

A BILL

FOR

AN ACT TO PROVIDE EASY ACCESS TO HIGHER EDUCATION FOR NIGERIANS THROUGH INTEREST FREE LOANS FROM NIGERIAN EDUCATION BANK ESTABLISHED IN THIS ACT WITH A VIEW TO PROVIDE EDUCATION FOR ALL NIGERIANS AND FOR RELATED MATTERS

Sponsored by Hon. Femi Gbajabamila

[] Commencement

BE IT ENACTED by the National Assembly of the Federal Republic of Nigeria as follows:

1 1. Notwithstanding anything to the contrary contained in any Act
2 or in any other enactment or Law, the provision of this Act shall apply to all
3 matters pertaining to the application and grant of loans to Nigerians seeking
4 Higher Education into institutions of higher learning in Nigeria through the
5 Nigerian Education Bank.

6 2. Subject to the provisions that may be contained in other
7 enactment, all students seeking higher education in any public institution of
8 higher learning in Nigeria shall have equal right to access the loan under this
9 Act without any discrimination arising from gender, religion, tribe, position
10 or disability of any kind

11 3. The loan referred to in this Act shall be granted to students only
12 for the payment of Tuition fees.

13 4. The grant of the loan to any student under this Act shall be
14 subject to the students/applicant(s) satisfying the requirements and
15 conditions set out under this Act.

16 5.-(1) There is hereby established a bank to be known as the
17 Nigerian Education Bank (in this Act referred to as "the Bank") which shall
18 have the functions and powers conferred on it by this Act.

19 (2) The Bank shall:

Establishment
of the Nigerian
Education Bank

1 (a) be a body corporate with perpetual succession and a common seal
2 and shall have powers to sue and be sued in its corporate name;

3 (b) have its head office located in the Federal Capital Territory and
4 may establish branch offices in any state of the Federation as it may deem fit;

5 (c) subject to the provisions of the Land Use Act, acquire, hold, or
6 dispose of properties, movable or immovable for the purposes of its functions.

7 6. The functions of the Bank shall be to:

8 (a) Implement the provisions of this Act;

9 (b) Supervise, coordinate, administer, and monitor the management
10 of the students loan in Nigeria;

11 (c) receive applications for students loan through higher institutions
12 in Nigeria on behalf of the applicants, screen the applications to ensure that all
13 requirements for grant of students' loan under this Act are satisfied, in
14 compliance with the provisions of this Act;

15 (d) approve and disburse loan to qualified applicants;

16 (e) control and monitor and coordinate the students loan account/fund
17 and ensure compliance in respect of disbursement;

18 (f) monitor academic records of grantees of the loan to obtain
19 information on their year of graduation, national service, employment in to
20 ensure that grantees of the loan commence repayment of the loan as at when
21 due;

22 (g) liaise with the employers of the grantees and conclude
23 documentation with employers to ensure that the required sum to be deducted
24 is deducted from the grantees salary and remitted to the student loan
25 fund/account as directed by the commission;

26 (h) provide financial advice on educational matters to institutions of
27 higher education, and to parents and educational investors;

28 (i) ensure adequate security on any loan granted;

29 (j) engage and participate in other banking business;

30 (k) exercise all legal rights toward recovering all loan and enforcing

1 the Provisions of this Act;

2 (l) quarterly issue a report to the President on the performance of
3 the Students Loan;

4 (m) without prejudice to the provisions of this Act or any other
5 enactment provide rules and guidelines including method of application to
6 ensure better performance at all times and prevent the emergence of Ghost
7 Students applications;

8 (n) employ and pay the staff of the bank salaries and other benefits
9 using the scale as applicable to industry of similar status;

10 (o) enter into any negotiation, agreement and contractual
11 relationship such as may be necessary or expedient for the discharge of the
12 functions of the Commission;

13 (p) Conduct studies, researches, and investigations that may
14 further the attainment of the goal and development of the students loan
15 regime in Nigeria;

16 (q) Do legally anything necessary to be done to facilitate the
17 carrying out of its functions.

