

SPECIAL ISSUE

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REPUBLIC OF KENYA

KENYA GAZETTE SUPPLEMENT

NATIONAL ASSEMBLY BILLS, 2020

NAIROBI, 20th November, 2020

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**THE HIGHER EDUCATION LOANS BOARD
(AMENDMENT) BILL, 2020**

A Bill for

**AN ACT of Parliament to amend the Higher Education
Loans Board Act and for connected purposes**

ENACTED by the Parliament of Kenya, as follows—

1. This Act may be cited as the Higher Education
Loans Board (Amendment) Act, 2020.

Short title.

2. Section 15 of the Higher Education Loans Board
Act, 1995 is amended in subsection (1) by
deleting the words “completion of his studies” appearing
immediately after the words “year of” and substituting
therefor the words “securing employment”.

Amendment of
section 15 of No.
3 of 1995.

MEMORANDUM OF OBJECTS AND REASONS**Statement of the Objects and Reasons for the Bill**

The principal object of this Bill is to amend the Higher Education Loans Board Act in order to provide that a loanee shall commence the repayment of his or her loan once he or she secures employment. The current position is that the loanee is to begin repayment of the loan within one year of completing his or her studies. A relatively small percentage of graduates secure employment within one year of graduation yet the interest already starts accruing. This amendment is meant to cushion unemployed graduates from being charged interest on the loan before they have secured employment.

Statement of how the Bill concerns County governments

The Bill does not concern county governments in terms of Article 110 (a) of the Constitution.

Statement of delegation of legislative powers and imitation of fundamental rights and freedoms

The Bill does not contain any provision limiting any fundamental rights or freedoms.

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

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

Dated the 10th November, 2020.

JOHN MWIRIGI,
Member of Parliament

Section 15 of the Higher Education Loans Board Act No 3 of 1995 which it is proposed to amend—

Obligations of the loanees

(1) A loanee shall be required, subject to and in accordance with this Act or any regulations made thereunder, within one year of completion of his studies or within such a period as the Board decides to recall its loan whichever is the earlier—

- (a) to inform the Board of his contact address;
- (b) to begin repayment of his loan together with any interest accrued thereon;
- (c) if he is in formal employment, to authorize his employer to deduct the loan repayment and to remit it to the Board in such manner as the Board may direct.

(2) Any loanee who fails or neglects to satisfy the requirements of subsection (1) within the stipulated time shall, in addition to any other action that the Board may take against him, be guilty of an offence and liable to a fine of not less than five thousand shillings in respect of each loan deduction that remains unpaid in accordance with provisions of subsection (1), and such fine shall be payable to the Board.

