



Republic of the Philippines
Department of Education
Office of the undersecretary for finance

MEMORANDUM
OUF-2020-0552

For : **REGIONAL DIRECTORS**
BUREAU OF HUMAN RESOURCE AND ORGANIZATION
DEVELOPMENT (BHROD) DIRECTOR
INFORMATION AND COMMUNICATIONS TECHNOLOGY SERVICE
(ICTS) DIRECTOR
SCHOOLS DIVISION SUPERINTENDENTS
SCHOOL HEADS
ALL OTHERS CONCERNED

Attention : *Regional Chiefs of Finance and Administrative Division*
Chief of Personnel Division, BHROD
Heads of Regional Payroll Services Unit
Chief of Solutions Development Division (SDD), ICTS
Payroll Processors of Implementing Unit (IU) Secondary School


From : **ANNALYN M. SEVILLA**
Undersecretary for Finance


RAMON FIEL G. ABCEDE
Assistant Secretary for Finance

Subject : **INTERNAL GUIDELINES ON THE IMPLEMENTATION OF**
SECTION 4 (uu) OF RA NO. 11494

Date : **October 9, 2020**

1. Please be informed of the following issuances provided to this Office, relative to the implementation of Section 4(uu) of Republic Act No. 11494, otherwise known as the "Bayanihan to Recover as One Act," or the BARO Act, for the mandated 60-day grace period on the payment of loans:

- 1.1 BSP Memorandum No. 2020-074 – *Implementing Rules and Regulations (Rules) and Frequently Asked Questions (FAQ) on Section 4(uu) of the R.A. No. 11494 or the "Bayanihan to Recover As One Act;*
- 1.2 Securities and Exchange Commission's Notice dated September 21, 2020 – *Implementation of Mandatory Grace Period for All Loans Pursuant to Bayanihan to Recover as One Act; and*



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1.3 GSIS Memorandum Circular (MC) No. 019, s. 2020 - *Bayanihan 2 Loan Moratorium Program on All Loan Payments of GSIS Members and Pensioners Affected by Corona Virus Disease (COVID-19)*

2. Based on Part A of GSIS MC No. 019, the GSIS shall implement a 60-day moratorium on payment of loan, from November to December 2020, and the term of the loan is extended by two (2) months.

3. For the private lending institutions (PLIs) accredited under the APDS, it was agreed that the implementation of the 60-day grace period under BARO Act shall be in October to November 2020.

4. To date, the following are the updates on the outcome of this Department's request for the waiver of accrued interests on loans under BARO Act (please see Attachment 1 for the list).

PARTICULARS	NO. OF ENTITIES	REMARKS
a. PLIs and Government Financial Institutions (GFIs) which <u>will NOT</u> Impose any Additional Charges	89	Includes GSIS and DepEd Provident Fund This means that additional 2 months shall be extended in the payroll, after the end of the original loan term, and no further charges or fees on principal amount of loan shall be charged to borrowers.
b. PLIs and GFI which will COLLECT the Accrued Interests for the 60-Day Grace Period	30	Includes Land Bank of the Philippines (LBP) This means that interest on Outstanding Principal Loan Balance as of September 30, 2020 until November 30, 2020 shall be charged by these lending institutions with the implementation of the 60-day grace period. DepEd borrowers may opt to pay over-the-counter, should they prefer not to avail the 60-days grace period with these lending institutions.
c. PLIs and GFI with No Response to the Request for Waiver of Collection of Accrued Interest	50	Includes Pag-IBIG Fund
d. PLIs with no loans granted	4	
TOTAL	173	



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5. In this regard, hereunder are the Department's internal guidelines under the Automatic Payroll Deduction System (APDS).

5.1 As instructed under Memorandum No. OUF-2020-04993 dated September 21, 2020, all deductions for loan amortizations made from the salaries of DepEd personnel for the payroll month of September 2020 shall be remitted to the concerned lending institutions (i.e, GSIS, Pag-IBIG Fund, DepEd Provident Fund, LBP and PLIs).

