

A BILL

FOR

AN ACT TO ESTABLISH THE NATIONAL STUDENT FINANCIAL AID SCHEME TO PROVIDE FOR THE GRANTING OF LOANS TO ELIGIBLE STUDENTS AT HIGHER INSTITUTION AND REPEAL THE PROVISIONS OF THE NIGERIAN EDUCATION BANK ACT CAPI04 LFN 2004 AND FOR OTHER MATTERS CONNECTED THEREWITH

Sponsored by Senator Isah Hamman Misau

[] Commencement

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

1 PART I - ESTABLISHMENT AND COMPOSITION, ETC OF THE
2 NATIONAL STUDENT FINANCIAL AID SCHEME

3 1. -(1) There is hereby established a body to be known as the"
4 National Student Financial Aid Scheme " (in this Act referred to as "the
5 Scheme")

6 (2) The Scheme Shall be a body corporate with perpetual
7 succession and a common seal; and May sue and be sued in its corporate
8 name

9 2.- (1) There is established for the Scheme a Governing Board (in
10 this Act referred to as "the Board") which shall provide policy guidelines for
11 the day-to-day administration of the Scheme.

Establishment
of the Governing
Board

12 (2) The Board shall comprise:

13 (a) a part-time chairman to be appointed by the President subject to
14 confirmation by the Senate;

15 (b) the Permanent Secretary of the Ministry of Education

16 (c) a representative from each of the Ministry of:

(i) finance;

(ii) Science and Technology

- 1 (iii) National Planning
- 2 (d) a representative from each of the six geo-political zones of the
- 3 Federation,
- 4 (e) a representative of the National University Commission,;
- 5 (f) the Director General for the Scheme
- 6 (3) Members of the Board shall be appointed by the President.
- 7 3.- (1) The Chairman and members of the Board other than the ex -
- 8 officio members shall hold office for a term of four years in the first instance
- 9 and may be reappointed for a further term of four years and no more;
- 10 (2) The Chairman and Members of the Board shall be paid such
- 11 emoluments allowances and remunerations and incidental expenses as the
- 12 president may ,determine from time to time;
- 13 4. -(1) Notwithstanding the provisions of section 4 subsection (1) a
- 14 member of the Board shall cease to hold office if:
- 15 (a) he resigns his appointment as a member of the Board by a notice
- 16 under his hand addressed to the President;
- 17 (b) he becomes of unsound mind;
- 18 (c) Becomes bankrupt or makes compromise with his creditors;
- 19 (d) He is convicted of a felony or any offence involving dishonesty or
- 20 corruption;
- 21 (e) he becomes incapable of carrying on the functions of his office
- 22 arising from infirmity of mind and body; or
- 23 (f) the President is satisfied that it is not in the interest of the public for
- 24 the person to continue In office and notifies the member in writing to that
- 25 effect.
- 26 (2) If a member of the Board dies or resigns or otherwise vacates his
- 27 office before the expiration of the term for which he is appointed, a fit and
- 28 proper person shall be appointed for the remainder of the term of office of the
- 29 predecessor, so however that the successor shall represent the same interest.
- 30 Even of any vacancy in the membership of the Board before the expiration of

Tenure of
Office

Cessation of
membership

1 any given term, a person representing the same interest.

2 (3) The proceedings of the Board shall be regulated as set out in the
3 Schedule to this Bill.

4 PART II -FUNCTIONS OF THE SCHEME

5 5. Functions

6 The functions of the Scheme shall be to:

7 (1) Allocate funds for loans and bursaries to eligible students;

8 (2) Develop criteria and conditions for the granting of loans and
9 bursaries to eligible students in consultation with the Minister;

10 (3) Raise funds in accordance to section 13 (1)

11 (4) Recover loans;

12 (5) Maintain and analyse a database and undertake research for the
13 better utilisation of financial resources;

14 (6) Advise the Minister on matters relating to student financial aid;

15 and

16 (7) Perform other functions assigned to it by this Act or by the
17 Minister;

18 PART III - STAFF OF THE SCHEME

19 6. - (1) There shall be for the Scheme a Director General, who shall:

Director
General

20 (a) Be responsible for the day-to-day administration of the Scheme
21 according to the policy guidelines drawn by the members of the Board;

22 (b) Be the Chief Executive and Accounting Officer of the Scheme;

23 (c) Possess skills and 15 years experience in relevant field.

