

**[ REPUBLIC ACT NO. 6014, August 04, 1969 ]**

**AN ACT CREATING THE STUDENTS' LOAN FUND AUTHORITY, PRESCRIBING ITS POWERS, FUNCTIONS AND DUTIES, AND AUTHORIZING THE APPROPRIATION OF FUNDS THEREFOR.**

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

SECTION 1. *Declaration of policy.*— It is hereby declared a national policy to give equal opportunity to all persons who desire to pursue higher education by extending financial assistance and promoting scholarship grants-in-aid to deserving students to the end that no person shall be deprived of the benefits of education on account of poverty.

SEC. 2. *Students' Loan Fund Authority.*— To carry out such declared policy, there is hereby created a Students' Loan Fund Authority under the Department of Education, hereinafter referred to as the Authority, which shall be organized within sixty days after the approval of this Act. The Authority shall have its principal place of business in the City of Manila.

SEC. 3. *Definition of terms.*— For purposes of this Act, the following terms shall mean:

- (1) The Authority shall refer to the Students' Loan Fund Authority.
- (2) Scholarship grants-in-aid refer to such amounts loaned to student recipients to cover matriculation and other school fees;
- (3) Education loans refer to such amounts loaned to student recipients to cover expenses for books, subsistence, board and lodging.

SEC. 4. *Powers, functions and duties of the Authority.*— The Authority shall have the following powers, functions and duties:

- (a) To establish and adopt a program of generating funds for educational loans and scholarship grants-in-aid to students who qualify under the provisions of this Act;
- (b) To encourage and coordinate the grant of scholarship grants-in-aid to deserving students by public and private agencies;
- (c) To plan and implement a program of financing the education of needy and deserving students: *Provided, however,* That the distribution of loans and scholarship grants-in-aid to the various cities and provinces shall be in proportion to their population: *Provided, further,* That support for student recipients shall be given until they finish their course of study:

*Provided, finally,* That student-debtors shall not be entitled to financial aid for subjects they repeat on account of failure or unjustified drop-out;

(d) To establish a priority of courses based on the manpower needs of the country and accordingly approve applications for assistance on the basis of such priorities;

(e) To prepare and administer all the necessary psychological aptitude, intelligence quotient and all other pedagogical tests necessary for the proper screening of the student recipients under this Act;

(f) To develop a system of collecting payments of loans granted to students under this Act: *Provided, however,* That the annual amortization of such loans shall not exceed fifteen per cent of the annual income of the grantee;

(g) To publicize and make available all information regarding the functions and work of the Authority;

(h) To conduct studies and researches on the extent poverty deprives students of pursuing college education or other forms of higher education after graduation from secondary schools and to recommend appropriate solutions for legislative action;

(i) To establish a center of information which will publicize scholarship opportunities available to Filipino students in colleges and universities here and abroad;

(j) To solicit and receive donations, legacies, grants-in-aid and other forms of contribution, whether in cash or in property from both public and private sources, here and abroad, which shall accrue to the special fund created in this Act, and to receive and utilize the services and assistance of experts: *Provided,* That such donations, legacies, grants-in-aid and contributions shall be exempt from taxation and shall be allowable deductions for income tax purposes;

(k) To avail of the personnel and office facilities of the Department of Education, universities, colleges and schools in coordination with the proper officers for the efficient implementation of the provisions of this Act;

(l) To issue rules and regulations necessary for the proper implementation of this Act; and

(m) To exercise such other powers and perform such other functions and duties as will promote and expand scholarship grants-in-aid and educational opportunities for needy and deserving students to carry into effect the provisions of this Act.

SEC. 5. *Executive Board.*— The powers of the Authority shall be exercised and its functions and duties performed by an Executive Board which shall be composed of twelve members, with the Secretary of Education as Chairman, or in his absence, the Undersecretary of Education for policy, who shall all be appointed by the President of the Philippines with the consent of the Commission on Appointments. The other members are as follows:

- (a) A representative from state universities and colleges who shall be the Vice-Chairman;
- (b) A representative of sectarian universities and colleges, who shall be

selected from the list of four nominees by the Catholic Educational Association of the Philippines and Association of Christian Schools and Colleges;

(c) A representative of non-sectarian private universities and colleges, who shall be selected from the list of four nominees by the Philippine Association of Colleges and Universities;

(d) A representative from the Philippine Association for Guidance and Personnel;

(e) A representative from the Commission on National Integration;

(f) A representative from the Department of Labor;

(g) Two representatives from government financing institutions;

(h) Two representatives from the private sector, one representing insurance and banking, and the other representing other business; and

(i) One representative from the student sector: *Provided, however,* That the appointee shall not be more than 30 years of age; *Provided, finally,* That the student representative shall hold office for a term of only one year.

SEC. 6. *Term of Office.*— The members of the Board shall hold office for a term of four years from the date of their respective appointments and may not be removed except for cause: *Provided, however,* That in the case of the representatives from the sectarian or non-sectarian universities and colleges, a request by the organization involved to change its representative shall be deemed sufficient cause for removal. In case of vacancy in the Board due to death, resignation, removal or incapacity of a member thereof, the President may appoint a successor who shall serve for the unexpired portion of the term of the member he replaced.

SEC. 7. *Meetings of the Board.*— The Board shall meet at least once a month or as often as may be necessary to carry into effect the purposes of this Act. The Board shall be convened by the Chairman or upon the written request of at least three members thereof.

SEC. 8. *Compensation of members.*— The Chairman and Members of the Board shall each receive a per diem of fifty pesos for each day of meeting personally and actually attended by them, but which in no case shall aggregate more than two hundred pesos a month.

SEC. 9. *Commissioners of the Authority.*— There shall be in the Authority a Commissioner who shall be assisted in the exercise of his powers and the performance of his functions and duties, by one Deputy Commissioner. The Commissioner and the Deputy Commissioner shall be appointed by the Executive Board with the approval of the President of the Philippines. The Commissioners shall have at least seven years experience in school or educational administration and a holder of at least a Master's Degree or its equivalent conferred by a reputable educational institution.

The Commissioner shall receive an annual salary equal to the salary of an undersecretary of an executive department, and the Deputy Commissioner an annual salary equal to that of bureau director.