5.2 All Payroll Services Unit and IU- secondary schools nationwide shall suspend the deductions of loan amortizations in the payroll for two (2) consecutive months, the effectivity periods of which are shown below:

Entity	Duration
a. GSIS	November to December 2020
b. Pag-IBIG Fund	October to November 2020
c. LBP	October to November 2020
d. DepEd Provident Fund	October to November 2020
e. PLIs under the APDS	October to November 2020

5.3 The following reminders must be reflected in the pay slips of DepEd personnel:

REMINDERS:

- These loan amortizations with "X" are temporarily suspended in accordance with the moratorium provided under Section 4(uu) of Bayanihan to Recover as One Act (BARO Act). Termination period of these loans shall be correspondingly extended by 1 month.*
- Borrowers who opt not to avail of the grace period must immediately settle the undeducted monthly loan amortization at the nearest branch office of the PLI/GFI. Upon settlement, the borrower must inform the Payroll Services Unit of such over-the -counter loan payment so that no extension of loan payment period will be effected in the APDS.*

5.4 Other instructions specified in DepEd Order No. 03, s. 2020 are hereby reiterated, as follows:

- Once the stoppage is effected, the termination dates of loan amortizations shall be automatically extended for one (1) month, for every month of suspension of deduction and, accordingly, adjusted in the payroll database.
- Deductions for insurance premia and membership contributions shall continue to be remitted to the appropriate entities.
- No interest on interest, penalty, fees and other charges shall be imposed on the loan amortizations not deducted from the salaries of DepEd personnel during the grace period. **Billing of the resulting accrued interest, if any, on loans to be charged due to non-deduction of loan amortizations from the payroll during the grace period shall not be collected under the APDS.**



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- d. All loan amortizations not deducted during the implementation of the grace period shall automatically be moved to the "Undeducted Obligations" portion of the pay slip of DepEd personnel. These undeducted loan amortizations for the extension period shall be the first priority in the queue consistent with the First-In-First Served queuing system of the APDS.
 - e. Applications for renewal or new loans shall be subject to the usual verification process. Bumping off of loan payments already being deducted from the current payroll to accommodate those for the renewal or new loans, is prohibited.
 - f. DepEd borrowers shall not be constrained from paying over-the-counter the loan amortization/s not deducted from his/her salary should he/she opt to settle the loan earlier.
 - g. Remittance of deductions through intra- or interbank fund transfer shall be encouraged. The PLI shall coordinate with the remitting DepEd office for the procedure in setting up the payment process thru bank to bank fund transfer. The PLI shall shoulder the service charge, if any.
 - h. New billings to be submitted by the PLIs must be scrutinized, and will be included in the "Undeducted Obligations" portion of the pay slip. Those that include accrued interests and penalties as a result of the non-deduction of loan amortizations during the 60-day grace period must be returned to the concerned PLIs.
6. All necessary adjustments in the payroll program under these internal guidelines are to be developed by the SDD, ICTS.
7. In accordance with these internal guidelines, the Regional Directors are also directed to issue Regional Memorandum to all DepEd personnel informing them of DepEd's implementation of the 60-day grace period under the BARO Act by the PLIs, and the moratorium on loan provided by the GSIS and DepEd Provident Fund. Attachment 2 of these guidelines is an illustrative example of the computation of accrued interest to be charged by the PLIs that did not signify on its waiver for certain reasons. DepEd borrowers may pay over-the-counter to the PLIs/GFIs, the loan amortizations not deducted from their monthly salaries should they decide not to avail the 60-day grace period on loans.
8. Immediate compliance and dissemination of these internal guidelines are desired.

