

CHAPTER 422

STUDENTS LOANS BOARD ACT

1988 No. 12

An Act to provide for the establishment of a new Students Loans Board with new membership and other matters ancillary thereto.

[12th April, 1988]

Commence-
ment.Establishment
of the Students
Loans Board.

1. (1) There is hereby established a body to be known as the Students Loans Board.

(2) The Board shall be a body corporate with perpetual succession and a common seal, and may sue and be sued in its corporate name.

(3) There shall be established for the purpose of the Board, the Headquarters at the Federal Capital Territory, Abuja, three zonal offices at Akure, Bauchi and Port Harcourt and an area office in each State capital.

(4) The supplementary provisions contained in the Schedule to this Act shall have effect in relation to the Board.

Membership
of the Board.

2. (1) The Board shall consist of the following members, that is—

(a) a part-time Chairman whose status and calibre shall be the same as a Federal University Pro-Chancellor and Chairman of Council to be appointed by the President, Commander-in-Chief of the Armed Forces;

(b) one representative from each of the following Federal Ministries, that is—

(i) Education;

(ii) Finance and Economic Development; and

(iii) External Affairs;

(c) one representative of the National Manpower Board;

(d) two representatives from the universities;

(e) one representative from the polytechnics;

(f) one representative from colleges of education;

(g) one representative from the National Universities Commission;

- (h) one representative from the National Board for Technical Education;
- (i) two representatives from Association of Banks;
- (j) two representatives from the insurance companies;
- (k) six educationists to represent a wide section of the country; and
- (l) the Executive Secretary of the Board who shall be an *ex-officio* member and shall not have the right to vote at meetings of the Board.

(2) The members of the Board other than the part-time Chairman shall on the recommendation of the Minister, be appointed by the President, Commander-in-Chief of the Armed Forces, so however that different representatives may from time to time be appointed under paragraph (d) of subsection (1) of this section (and subject thereto) for different occasions for the purposes of any meetings of the Board for considering all applications.

(3) Subject to subsection (2) of this section, the President may by Order published in the Federal *Gazette* increase or reduce or otherwise vary the composition of the membership of the Board.

3. (1) Subject to the provisions of this Act, a person appointed to be a member of the Board, not being a public officer, shall hold office for a period of three years from the date of his appointment and shall be eligible for re-appointment for one further period of three years; thereafter, he shall no longer be eligible for re-appointment:

Tenure of office, etc.

Provided that nothing in this subsection shall be construed as entitling any person who has held office as Chairman for a term and who is being re-appointed under this section to be appointed as Chairman.

(2) Any member, not being a public officer, may resign his office by a letter addressed to the Minister and the resignation shall have effect from the date of the receipt of the letter by the Minister.

(3) Members of the Board, not being public officers, shall be paid such remuneration and allowances as the Minister may with the approval of the President determine.

Executive
Secretary and
other staff of
the Board.

4. (1) There shall be appointed by the Board an Executive Secretary who shall be—

- (a) a person with requisite competence and initiative to function in an executive capacity; and
- (b) the chief executive of the Board.

(2) The Board may—

- (a) appoint such other persons to be officers and servants of the Board to assist the Executive Secretary in the exercise of his functions; and
- (b) determine the remuneration and tenure of office and conditions of service of the Executive Secretary and other officers and servants of the Board.

(3) Notwithstanding the foregoing provisions of this section, the Board may appoint any of its officers and servants by way of transfer or secondment from any of the public services of the Federation.

Applications
of Pensions
Act.
Cap. 346.

5. (1) It is hereby declared that service in the Board shall be public service for the purposes of the Pensions Act and accordingly, officers and other persons employed in the Board shall in respect of their service in the Board be entitled to pensions, gratuities and other retirement benefits as are prescribed thereunder, so however that nothing in this Act shall prevent the appointment of a person to any office on terms which preclude the grant of a pension and gratuity in respect of that office.

(2) For the purposes of the application of the provisions of the Pensions Act, any power exercisable thereunder by a Minister or other authority of the Government of the Federation (not being the power to make regulations under section 23 thereof) is hereby vested in and shall be exercisable by the Board and not by any other person or authority.

Establishment
of loan
scheme.

6. (1) The Board shall maintain and administer a fund to be known as the Nigerian Universities Revolving Loan Scheme in accordance with the provisions of this Act, and there shall be vested in the Board all the property and such other assets as may hereafter be acquired by the Board.

(2) There shall be paid and credited to the fund established in pursuance of subsection (1) of this section—

- (a) such moneys as may be appropriated to the Board by the Federal Government, the Government of a State or any other organisation;
- (b) all investments or other moneys earned or arising from any such investment, property or assets of the Board;
- (c) all moneys from time to time received by or falling due to the Board in respect of any loan made by the Board, or the interest payable in respect of any such loan; and
- (d) all other moneys from time to time accruing to the Board in respect of any matter incidental to its powers, rights and duties.