24 (2) The Director General shall:

25 (a) Be appointed by the President and

26 (b) Hold office on such terms and conditions as to emoluments and
27 otherwise as may be specified in the letter of appointment;

28 7. - (1) The Board shall have powers to appoint for the Scheme such
29 other employees as it may deem it necessary for the efficient performance of
30 its function under this Act and shall have power to pay persons so employed

Other Staff
of the Scheme

1 such remunerations (including allowances) as the Scheme may determine with
2 the approval of the President.

3 (2) The power of the Scheme to under subsection (1) of this section
4 shall include the power to:

5 (a) Promote and control staff as may appear to the Scheme necessary
6 and expedient;

7 (b) Dismiss, terminate, consider the resignation or withdrawal of
8 appointment and exercise disciplinary control over the staff of the Scheme,
9 other than the Director - General.

10 (4) The Board may delegate to the Director -General, generally or
11 specifically, the powers to appoint such categories of staff of the Scheme as the
12 Scheme may determine from time to time.

13 8. The Scheme may subject to the provision of this Act ,make staff
14 regulations relating to the conditions of service of its employers and without
15 prejudice to the generality of the foregoing ,such regulations may provide for:

16 (a) The appointment, promotion and disciplinary control (including
17 dismissal) of employees of the Commission; and

18 (b) Appeals by such employees against dismissal or other disciplinary
19 measures.

20 9. - (1) Service in the commission shall be approved service for the
21 purpose of the Pensions Act and the officers and staff of the Agency shall be
22 entitled to pension, gratuities and retirement benefits as are prescribed in the
23 Pensions Act

24 (2) Nothing in this Section shall prevent the appointment of a person
25 to any office on terms which preclude the grant of pensions and gratuity in
26 respect of that office.

27 10.- (1) The Scheme shall maintain a fund which shall consist of-

28 (a) Money appropriated by the National Assembly

29 (b) Foreign aid and assistance from bilateral and multilateral
30 governments and agencies;

1 (c) Interests;
 2 (d) Money repaid or repayable by borrowers; and
 3 (e) any other assets that may from time to time accrue to the
 4 Scheme;

5 **11.** The commission may, with the consent of the President borrow, Power to
 6 on such terms and conditions as the Commission may determine, such sums borrow
 7 of money as the Commission may require in the exercise of its functions.

8 Annual estimates

9 **12.** The Commission shall, not later than 31st October in each year, Annual Estimates
 10 submit to the President an estimate of the expenditure and income of the
 11 Commission during the next succeeding year.

12 Accounts and Audit

13 **13.** The Board shall cause to be kept proper accounts of the Scheme Accounts and
 14 in respect of each year and shall cause the accounts to be audited not later Audit
 15 than six months after the end of each year by auditors appointed from the list
 16 and in accordance with guideline supplied by the Auditor General of the
 17 Federation.

18 **14.** The Board shall not later than six months after the end of each Annual Report
 19 year, submit to the president through the Minister, a report on the activities
 20 of the Scheme and its administration during the immediately preceding year
 21 and shall include in the report the
 22 audited accounts of the Scheme and the comments thereon.

23 PART IV - ADMINISTRATION OF LOANS AND BURSARIES

24 **15.** Any student may, subject to the provisions of this Act, apply in Application for
 25 writing to the Scheme for a loan or a bursary on an application form loan or bursary
 26 determined by the board.

27 **16. - (1)** Loans or bursaries granted by the board may be subject to Conditions of
 28 such conditions as it may determine, either generally or in respect of a loans and
 29 particular loan or bursary. bursaries

30 (2) A loan or bursary is granted in respect of a particular course of

1 study, which must be specified in the loan or bursary agreement in question,
2 and may not be used for another purpose.

3 (3) A written agreement must be entered into between the Scheme and
4 every borrower or bursar.

5 (4) The board must impose a condition in respect of any loan or
6 bursary to the effect that if the borrower or bursar does not perform
7 satisfactorily in his or her studies, the board may terminate the granting of
8 finance in terms of the agreement and that the borrower or bursar must comply
9 with any obligation as a result of the granting of the loan or bursary on or with
10 effect from the date specified by the board.

11 (5) The amount of the loan or bursary is paid by the Scheme to the
12 designated higher education institution concerned by way of allocations in
13 respect of amounts payable to the institution by the borrower or bursar.