**Response of PLIs and GFIs under DepEd APDS with the Implementation of Section 4(uu)
of Republic Act 11494, Otherwise Known as the Bayanihan to Recover as One Act
(as of October 9, 2020)**

A. PLIs and GFIs which will NOT Impose Any Additional Charges*

- 1 Government Service Insurance System
- 2 DepEd Provident Fund
- 3 Abra Public School Teachers Cooperative (code denied (with collection))
- 4 Agribusiness Rural Bank, Inc.
- 5 Agusan Del Norte Teachers, Retirees, Employees And Community Cooperative
- 6 Angeles City Public School Teachers and Employees Credit Cooperative
- 7 ASCCOM Multi-Purpose Cooperative
- 8 Baguio City School Teachers and Employees Multi-Purpose Cooperative
- 9 Banco Alabang, Inc. (A Rural Bank)
- 10 Banco de Mindoro, Inc. (A Rural Bank)
- 11 Banco Maximo, Inc. (A Rural Bank)
- 12 BayBank Inc. (A Rural Bank)
- 13 Bayugan West District Teachers Employees and Community Cooperative
- 14 Beneficial Life Insurance Company, Inc.
- 15 Camarines Sur Elementary and Secondary Teachers and Employees Association, Inc.
- 16 Camarines Sur Teachers and Employees Multi-Purpose Cooperative
- 17 Cavite United Rural Bank Corporation
- 18 Century Rural Bank, Inc.
- 19 Clarin National High School Family Multi-Purpose Cooperative
- 20 Country Bankers Life Insurance Corporation
- 21 Davao Educators and Personnel Credit Cooperative
- 22 Department of Education Cooperative (DepEd Coop)
- 23 DepEd MIMAROPA Multi-Purpose Cooperative
- 24 Digos City National High School Teachers and Employees Multi-Purpose Cooperative
- 25 Division Teachers And Non-Teaching Multi-Purpose Cooperative
- 26 Echague Public School Teachers Multi-Purpose Cooperative
- 27 Enrile Teachers Integrated Development Cooperative
- 28 Etiqa Life and General Assurance Philippines, Inc.
- 29 First United Finance and Leasing Corporation (Financing Company)
- 30 Fortune Life Insurance Company, Inc.
- 31 Frontier Rural Bank, Inc.
- 32 General Tinio Faculty and Personnel Association Credit Cooperative
- 33 Golden R&L Finance Corporation
- 34 Great Educational Financing Corporation (Financing Company)
- 35 Home Technologist Credit Cooperative (HOMETECC)**
- 36 Initao National Comprehensive High School Teachers and Employees Cooperative
- 37 Innovative Bank, Inc. (A Rural Bank)
- 38 Janiuay Rural Bank, Inc.
- 39 Kabankalan-Ilog Teachers and Employees Multi-Purpose Cooperative (KITEMPCO)
- 40 Kaguruan Multi-Purpose Cooperative
- 41 Katipunan Bank, Inc. (A Rural Bank)
- 42 Kilusang Nueve Multi-Purpose Cooperative **
- 43 Lagawe Multi-Purpose Development Cooperative
- 44 Libacao Development Cooperative
- 45 Libungan National Employees Multi-Purpose Cooperative
- 46 Llanera Teachers Association Multi-Purpose Cooperative
- 47 Mactan Rural Bank (Lapu-Lapu City), Inc.

