

STUDENTS LOANS (ACCESS TO HIGHER EDUCATION) ACT, 2023

EXPLANATORY MEMORANDUM

This Act provides easy access to higher education for Nigerians through students' loan with a view to providing education for all Nigerians.

STUDENTS LOANS (ACCESS TO HIGHER EDUCATION) ACT, 2023

Arrangement of sections

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STUDENTS LOANS (ACCESS TO HIGHER EDUCATION) ACT, 2023

A Bill

For

An Act to repeal the Nigerian Education Bank Act Cap. N104, Laws of the Federation of Nigeria, 2004 and enact the Students Loans (Access to Higher Education) Act, 2023 to provide easy access to higher education for indigent Nigerians through interest free loans from the Nigerian Education Loan Fund established in this Act with a view to providing education for all Nigerians; and for related matters.

[] Commencement

ENACTED by the National Assembly of the Federal Republic of Nigeria —

1. Notwithstanding the provisions of any Act, enactment or Law, this Act shall apply to all matters pertaining to the application and grant of loans to Nigerians seeking higher education into institutions of higher learning in Nigeria through the Nigerian Education Loan Fund. Students loans and access to higher education
2. Subject to the provisions of any other enactment, all students seeking higher education in any public institution of higher learning in Nigeria shall have equal right to access the loans under this Act without any discrimination arising from gender, religion, tribe, position or disability of any kind. Equal right to access the loans
3. The loans referred to in this Act shall be granted to students only for the payment of tuition fees. Purpose of the loans
4. The grant of the loan to any student under this Act shall be subject to the students or applicants satisfying the requirements and conditions set out under this Act. Requirements for the loans
5. (1) There is established the Nigerian Education Loan Fund (in this Act referred to as “the Fund”) which shall have the functions and powers conferred on it by this Act. Establishment of the Nigerian Education Loan Fund
 - (2) The Fund shall be domiciled with, managed and administered by the Central Bank of Nigeria through the money deposit banks in Nigeria for the purpose set out under section 6 of this Act
 - (3) The Governor of the Central Bank of Nigeria shall set up a Special Committee to perform the functions of the Fund set out under section 6 of this Act.
 - (4) The Chairman of the Committee shall be the Governor of the Central Bank of Nigeria who shall appoint the Secretary of the Committee.
 - (5) Subject to the provisions of this Act, the Committee shall establish regulations and guidelines for the management, administration, disbursement and recoupment of students’ loans under this Act, and all stakeholders including parents, students’

applicants, beneficiaries of the students' loans and deposit banks shall comply with the regulations and guidelines.

6. The functions of the Fund are to —

Functions of the Fund

- (a) implement the provisions of this Act;
- (b) supervise, coordinate, administer, and monitor the management of the students loan in Nigeria;
- (c) receive applications for students loans through higher institutions in Nigeria on behalf of the applicants, screen the applications to ensure that all requirements for grant of students' loans under this Act are satisfied in compliance with the provisions of this Act;
- (d) approve and disburse loans to qualified applicants;
- (e) control and monitor and coordinate the students loans account or Fund domicile with the Central Bank of Nigeria and ensure compliance in respect of disbursement;
- (f) monitor academic records of grantees of the loans to obtain information on their year of graduation, national service, employment and to ensure that grantees of the loans commence repayment of the loans as at when due;
- (g) liaise with the employers of the grantees and conclude documentation with employers to ensure that the required sum to be deducted is deducted from the grantees salary and remitted to the Fund or account as directed by the Committee;
- (h) provide financial advice on educational matters to institutions of higher education, and to parents and educational investors;
- (i) ensure adequate security on any loan granted;
- (j) engage and participate in other banking business;
- (k) exercise all legal rights toward recovering all loan and enforcing the provisions of this Act;
- (l) quarterly issue a report to the President on the performance of the students loans;
- (m) without prejudice to the provisions of this Act or any other enactment provide rules and guidelines including method of application to ensure better performance at all times and prevent the emergence of ghost students applications;

- (n) employ and pay the staff of the Fund salaries and other benefits using the scale as applicable to industry of similar status;
- (o) enter into any negotiation, agreement and contractual relationship such as may be necessary or expedient for the performance of the functions of the Commission;
- (p) conduct studies, researches, and investigations that may further the attainment of the goal and development of the students loans regime in Nigeria; and
- (q) do anything necessary to be done to facilitate the performance of its functions.

