses through years of hard work. 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 pandemic<sup>1</sup>. 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.<sup>2</sup> On a macroeconomic level, 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.<sup>3</sup>

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<sup>1</sup> 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>

<sup>2</sup> *Id.*

<sup>3</sup> *Id.*

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 be 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*



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

*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 "Student Loan Payment  
2 Moratorium during Disasters and Emergencies Act."

3 Section 2. *Declaration of Policy.* – It is hereby declared that quality education  
4 is an inalienable right of all Filipinos and it is the policy of the State to protect and  
5 promote the rights of all students to quality education at all levels. In the interest of  
6 promoting the common good and the general welfare, it is hereby declared the policy  
7 of the State to provide adequate relief and protection to those students and their  
8 families suffering from the ravages of calamities and other emergency situations.

9 Pursuant thereto, collection of student loans shall be deferred for a reasonable  
10 period during the existence of hardship and difficulty such as disasters, calamities and  
11 other emergency situations.

12 Section 3. *Definition of Terms.* – For purposes of this Act, these terms are  
13 defined as follows:

14 a. *"Disaster"* - a serious disruption of the functioning of a community or a society  
15 involving widespread human, material, economic or environmental losses and

1 impacts, which exceeds the ability of the affected community or society to cope  
2 using its own resources. Disasters are often described as a result of the  
3 combination of: the exposure to a hazard; the conditions of vulnerability that  
4 are present; and insufficient capacity or measures to reduce or cope with the  
5 potential negative consequences, Disaster impacts may include loss of life,  
6 injury, disease and other negative effects on human, physical, mental and social  
7 well-being, together with damage to property, destruction of assets, loss of  
8 services, Social and economic disruption and environmental degradation;

- 9 b. "*Emergency*"- unforeseen or sudden occurrence, especially danger, demanding  
10 immediate action;
- 11 c. "*State of Calamity*"- a condition involving mass casualty and/or major damages  
12 to property, disruption of means of livelihoods, roads and normal way of life of  
13 people in the affected areas as a result of the occurrence of natural or human-  
14 induced hazard, as may be declared by proper authorities as provided by law;
- 15 d. "*Higher education*" refers to the stage of formal education, or its equivalent,  
16 requiring completion of secondary education and covering programs of study  
17 leading to bachelor and advanced degrees, including associate degrees;
- 18 e. "*Technical-Vocational Education and Training (TVET)*" refers to the post-  
19 secondary education or training process which involves, in addition to general  
20 education, the study of technical and related fields and the acquisition of  
21 practical skills relating to occupations in various sectors, comprising formal  
22 (organized programs as part of the school systems) and nonformal (organized  
23 classes outside the school system) approaches;
- 24 f. "*Higher Education Institution (HEI)*" refers to an education institution  
25 authorized and recognized by the CHED to offer bachelor's degree or graduate  
26 courses;
- 27 g. "*Local universities and colleges (LUCs)*" refers to CHED-accredited public HEIs  
28 established by local government units (LGUs) through an enabling ordinance,  
29 financially supported by the LGU concerned, and compliant with the policies,  
30 standards and guidelines of the CHED;
- 31 h. "*Private higher education institution*" refers to HEI not owned and controlled  
32 by the government or its instrumentalities; and

- 1 i. *Technical-Vocational Institutions (TVIs)* refers to learning institutions offering  
2 Technical-Vocational Education and Training (TVET).

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

8 Section 5. *Higher Education Institutions Covered.* This Act shall apply to all  
9 Higher Education Institutions (State Universities and Colleges, Local Universities and  
10 Colleges, and private HEIs) and private and public Technical-Vocational Institutions  
11 (TVIs).

12 Section 6. *Moratorium on Student Loan Payments.* – There shall be a  
13 moratorium on the enforcement of payment of all fees, charges, and costs relating to  
14 the student loan programs for Higher Education and Technical-Vocational Education  
15 and Training (TVET), whether administered by the HEIs or TVIs themselves or by the  
16 Unified Student Financial Assistance System for Tertiary Education (UniFAST) Board,  
17 the Commission on Higher Education (CHED) or any other government agency or  
18 instrumentality, for the duration of the State of Calamity or Emergency mentioned in  
19 Section 4 of this Act and for thirty (30) days from the termination of said State of  
20 Calamity of Emergency; Provided, that if the covered period exceeds a total of sixty  
21 (60) days, the payment of the fees, charges and costs shall be further deferred until  
22 the end of the next academic semester or term; Provided further. That the availment  
23 of the moratorium shall not adversely affect the status of the student regarding his/her  
24 eligibility for re-enrollment on the succeeding semesters or terms, or his/her eligibility  
25 for graduation; Provided finally, That no penalties or interests shall be collected on  
26 the payments made by virtue of this Act.

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

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

8           Section 7. *Implementing Rules and Regulations.* – Within sixty (60) days from  
9 the effectivity of this Act, the Department of Trade and Industry (DTI) and the  
10 Department of Human Settlements and Urban Development, in consultation with other  
11 relevant government agencies and stakeholders, shall issue the necessary rules and  
12 regulations to implement the provisions of this Act.

13           Section 8. *Repealing Clause.* — All laws, presidential decrees, executive orders,  
14 proclamations, rules and regulations, or any part thereof, which are inconsistent with  
15 the provisions of this Act are hereby repealed or modified accordingly.

16           Section 9. *Separability Clause.* – If any provision or part of this Act, or the  
17 application thereof to any person or circumstance, is held unconstitutional or invalid,  
18 the remainder of this Act shall not be affected thereby.

19           Section 10. *Effectivity Clause.* — This Act shall take effect fifteen (15) days  
20 from its publication in the Official Gazette or in at least two (2) newspapers of general  
21 circulation.

22           *Approved,*

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