- 48 Madalag Teachers' Multi-Purpose Cooperative
- 49 Manila Teachers' Mutual Aid System, Inc. (MTMASI)
- 50 Manila Teachers' Savings and Loan Association, Inc.
- 51 Marayo Bank, Inc. (A Rural Bank)
- 52 Masisit-Dacal Livelihood Cooperative (MASCOOP)
- 53 Mindanao Educators Mutual Benefit Association, Inc.
- 54 Mt. Province Teachers' Mutual Aid System
- 55 Munoz National High School Multi-Purpose Cooperative**
- 56 Negros Teachers' Multi-Purpose Cooperative
- 57 Novo Ecijano Teachers' Mutual Benefit Association, Inc. (NETMBAI)
- 58 Olongapo City National High School Employees Multi-Purpose Cooperative, Inc.**
- 59 Paramount Life & General Insurance Corporation
- 60 Philippine Business Bank merged with Insular Savers Bank, Inc. (A Rural Bank)
- 61 Philippine Life Financial Assurance Corporation
- 62 Philippine Public School Teachers Association (PPSTA)
- 63 Philippines International Life Insurance Company, Inc.
- 64 Quezon Public School Teachers and Employees Credit Cooperative (QPSTECC)
- 65 Racso's Bank, Inc. (A Rural Bank)
- 66 Romblon National High School Teachers & Employees Multi-Purpose Cooperative**
- 67 Rubetan Finance Corporation (Financing Company)
- 68 Rural Bank of Angeles, Inc.
- 69 Rural Bank of Bambang (Nueva Vizcaya), Inc.
- 70 Rural Bank of Ibajay, Inc.
- 71 Rural Bank of Irosin (Sorsogon), Inc.
- 72 Rural Bank of Malolos, Inc.
- 73 Rural Bank of Manukan (Zamboanga del Norte), Inc.
- 74 Rural Bank of Siocon (Zamboanga del Norte), Inc.
- 75 Santiago-San Isidro Teachers Multi-Purpose Cooperative
- 76 Sta. Ana Multi-Purpose Cooperative (SAMULCO)
- 77 Sta. Elena High School Teachers and Employees Multi-Purpose Cooperative
- 78 Tacurong Teachers and Employees Multi-Purpose Cooperative
- 79 Tanay District Teachers Credit Cooperative
- 80 Teachers Association of Pangasinan Multi-Purpose Cooperative
- 81 Teachers Association of Pangasinan, Dagupan City and San Carlos City, Inc.
- 82 Teachers Association of Pangasinan, Inc.
- 83 Unistar Credit And Finance Corporation
- 84 United Coconut Planters Life Assurance Corporation (COCOLIFE)
- 85 United Teachers Multi-Purpose Cooperative
- 86 Yields Financial Corporation
- 87 Zamboanga City Rural Bank, Inc.
- 88 Zamboanga Del Sur-Sibugay-Pagadian City Teachers' Association (ZSSPCTA), Inc.
- 89 Zamboanga Peninsula Teachers and Community Multi-Purpose Cooperative

*** - TCAA prepared by the Regional Office*

NOTES:

1. * - Interest on Outstanding Principal Loan Balance that will not be remitted within 60-day grace period AND will not be paid over-the-counter on or before December 31, 2020.
2. With the implementation of the 60-day grace period, **the PLIs and GFIs not included in this list WILL charge monthly interest on Outstanding Principal Loan Balance**, in case not settled or paid over-the-counter on or before December 31, 2020.

B. PLIs and GFI which Will COLLECT the Accrued Interests for the 60-Day Grace Period

(DepEd borrowers may opt to pay over-the-counter, should they prefer not to avail the 60-days grace period with these lending institutions)

- 1 Land Bank of the Philippines
- 2 1st Valley Bank, Inc. (A Development Bank)
- 3 AuroraBank, Inc. (A Micro-Finance Oriented Rural Bank)
- 4 Bankways, Inc. (A Rural Bank)
- 5 Bataan Public School Teachers and Employees Association, Inc.
- 6 BDO Network Bank, Inc. (A Rural Bank)
- 7 Cagsawa Rural Bank, Inc.
- 8 Camalig Bank, Inc. (A Rural Bank)
- 9 China Bank Savings, Inc.
- 10 City Savings Bank, Inc.
- 11 Community Rural Bank of Dapitan City, Inc.
- 12 East West Rural Bank, Inc. (EWRBI)
- 13 Enterprise Bank, Inc.
- 14 First Consolidated Bank, A Private Development Bank
- 15 GM Bank of Luzon, Inc. (A Rural Bank)
- 16 Gubat Saint Anthony Cooperative
- 17 Iloilo National High School Faculty and Employees Multi-Purpose Cooperative
- 18 Legazpi Savings Bank, Inc.
- 19 Mount Carmel Rural Bank, Inc.
- 20 National Teachers and Employees Cooperative Bank (NTECB)
- 21 PBCOM Rural Bank (Formerly: Banco Dipolog, Inc., A Rural Bank)
- 22 Producers Savings Bank Corporation
- 23 Rural Bank of Barili (Cebu), Inc.
- 24 Rural Bank of Mati, Inc.
- 25 Rural Bank of San Jacinto (Masbate), Inc.
- 26 Sun Savings Bank
- 27 Tagum Cooperative
- 28 UCPB Savings Bank, Inc.
- 29 Unilink Bank, Inc. (A Rural Bank)
- 30 Wealth Development Bank Corporation

