

SPECIAL ISSUE

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REPUBLIC OF KENYA

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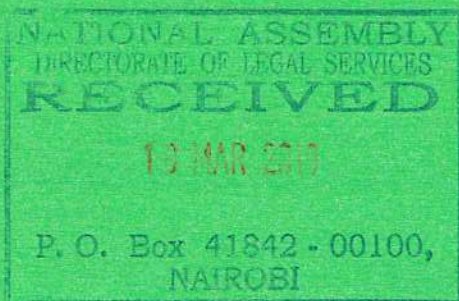
NATIONAL ASSEMBLY BILLS, 2019

NAIROBI, 1st March, 2019

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**THE HIGHER EDUCATION LOANS BOARD
(AMENDMENT) BILL, 2019**

A Bill for

**AN ACT of Parliament to amend the Higher Education
Loans Board Act.**

ENACTED by the Parliament of Kenya, as follows—

1. This Act may be cited as the Higher Education
Loans Board (Amendment) Act, 2019.

Short title.

2. Section 6 of the Higher Education Loans Board
Act, 1995, is amended in paragraph (n) by inserting the
words “to all eligible persons from marginalised areas and
any other eligible person” immediately after the word
“scholarships”.

Amendment of
section 6 of No.
3 of 1995.

MEMORANDUM OF OBJECTS AND REASONS

The principal object of this Bill is to amend the Higher Education Loans Board Act to provide for the award of bursaries and scholarships to all eligible students from marginalised areas. The importance of education has not yet been appreciated in these areas and thus few parents are willing to invest in the higher education of their children. Others may have appreciated the value of education but cannot afford the fees. This Bill is therefore meant to encourage more students from these areas to pursue higher education.

Clause 1 of the Bill provides for the short title.

Clause 2 of the Bill provides for the amendment of section 6 of the Act by providing for the award of bursaries and scholarships to all eligible persons from marginalised areas.

Statement on the delegation of legislative powers and limitation of fundamental rights and freedoms

The Bill does not limit any fundamental rights and freedoms as provided under the Constitution.

Statement that the Bill concerns county governments

The Bill does not affect the functions of the county governments and is therefore not a Bill concerning counties for purposes of the Standing Orders.

Statement that the Bill is a money Bill within the meaning of Article 114 of the Constitution

The enactment of this Bill shall occasion additional expenditure of public funds.

Dated the 28th February, 2019.

RUWEIDA MOHAMED OBO,
Member of Parliament.

Section 6 of the Higher Education Loans Board Act which it is proposed to amend-

Functions of the Board

The functions of the Board shall be—

- (a) to formulate sound policies for regulating the management of the Fund;
- (b) to solicit for funds and other assistance to promote the functions of the Board;
- (c) to set the criteria and conditions governing the granting of loans including the rate of interest and recovery of loans;
- (d) to receive any gifts, donations, grants or endowments made to the Board, and to make legitimate disbursements therefrom;
- (e) to establish and maintain links with other persons, bodies or organizations within or outside Kenya, as the Board may consider appropriate for the furtherance of the purposes for which the Board is established;
- (f) to enter into contracts with financial institutions for the purpose of loans disbursement and recovery;
- (g) to grant loans out of the Fund either with or without security, as the Board may deem fit, to any eligible person to enable him, or assist any student, to meet the cost of higher education;
- (h) to determine the maximum number of eligible persons or students to be granted loans in any one particular year;
- (i) to invest any surplus funds not currently required for the purpose of the Board in any investment authorized by law for the investment of trust funds with power from time to time to vary or realize those investments;
- (j) with the consent of the Minister, to set up and expend such other funds as may from time to time be required;
- (k) to receive and consider all loan applications from eligible persons or students wishing to be considered for the award of higher education loans, and to approve, withhold or reject such requests in accordance with the provisions of this Act;
- (l) to borrow such monies from such sources and in such amounts as may be approved by the Minister with the concurrence of the Treasury and to secure such loans in such manner as they deem fit;

- (m) to take out insurance cover for risky loans such as death, incapacity or inability to pay, as the Board deems fit;
- (n) to establish and award bursaries and scholarships which it may consider necessary for the promotion of the objectives and functions of the Board;
- (o) to perform any other functions relating to the granting of students' loans in accordance with the provisions of this Act; and
- (p) to perform and exercise all other functions and powers conferred on the Board by this Act.