14 (6) A right to obtain a loan or bursary from the Scheme cannot be
15 construed from any provision of this Act.

Designated higher
education institution

16 17. -(1) The board may enter into an agreement with a higher
17 education institution which agrees to become a designated higher education
18 institution for purposes of administering loans and bursaries to students of that
19 institution on behalf of the Scheme.

20 (2) The agreement referred to in subsection (1) must authorise the
21 institution on behalf of the Scheme:

22 (a) to administer loans and bursaries granted to students of the
23 institution:

24 (b) to receive loan and bursary applications from students:

25 (c) to consider and assess the applications in the light of the criteria for
26 the granting of loans and bursaries determined by the Scheme;

27 (d) to grant loans and bursaries if the criteria are met, after ascertaining
28 that funds are available; and

29 (e) to enter into a written agreement with a borrower or bursar in
30 accordance with the provisions of this Act and on the terms and conditions

1 determined by the Scheme.

2 (3) A designated higher education institution must:

3 (a) at such intervals as are agreed on by the institution and the
4 board, report to the board on the progress made by a borrower or bursar with
5 regard to the course of study followed by him or her; and

6 (b) immediately notify the board if a borrower or bursar
7 discontinues his or her studies.

8 PART V - RECOVERY OF LOANS

9 18. - (1) Subject to this section, a loan must be repaid as provided in
10 the loan agreement.

Repayment of
loans

11 (2) A borrower may repay a loan wholly or in part before the due
12 date.

13 (3) If a borrower fails to make repayments as provided in this Act,
14 his or her name may be placed by the board on any list of defaulting debtors
15 published by any person or body whose business it is to compile and publish
16 such lists.

17 (4) The name of a borrower may not be placed on a list
18 contemplated in subsection (3) by the board unless he or she:

19 (a) has been notified by the board by registered letter addressed to
20 his or her resident chosen.,

21 (b) has been afforded a reasonable opportunity to pay the arrear
22 amount and has failed to do so.

23 19. - (1) A borrower must for as long as he or she is indebted to the
24 Scheme:

Obligations of
borrower

25 (a) at such intervals as may be fixed by the board, furnish the board:

26 (i) with his or her postal and residential addresses,

27 (ii) with information regarding his or her employment status;

28 (iii) if he or she is employed, with the name and address of the
29 employer; and

30 (iv) with any other relevant information required by the board; and

- 1 (b) immediately notify the board of:
- 2 (i) any change of address and furnish the new address;
- 3 (ii) any change in his or her employment status; and
- 4 (iii) any change of employer and furnish the name and address of the
- 5 new employer.
- 6 (2) Any failure by a borrower to comply with the obligations
- 7 referred to in subsection (1) renders the loan immediately repayable.
- 8 **Obligations of employer**
- 9 **20.-(1)** The board may by written notice sent by registered mail
- 10 inform the employer of a borrower:
- 11 (a) that the borrower is indebted to the Scheme in consequence of a
- 12 loan granted by the Scheme to the borrower; and
- 13 (b) of the deductions that the employer has to make from the
- 14 remuneration of the borrower.
- 15 (2) Any employer who is given notice in terms of subsection (1)
- 16 must make deductions from the remuneration payable by him or her to the
- 17 borrower according to the scales prescribed by regulation.
- 18 (3) Any amount deducted by an employer in terms of subsection (2)
- 19 must be paid over to the Scheme, and any amount so paid over must be
- 20 regarded as a proportionate discharge of the loan by the borrower concerned.
- 21 (4) Any amount deducted in terms of this section must for the
- 22 purposes of the Income Tax Act, or any other applicable law, be regarded as
- 23 forming part of the remuneration of the borrower.
- 24 (5) Any employer who fails to make a deduction and payment in
- 25 accordance with this section is guilty of an offence and on conviction may, in
- 26 addition to a fine, be ordered to make such deduction and payment.
- 27 (6) The administration costs for the deductions must be borne by the
- 28 Scheme.

1 (3) Any document purporting to be a document duly executed under
2 the seal of the Scheme may be received in evidence and shall, unless the
3 contrary is proved, be presumed to be executed.

Regulations

4 25. The Minister may, make regulations for giving effect to the
5 provisions of this Act.