7. (1) The Board may accept gifts of land, money or other property, upon such terms and conditions, if any, as may be specified by the person making the gift.

Power to accept gifts.

(2) The Board shall not accept any gift if the conditions attached by the person making the gift are inconsistent with the functions of the Board.

8. (1) Subject to the provisions of subsections (1) and (2) of section 9 of this Act the Board may make loans to any person in accordance with the provisions of this section.

Power of Board to make loans.

(2) No person shall be entitled to a loan exceeding in the aggregate such amount as may be approved by the Board to cover such fees or other dues and expenses approved by the university or institution for the period of his course of studies.

(3) No person shall be entitled to a loan under this Act unless he is—

- (a) a student in or has been accepted as a student of a university or other institution of higher learning whether in Nigeria or elsewhere; or
- (b) a post-graduate student of a university or other institution outside Nigeria who is pursuing a course of study which the Board deems appropriate to the needs of Nigeria and certified as not being available in Nigeria.

9. (1) Before considering any application for a loan, the Board shall direct the Executive Secretary to make such investigation thereon as it thinks appropriate and the Executive Secretary shall

Procedure for making of loans.

thereafter furnish the Board with full particulars of the result of the investigation.

(2) When making a loan the Board shall before final approval—

(a) require the person to whom the loan is to be granted to process the loan agreement through their respective local government offices; and

(b) obtain a confirmation from the appropriate State government after consultation with the appropriate local government authority stating that the person referred to in paragraph (a) of this subsection, is genuinely indigent and in need of the loan.

(3) If any person in his application under subsection (1) of this section—

(a) knowingly makes to the Board any statement which is false in a material particular; or

(b) with intent to defraud, fails to disclose to the Board any material information within his knowledge, he shall be guilty of an offence and liable on conviction to a fine of ₦ 1,000 or imprisonment for 12 months.

Administra-
tion of loans.

10. For the purpose of achieving purposeful and efficient administration of the loan scheme, the following shall be the required guidelines, that is—

(a) the institution of learning shall be required to certify that the student seeking a loan is its *bona fide* student;

(b) the student shall provide two guarantors of sufficient ability and means who shall be persons or organisations eligible in law to be forced to make a repayment of the loan;

(c) a maximum loan of ₦ 1,000 per year shall be payable to each of the successful students in any Nigerian institution of higher learning subject to a total loan of ₦ 5,000;

(d) for overseas students it shall be a maximum loan of ₦ 5,000 per year subject to a total loan of ₦ 20,000;

(e) the loan shall be required to be paid instalmentally on an annual basis and in advance directly to the student with the appropriate acknowledgement of receipt;

(f) approval for the loan to be paid to the student shall be given at the area office located in the State of origin of the student

notwithstanding the location of his institution or place of abode; and

(g) the loan shall attract an interest rate of 7 per cent.

11. (1) Every loan granted by the Board shall become due for repayment within a period of two years from graduation or immediately the student is employed which ever is earlier.

Method of repayment of loan.

(2) For the avoidance of any doubt, the period specified in subsection (1) of this section shall include the period of National Youth Service, housemanship or other relevant service, as may be applicable.

(3) The period of repayment of the loan and the interest thereon shall not extend beyond ten years.

(4) The Board may, in exceptional circumstances and with the approval of the Minister, defer the repayment of a loan at any time for a specific period; provided appropriate steps are taken to ensure that the student does not default in repayment of the loan.

(5) The Federal, State or Local Governments or any other employer in the public or private sector shall be required to assume until the contrary is proved that a graduate from any of the participating institutions is a beneficiary of the scheme by the production of—

(a) the records and contents of the National Youth Service Corps certificate which shall be required to contain the loan status of the graduand; or

(b) a certificate of clearance issued by the Board.

(6) It shall be the duty of an employer to assume that a graduate employee is the beneficiary of a loan granted under this Act until such employee produces a certificate of clearance from the Board.

(7) The Board shall issue the certificate of clearance referred to in subsection (6) of this section within thirty days of receipt of the demand from either the employer or the employee concerned.

12. (1) If the Board so directs, a loan granted under this Act shall be recoverable from any emoluments or any payments payable on account of or in respect of any benefits to any person to whom such loan has been granted by the employer.

Powers to recover loans from emoluments.

(2) Any direction issued under subsection (1) of this section shall be in writing under the hand of any officer authorised in that behalf by the Board and shall specify the person to whom it refers and the amount or amounts of the outstanding loan to be deducted whether by reference to deduction tables issued for that purpose or otherwise.