18 7.-(1) There shall be for the Bank a Governing Board (in this Act
19 referred to as "the Board") which shall be responsible for the discharge of the
20 functions of the Bank.

Governing Board
of the Bank

21 (2) The Board shall consist of the following members:

22 (a) A Chairman who shall be a Professor and a retired Vice
23 Chancellor of any Nigerian University;

24 (b) The Managing Director;

25 (c) The Secretary;

26 (c) The Minister of Education;

27 (d) The Chairman, National University Commission;

28 (e) A representative of Vice Chancellor's forum of all Nigeria
29 Universities;

30 (f) A representative of the Rectors' forum of all Nigerian

- 1 Polytechnics and Colleges of Education in Nigeria;
- 2 (g) The Minister of Finance or his representative;
- 3 (h) The Auditor General of the Federation;
- 4 (i) A representative of the Nigerian Labour Congress;
- 5 (j) A representative of the Nigerian Bar Association;
- 6 (k) A representative of Academic Staff Union of Universities.

7 **8.** The chairman and members of the Board shall be appointed by the
8 President subject to confirmation of the National Assembly and shall be
9 persons of proven integrity and ability.

Tenure of Office

10 **9.** The chairman and members of the Board shall each hold office:
11 (i) for a term of four (4) years and may be reappointed for a further
12 term of four year and no more; and
13 (ii) on such terms and conditions as may be specified in his letter of
14 appointment

15 **10.**-(1) A person shall cease to hold office as a member of the Board in
16 the occurrence of any of the following:

- 17 (a) If he dies;
- 18 (b) If he becomes bankrupt;
- 19 (c) If he is convicted of a felony or any offence involving dishonesty
20 or fraud;
- 21 (d) If he becomes of unsound mind or is incapable for any reason of
22 carrying out his duties;
- 23 (e) he is guilty of serious misconduct in relations to his duties;
- 24 (f) he resigns his appointment by written notice under his hand to the
25 president.

26 (2) Where there is a vacancy in the membership of the Board as a
27 result of any of the causes mentioned above, it shall be filled by the
28 appointment of a successor to hold office for the remainder of the term of office
29 of his predecessor to the extent that the successor shall represent the same
30 interest and shall be appointed by the President.

1 11. The President may remove a member if he is satisfied that it is
2 not in the interest of the Board or the public that such a member continues in
3 office. Provided that the removal of the Chairman of the Bank shall be
4 subject to ratification of the Senate.

5 12. A member of the Board shall be paid such allowances and
6 expenses as may be determined by Revenue Mobilization, Allocation and
7 Fiscal Commission using the scale as applicable to industry of similar status.

8 13. The Board shall have power to appoint for the Bank, either
9 directly or on secondment from public service of the Federation, such number
10 of employees as may in the opinion of the Board be required to assist the
11 Bank in the discharge of any of its functions under this Act.

12 14.-(1). The share capital of the bank shall subject to sub-section 2
13 of this section be N1,000,000,000 (One Billion Naira) divided into One
14 Billion shares of 1,000,000,000 shares of N1.00 each.

Share Capital
of the Bank

15 (2) The share capital shall on the commencement of this Act be
16 deemed to have been subscribed for, issued and called up in full and
17 payment in respect of the call up shall be made by the holder of the shares at
18 such times and in such manner as the President may direct.

19 (3) The President may from time to time increase the share capital
20 of the bank and Board shall forthwith make calls for the additional shares on
21 such terms and conditions as the Board may determine.

22 (4) All the shares of the Bank shall be taken up by the Federal
23 Government of Nigeria and shall subject to sub-section 1 and 2 of this
24 section be paid for by the Federal Government.

25 (5) The Accountant-General of the Federation shall when
26 authorised under this sub-section by the President charge to and issue out of
27 the Consolidated Revenue Fund of the Federation any sum required for
28 making payment for shares in the Bank taken up by the Federal
29 Government.