Limitation
against suits

6 26. - (1) Notwithstanding any provision in any other enactment, no
7 suit against the Scheme a member of the Board, or any staff of the Scheme for
8 any act done in pursuance or execution of any public duty, or in respect of any
9 alleged neglect or default in the execution of such duty, shall lie or be instituted
10 in any court unless commenced within twelve months after the act, neglect or
11 default complained of or, in case of a continuance of damage or injury, within
12 twelve months after the ceasing thereof.

13 (2) No suit shall be commenced against the Scheme before the
14 expiration of a period of one month after written notice of intention to
15 commence the suit shall have been served upon the Scheme by the intending
16 plaintiff or his agent; and the notice shall clearly and explicitly state:

17 (a) the cause of action;

18 (b) the particulars of claim;

19 (c) the name and place of abode of the intending plaintiff; and

20 (d) the relief claimed

Service of
documents

21 27. The notice referred to in subsection (2) of Section 22 of this Act
22 and any summons, notice or other document required or authorized to be
23 served on the Scheme may be served on the director general of the Commission
24 or by sending it by registered post addressed to the Director General of the
25 Scheme or the relevant zonal office.

Indemnity of
Officers

26 28. Any member of the Board or staff of the Scheme, who incurred
27 any liability in defending any proceeding, whether judgement is given in his
28 favour or he is acquitted, shall be indemnified out of the fund of the Scheme if
29 such proceeding is brought against him in his capacity as a member of staff.

30 Interpretation

- 1 **29.** In this Act: Interpretation
- 2 "Chairman" means the Chairman of the Scheme
- 3 "Scheme" means the National student Financial Aid Scheme
- 4 "Director General" means an officer appointed in accordance with
- 5 Section 8 of this Act.
- 6 "Minister" means Minister of Education
- 7 "President" means President of the Federal Republic of Nigeria.
- 8 **30.** This Act may be cited as the National Student Financial Aid Citation
- 9 Scheme Bill, 2015.

SCHEDULE

Section 5(3)

SUPPLEMENTARY PROVISIONS IN RELATION TO THE

Proceeding to the Board

14 **1.-** (1) Subject to this Bill and Section 27 of the Interpretation Act,

15 the Board may make standing orders regulating the proceedings of the

16 Board or of any committee established by the Board.

17 (2) The quorum of the Board shall be 10 and the quorum of any

18 committee shall be determined by the Board

19 **2.-** (1) The Board shall meet not less than 4 times in each year and

20 the Board shall meet whenever it is summoned by the Chairman Of, if the

21 Chairman is required to do so by notice given to him by not less than 10

22 members, he shall summon a meeting of the Board to be held within 14 days

23 from the date which the notice is given.

24 (2) At any meeting of the Board, the Chairman shall preside, but if

25 he is absent, the members present at the meeting shall appoint one of them to

26 preside at the meeting.

27 (3) When the Board desires to obtain the advice of any person on a

28 particular matter, the Board may co-opt him as a member for such period as

29 it thinks fit, but a person who is a member by virtue of this sub-paragraph

30 shall not be entitled to vote at any meeting of the Board and shall not count

1 towards the quorum.

2 *Committees*

3 3.- (1) The Board may appoint one or more committees to carry out on
4 its behalf such of its functions as the Board may determine.

5 (2) A committee appointed under this paragraph shall consist of such
6 number of persons (not necessarily members of the Board) as may be
7 determined by the Board and a person other than a member of the Board shall
8 hold office on the committee in accordance with the terms of his appointment.

9 (3) A decision of a committee of the Board shall be of no effect until it
10 is confirmed by the Board

11 (4) The validity of any proceeding of the Board or of a committee
12 shall not be adversely affected by any vacancy in the membership of the Board
13 or a committee or by any defect in the appointment of any member of the Board
14 or a committee or by a reason only that a person not entitled to do so took part in
15 the proceedings.

16 (5) A member of the Board or any person holding office on a
17 committee of the Board who has a personal interest in any contract or
18 arrangement entered into or proposed to be considered by the Board or a
19 committee shall forthwith disclose his interest to the Board or committee and
20 shall not vote on any question relating to the contract or arrangement.

EXPLANATORY MEMORANDUM

This Bill seeks to establish the National Student Financial Aid Scheme (NSF AS); to provide for the management, governance and administration of the Scheme; to provide for the granting of loans and bursaries to eligible students at higher institutions and for the administration of such loans and bursaries; to provide for the recovery of loans.