7. (1) There shall be for the Fund a Special Committee (in this Act referred to as “the Committee”) which shall be responsible for the performance of the functions of the Fund. Membership of the Special Committee

(2) The Committee shall consist of —

- (a) the Governor of the Central Bank of Nigeria as the Chairman;
- (b) the Secretary of the Fund who shall be appointed by the Chairman;
- (c) the Minister responsible for education;
- (d) the Chairman, National Universities Commission;
- (e) a representative of Vice-Chancellors forum of all Nigeria Universities;
- (f) a representative of the Rectors forums of all Nigerian Polytechnics and Provosts forum of all Colleges of Education in Nigeria;
- (g) the Minister responsible for finance or his representative;
- (h) the Auditor-General for the Federation;
- (i) a representative of the Nigerian Labour Congress;
- (j) a representative of the Nigerian Bar Association; and
- (k) a representative of the Academic Staff Union of Universities.

8. Subject to the provisions of section 7 of this Act, the Chairman and members of the Board shall hold office for the term for which they hold their substantive offices and shall automatically be replaced by his successor: Tenure of office

Provided that the appointment of the Secretary shall be at the pleasure of the Chairman of the Fund.

- 9.** (1) A person shall cease to hold office as a member of the Committee if he — Cessation of office
- (a) dies;
 - (b) becomes bankrupt;
 - (c) is convicted of a felony or any offence involving dishonesty or fraud;
 - (d) becomes of unsound mind or is incapable for any reason of discharging his duties;
 - (e) is guilty of serious misconduct in relations to his duties; or
 - (f) resigns his appointment by written notice under his hand to the president.
- (2) Where there is a vacancy in the membership of the Committee as a result of any of the causes mentioned in subsection (1), it shall be filled by the person next in rank to the affected member pending the appointment of a substantive successor to his office.
- 10.** The President shall have power to alter the decision of the Committee or give such directive to the Committee as he deems fit if he is satisfied that it is in the interest of the Committee or the public. Power to alter or give directive
- 11.** A member of the Committee shall be paid such allowances and expenses as may be determined by the Governor of the Central Bank of Nigeria. Allowances and expenses
- 12.** The sources of the Fund shall consist of — Sources of the Fund
- (a) education bonds;
 - (b) education endowment fund schemes;
 - (c) 1% of all taxes, levels and duties accruing to the Government of the Federation from Federal Inland Revenue Service (FIRS), Nigerian Immigration Service and Nigerian Customs Service;
 - (d) 1% of all profits accruing to the Government of the Federation arising from oil and other minerals;
 - (e) all sums accruing to the Fund by way of donations, gifts, grant, endowment or otherwise; and
 - (f) other revenue accruing to the Fund from any other source.
- 13.** The aims and objectives of the Fund shall be to — Aims and objectives of the Fund
- (a) facilitate the mobilisation of funds to provide interest free loans to students of institutions of higher learning in Nigeria for the payment of tuition fees; and
 - (b) ensure constant supply of loans to qualified students applicants for the purpose of providing education to all Nigerians.

14. Students applying for loan under this Act must apply as provided under section 17 of this Act on satisfaction of the following conditions — Eligibility of applicants

- (a) applicant must have secured admission into any of the Nigerian universities, polytechnics, colleges of education or any vocational school established by the Federal Government or the Government of any state of the federation.
- (b) applicant income or family income must be less than N500,000 per annum;
- (c) applicant must provide at least two guarantors, and each of the guarantors shall be a —
 - (i) civil servant of at least level 12 in the service,
 - (ii) lawyer with at least 10 years post-call experience,
 - (iii) judicial officer, or
 - (iv) justice of peace.