Employer to be answerable for deductions made.

13. (1) Every employer required to make any deduction from emoluments or amounts on account of emolument paid by him to any person to whom the provisions of this Act relates shall account to the Board in such manner as may be directed, and in the event of failure by such employer to make such deduction or properly to account therefor, the amount thereof together with a penalty of ten *per cent* of such amount shall be recoverable as a debt due by such employer to the Board.

(2) For the purposes of this section "employer" includes Federal, State and Local Governments.

(3) The guarantors of a beneficiary outside Nigeria shall become liable in the case of default in the repayment of the loan as and when due.

(4) Where, after leaving the university or institution of higher learning a borrower becomes self-employed, whether in Nigeria or abroad, he shall make payment of every sum payable under section 11 of this Act directly to the Board on such terms and conditions as the Board may direct and the Board shall be empowered to recover such sum in any manner it may deem appropriate or expedient in the circumstances therewith.

(5) For the purposes of this section, the Board may commence an action for the recovery of the loan in a court of competent jurisdiction.

Power to obtain information.

14. (1) For the purposes of the foregoing sections 11 and 12 of this Act, the Executive Secretary or any other officer or servant of the Board may by notice in writing either generally or otherwise require any borrower to furnish information in respect of such matter and in such manner as may be specified by him.

(2) Any borrower required to furnish any information pursuant to subsection (1) of this section shall within two months from the notice comply therewith.

(3) If any borrower required to furnish information pursuant to subsection (1) of this section knowingly or recklessly makes any statement which is false in a material particular, he shall be guilty of an offence and liable on conviction to a fine of ₦ 1,000 or imprisonment for 12 months.

15. (1) In relation to any loan made by it, the Board shall have power to accept payment of the whole or part of the principal and interest of the loan before the time when such payment is due, upon such terms and conditions as the Board may deem fit.

Sundry powers in relation to repayment of loans.

(2) The Board shall have power, with the approval in each case of the Minister—

(a) to postpone upon such terms and conditions as the Board may deem fit the payment of any sum due in respect of any principal and interest at any time for a period of not more than five years; and

(b) to extend from time to time the period of repayment of any loan, or compound or release any loan or part thereof upon such terms and conditions as the Board may deem fit.

(3) Where any property devolves upon the Board for the purpose of the enforcement of any security given in any agreement entered into pursuant to section 9 of this Act, the Board may either manage and hold such property or sell or otherwise dispose of it as the Board may think fit.

(4) Where it appears to the Board that any sum, being the whole or part of the loan made by the Board has not been applied for the purposes for which the loan was made, the Board may order that such sum be repaid to the Board within the time mentioned in the order and any sum so ordered to be repaid shall thereupon become a debt due to the Board.

16. The Board shall for the purposes of this Act operate the Board's overseas account independently of any Nigerian Mission established in the overseas country.

Operation of overseas account.

17. (1) The Board shall cause to be prepared, not later than six months before the end of each financial year or such other time as the Minister may direct, an estimate of the expenditure and income of the Board during the next succeeding financial year and when

Annual estimates, accounts and audit.

prepared they shall be submitted through the Minister for approval by the National Council of Ministers.

(2) The Board shall cause to be kept, proper accounts and proper records in relation thereto and when certified by the Board, such accounts shall be audited as provided in subsection (3) of this section.

(3) The accounts of the Board shall be audited as soon as may be after the end of each financial year by auditors appointed by the Board from the list and in accordance with the guidelines supplied by the Auditor-General of the Federation and the fees of the auditors and the expenses for the audit generally shall be paid from the funds of the Board.

Annual reports.

18. The Board shall, not later than six months after the end of each financial year, submit through the Minister to the President, Commander-in-Chief of the Armed Forces, a report of the activities of the Board and its administration during the immediately preceding year and shall include in such report the audited accounts of the Board and the auditor's comments thereon.

Power of Ministers to give directions.

19. Subject to this Act, the Minister may give the Board directions of a general character or relating generally to particular matters with regard to the exercise by the Board of its functions and it shall be the duty of the Board to comply with the directions.

Regulations.

20. The Minister may, with the approval of the National Council of Ministers, make regulations for carrying into effect the provisions of this Act.

Repeals, savings and transfer of assets, liabilities, staff, etc.
1972 No. 25.
1076 No. 21.

21. (1) The Students Loans Board Act 1972 and the Students Loans (Miscellaneous Provisions) Act 1976 are hereby repealed and the Board established thereunder is hereby dissolved.

(2) By virtue of this Act, there shall be vested in the Board all assets, funds, resources and other movable or immovable property which immediately before this Act were vested in the Board dissolved by this Act.