30 (6) The liability of the holder of shares in the Bank shall be limited

1 to the amount, if any, unpaid on the shares held by the holder.

Funds of the
Bank

2 15.-(1) Without prejudice to the provision of section 14 of this Act,
3 there is hereby established a fund to be known as the Student's Loan Fund (in
4 this Act referred to as "the Fund") to which funds of the bank from other
5 sources shall be paid

6 (2) All contributions and other monies required or prescribed by this
7 Act shall be paid into the fund to be held and managed by the Bank for the
8 purpose of granting and disbursement of loans to qualified applicants of the
9 Student loan.

Sources of
Fund

10 16. Subject to the provisions of Section 14 of this Act, the fund of the
11 Bank shall consist of:

12 (a) All Interests arising from deposits in the bank;

13 (b) Education bonds;

14 (c) Education endowment fund schemes;

15 (d) 1 % of all taxes, levies and duties accruing to the government of
16 the Federation from Federal Inland Revenue Services (FIRS), Nigerian
17 Immigration Services and Nigerian Customs Services;

18 (e) 1 % of all profits accruing to the government of the Federation
19 arising from oil and other minerals;

20 (f) All sums accruing to the fund by way of donations, gifts, grant,
21 endowment or Otherwise;

22 (g) Interest and Revenue accruing from savings and investments
23 made by the bank;

24 (h) Other revenue accruing to the bank from any other source.

Aims and
Objectives of
the Fund

25 17.-(1) The aims and objectives of the fund shall be to:

26 (a) facilitate the mobilisation of funds to provide interest free loans to
27 students of institutions of higher learning in Nigeria for the payment of tuition
28 fees;

29 (b) ensure constant supply of loans to qualified students applicants for
30 the purpose of providing education to all Nigerians.

1 18.--(1) Students applying for loan under this Act must apply to the Eligibility of
2 Chairman of the Bank through their respective institutions upon satisfaction applicants
3 of the following conditions:

4 (i) Applicant must have secured admission into any of the Nigerian
5 Universities, Polytechnics, Colleges of Education or any Vocational School
6 established by the Federal Government or the government of any State of the
7 Federation;

8 (ii) Applicant income or family income must be less than N500,000
9 (Five Hundred Thousand Naira per annum;

10 (iii) Applicant must provide at least two guarantors: each of the
11 guarantors must be a civil servant of not less than level 12 years in the
12 service; or a Lawyer with at least 10 (ten) years post-call experience; a
13 Judicial officer; or a Justice of Peace.

14 19. A student is disqualified from accessing the Loan if: Disqualifications

15 (a) he is proven to have defaulted in respect of any previous loan
16 granted by any organization;

17 (b) he has been found guilty of exam malpractice by any school
18 authority;

19 (c) he is convicted of a felony or any offence involving dishonesty
20 or fraud;

21 (d) he has been convicted of drug offenses;

22 (e) any of the parents has defaulted in respect of students loan or
23 any loan granted to him/her.

24 20.--(1) All applications from every Institution must be submitted Method of
25 through the Students Affairs Office of each Institution via a list of all Application
26 qualified applicants from the institution accompanied by a cover letter
27 signed by the Vice Chancellor or Rector or the head of the institution and the
28 Students Affairs Officer and addressed to the Chairman of the Board of the
29 Bank.

30 (2) Each application as stated above must be accompanied by:

1 (a) copy of the student's admission letter;

2 (b) Letter by the guarantors addressed to the Chairman, Governing
3 board of the Bank recommending the student for the loan and stating that he
4 accepts liability in the event of default;

5 (c) Each guarantor must submit two passport photographs, name of
6 employer and evidence of being so employed by the named organization;

7 (d) Where the guarantor is self employed he must provide particulars
8 of his business as registered with the Corporate Affairs Commission or any
9 other appropriate authority and his bankers;

10 (3) Each institutions must ensure that all applications from its school
11 reach the Bank not more than 30 days after close of admission for the academic
12 year.