15. A student is disqualified from accessing the loan if — Disqualifications

- (a) he is proven to have defaulted in respect of any previous loan granted by any organisation;
- (b) he has been found guilty of exam malpractice by any school authority;
- (c) he is convicted of a felony or any offence involving dishonesty or fraud;
- (d) he has been convicted of drug offenses; or
- (e) any of the parents has defaulted in respect of student's loan or any loan granted to the person

16. (1) All applications must be submitted through the applicant's bank to the Chairman of the Committee established under this Act accompanied by a cover letter signed by the vice-chancellor or rector or the head of the institution and the students affairs officer of the institution. Method of application

(2) Each application shall be accompanied by —

- (a) copy of the student's admission letter;
- (b) a letter by the guarantors addressed to the Chairman of the Committee established under this Act recommending the student for the loan and stating that he accepts liability in the event of default;

(c) two passport photographs from each of the guarantor's, name of employer and evidence of being so employed by the named organisation;

(d) particulars of guarantor's business registration with the Corporate Affairs Commission or any other appropriate authority and his bankers, where the guarantor is self-employed.

(3) The Committee shall communicate to the applicant on the status of his application within 14 days of the receipt of any application

(4) Disbursement shall be on availability of funds.

17. Processing of any applicant's application and disbursement shall be made within 30 days of the application reaching the Chairman of the Committee subject to section 18 (4) of this Act. Disbursement

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

(2) Repayment shall be by direct deduction of 10% of the beneficiaries salary at source by the employer and credited to the Fund

(3) Any change of job shall be communicated to the Chairman of the Committee within 30 day of resuming with his new employer with details of the new job

(4) Where the beneficiary is self-employed, he shall remit 10% of his total profit monthly to the Fund

(5) For the purpose of subsection (4), a self-employed person shall within 60 days of assuming that status submit all information such as name of business, address and location, registration documents, if registered, name of bankers, names of partners, name of directors and shareholders to the Committee

(6) Any one in default of the provisions of subsection (5), or found to be aiding the default of subsection (5), commits an offence and is liable on conviction to a fine of N500,000 or imprisonment for a term of two years or both.

20. (1) The provisions of the Public Officer Protection Act shall apply in relation to any suit instituted against any officer of the Committee established under this Act. Application of the Public Officers Protection Act

(2) A suit shall not be commenced against a member of the Committee or the Secretary before the expiration of a period of one month after writing a notice of intention to commence the suit which shall have been served on the Committee by the intending plaintiff or his agent. Cap. P41, LFN, 2004

(3) The notice referred to in subsection (2) shall state, the cause of action, particulars of claims the name and place of abode of the intending plaintiff and the relief, which he claims.

(4) A notice, summons, or other documents required or authorised to be served on the Committee under the provisions of this Act or any other law or enactment may be served by delivering it to the Secretary or by sending it by registered post and addressed to the Secretary at the head office of the Central Bank of Nigeria.

21. The Committee shall, not later than four months after the end of year, submit to the President a report on the activities of the Fund and its administration during the immediate preceding year and shall include in the report the audited accounts of the Fund and the auditor’s comment on the report. Annual report

22. (1) The Nigerian Education Bank Cap. N104 Laws of the Federation of Nigeria, 2004 is repealed. Repeal and savings provisions

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

23. In this Act — Interpretation

“Committee” means the Special Committee established under this Act to manage and administer the Fund

“Fund” means the Students Education Loans Fund established under this Act;

“loan” means loan to be granted to qualified students of institutions of higher learning in Nigeria; and

“institutions of higher learning” means public universities, polytechnics, colleges of education and vocational schools established by government.

10. This Act may be cited as the Students Loans (Access to Higher Education) Act, 2023. Citation