(3) The rights, interests, obligations and liabilities of the dissolved Board existing before this Act under any contract or instrument, or in law or in equity apart from any contract or instrument, shall by virtue of this Act be assigned to and vested in the Board established by this Act.

(4) Any such contract or instrument as is mentioned in subsection (3) of this section shall be of the same force and effect against or in favour of the Board established by this Act and shall be enforceable as fully and effectively as if instead of the dissolved Board, the Board established by this Act had been named therein or had been a party thereto.

(5) The Board shall be subject to all the obligations and liabilities to which the dissolved Board was subject immediately before this Act and all other persons shall have the same rights, powers and remedies against the Board as they had against the dissolved Board immediately before this Act.

(6) Any proceedings or cause of action pending or existing immediately before this Act by or against the dissolved Board in respect of any right, interest, obligation or liability of the dissolved Board may be continued or as the case may be, commenced and any determination of a court of law, tribunal or other authority or person may be enforced by or against the Board to the same extent that such proceedings, cause of action or determination might have been continued, commenced or enforced by or against the dissolved Board if this Act had not been made.

(7) All assets, funds, resources and other movable or immovable property which immediately before the commencement of this Act were vested in the dissolved Board shall by virtue of this Act and without further assurances, be vested in the Board.

(8) Notwithstanding the repeal of the enactments referred to in this section, if the Board thinks it expedient that any vacancy in the Board should be filled by a person holding office at the commencement of this Act in the Board dissolved by this section, it may employ such person by way of transfer to the Board and the previous service in the dissolved Board by such person shall count as service for the purposes of any pension subsequently payable by the Board.

22. In this Act, unless the context otherwise requires—

“Board” means the Students Loans Board established by section 1 of this Act;

“borrower” means the person to whom a loan has been made in accordance with the provisions of this Act;

“Chairman” means the part-time Chairman of the Board appointed in pursuance of section 2 of this Act;

Interpretation.

“employee” means a borrower in the employment of an employer;

“employer” includes the Government of the Federation or of a State or of a Local Government Council, agent or representative of any other employer in Nigeria and the principal agent, manager or other representative in Nigeria of any employer who is outside Nigeria;

“Executive Secretary” means the Executive Secretary to the Board appointed in pursuance of section 4 of this Act;

“member” means a member of the Board and includes the Chairman;

“Minister” means the Minister charged with responsibility for education;

“University or other institution of higher learning” means a university or other institution of higher learning approved for the purpose of this Act by the Board.

Short title.

23. This Act may be cited as the Students Loans Board Act.

Section 1 (4)

SCHEDULE

SUPPLEMENTARY PROVISIONS

Proceedings of the Board

Cap. 192.

1. Subject to the following provisions of this Schedule and section 27 of the Interpretation Act, (which provides for decisions of a statutory body to be taken by a majority of its members and for the chairman to have a second or casting vote) the Board may make such standing orders regulating the proceedings of the Board or any committee thereof.

2. The Chairman shall preside at every meeting of the Board, but in his absence the members present at the meeting shall elect one of the members present at the meeting to preside at the meeting.

3. Subject to its standing orders, the Board may appoint such committees as it thinks fit, but the decision of any committee appointed under this paragraph shall be of no effect until confirmed by the Board.

4. The quorum of the Board shall be eight (including the Chairman or the Executive Secretary) and the quorum of any committee of the board shall be determined by the Board.

5. When the Board desires to obtain the advice of any person on a particular matter, the Board may co-opt him as a member for such period as it thinks fit; but a person who is a member by virtue of this subsection shall not be entitled to vote at any meeting of the Board and shall not count towards a quorum.

6. The affixing of the common seal of the Board shall be authenticated by the signature of the Chairman (or some other person authorised by the Board to act in that behalf) and the signature of the Executive Secretary.

7. Any contract or instrument which, if made or executed by a person not being a body corporate, would not be required to be under seal may be executed on behalf of the Board by the Executive Secretary or by any person generally or specially authorised to act for that purpose by the Board.

8. Any document purporting to be duly executed under seal or on behalf of the Board shall be received in evidence and presumed to be so executed unless the contrary is proved.

9. The validity of any proceedings of the Board shall not be affected—

- (a) by any vacancy in its membership; or
- (b) by any defect in the appointment of a member; or
- (c) by reason that a person not entitled to do so took part in the proceedings.

10. Service upon the board of any notice, order or other document may be affected by delivering it or sending it by registered post addressed to the Executive Secretary.

STUDENT LOANS BOARD ACT

CHAPTER 422

SUBSIDIARY LEGISLATION

No Subsidiary Legislation