Disbursement

13 **21.**-(1) Processing of any applicant's application and disbursement
14 shall be made within 30 days of the application reaching the Bank.

15 (2) Without prejudice to sub-section 1 above, the applications must be
16 processed and send to the Minister for approval within the said 30 days.

Repayment

17 **22.**-(1) Any beneficiary of the loan to which this Act refers shall
18 commence repayment two years after completion of the National Youth
19 Service Corps programme.

20 (2) Repayment shall be by direct deduction of 10% of the
21 beneficiaries salary at source by the employer and credited to the Students
22 Loan Account to be prescribed by the Bank.

23 (3) Where the beneficiary is self employed, he shall remit 10% of his
24 total profit monthly to the Students loan account to be prescribed by the Bank

25 (4) For the purpose of sub-section 3 above, a self employed person
26 shall within sixty (60) days of assuming that status submit all information such
27 as name of business, address and location, registration documents, if
28 registered, name of bankers, names of partners, name of directors and
29 shareholders to the Commission

30 (5) Anyone in default of the provisions of sub-section 4 above, or

1 found to be aiding the default of any of the provisions of this Act is guilty of
2 an offence and if convicted shall be liable to imprisonment for two years or a
3 fine of N500,000 (Five Hundred Thousand Naira) or both.

4 23.-(1) The Provisions of the Public Officer Protection Act shall
5 apply in relation to any suit instituted against any officer or employee of the
6 Bank in his capacity as such.

Application of
the Public Officers
Protection Act

7 (2) No suit shall be commenced against a member of the Board or
8 the Secretary or any officer or employee of the Bank in that capacity before
9 the expiration of a period of one month after writing a notice of intention to
10 commence the suit which shall have been served upon the Bank by the
11 intending Plaintiff or his agent

12 (3) the notice referred to in sub section 2 shall state, the cause of
13 action, particulars of claims the name and place of abode of the intending
14 plaintiff and the relief, which he claims.

15 (4) a notice, summons, or other documents required or authorized
16 to be served upon the Bank under the provisions of this Act or any other law
17 or enactment may be served by delivering it to the Secretary or by sending it
18 by registered post and addressed to the Secretary at the head office of the
19 Board.

20 24. The Board shall not later than 4 months after the end of year,
21 submit to the President a report on the activities of the Bank and its
22 administration during the immediately preceding year and shall include in
23 the report the audited accounts of the Bank and the auditor's comment on the
24 report.

Annual Report

25 29. The Minister may make such regulations as he deems fit to be
26 necessary or expedient for giving full effect to the provisions of this Act.

Regulations

27 30. In this Act, unless the context otherwise requires:

Interpretation

28 "Bank" means the Nigerian Education Bank established herein;

29 "Board" means the Governing Board of the Nigerian Education Bank;

30 "Minister" means the Minister of Education;

1 "Loan" means loan to be granted to qualified Students of institutions of higher
2 learnings in Nigeria;

3 "Institutions of Higher Learnings" means Public Universities, Polytechnics,
4 Colleges of Education and Vocational schools established by government;

5 "Fund" means Students Loan fund established under this Act;

Repeal

6 32.-(1) The Nigerian Education Bank Cap 104 Laws of the Federation
7 of Nigeria 2004 is hereby repealed.

8 (2) All assets, funds, resources and other moveable or immovable
9 properties which immediately before the commencement of this Act were
10 vested in the repealed Act shall by virtue of this Act be vested in the Bank
11 established under this Act.

Citation

12 33. This Bill may be cited as the Students Loan (Access to Higher
13 Education) Bill, 2019

EXPLANATORY NOTES

This Bill seeks to provide easy access to higher education for Nigerians through students' loan with a view of providing education for all Nigerians.