C. PLIs and GFI with No Response to the Request for Waiver of Collection of Accrued Interest

- 1 Pag-IBIG Fund
- 2 AMA Rural Bank of Mandaluyong, Inc. (under Receivership of PDIC)
- 3 ASPAC Rural Bank, Inc.
- 4 Bataan School of Fisheries Faculty and Staff Multi-Purpose Cooperative
- 5 Bohol Public School Teachers and Employees Multi-Purpose Cooperative**
- 6 Cabatuan National Comprehensive High School Multi-Purpose Cooperative
- 7 Cebu CFI Community Cooperative
- 8 Country Builders Bank, Inc. (A Rural Bank)
- 9 Cristal Vi Finance Corporation
- 10 Crosscap Financing, Inc.
- 11 DECS Sagay Employees Multi-Purpose Cooperative
- 12 DECS South Cotabato Mutli-purpose Cooperative
- 13 DepEd RO6 Multi-Purpose Cooperative
- 14 Des Financing Corporation
- 15 Eastern Peninsula Teachers Credit Cooperative (EPTCC)
- 16 Farmers Savings and Loan Bank, Inc.
- 17 First Community Bank, Inc. (Rural Bank)
- 18 Grandvista Finance Corporation

- 19 Hiyas Banking Corporation (A Thrift Bank)
- 20 Innovative Investors and Financing Company, Inc.
- 21 Jacinto P. Elpa High School Employees Multi-Purpose Cooperative
- 22 Jalandoni Memorial National High School Teachers' and Employees Development Cooperative
- 23 La Castellana I Personnel Multi-Purpose Cooperative
- 24 Lagawe Highlands Rural Bank, Inc. (Banco Lagawe)
- 25 Legazpi City Division Credit Cooperative
- 26 Luzon Development Bank
- 27 Makati Educators Multi-Purpose Cooperative (MAK-ED) MPC**
- 28 Marcelo H. Del Pilar National High School Teachers Multi-Purpose Cooperative**
- 29 MOGCHS Faculty, Retirees, Employees and Students Multi-Purpose Cooperative**
- 30 Monkayo Public School Teachers, Employees and Retirees Multi-Purpose Cooperative
- 31 Mr. Yu Finance Corporation
- 32 Naga School Teachers Multi-Purpose Cooperative
- 33 Pampanga High School Multi-Purpose Cooperative
- 34 People's Credit Network Finance Company, Inc.
- 35 Piwong Multipurpose Cooperative
- 36 Quezon National High School Multi-Purpose Cooperative
- 37 R6 Teachers Association, Inc.
- 38 Radiowealth Finance Company, Inc.
- 39 Ramon Avanceña National High School Faculty and Employees Multi-Purpose Cooperative
- 40 Rang-ay Bank (A Rural Bank), Inc.
- 41 Rosales National High School Teachers and Employees Multi-Purpose Cooperative
- 42 Rural Bank of Central Pangasinan, Inc.
- 43 Rural Bank of Dulag (Leyte), Inc.
- 44 Rural Bank of Pilar (Sorsogon), Inc.
- 45 Rural Bank of Tangub City (Mis. Occ.), Inc.
- 46 Sorsogon Public School Teachers and Employees Multi-Purpose Cooperative, Inc.
- 47 Tabaco National High School-Alay Kapwa Multi-Purpose Cooperative (TNHS-AKMPC)**
- 48 Triple Diamond Finance Corporation
- 49 Unicapital Finance and Investments, Inc.
- 50 Z.C. Crown Link Finance Corporation

*** - TCAA prepared by the Regional Office*

D. PLIs with No Loans Granted

- 1 Cooperative Bank of Cotabato
- 2 Emerald Rural Bank, Inc.
- 3 Negros Cooperative Bank
- 4 Rural Bank of San Agustin (Isabela), Inc.

Sample Computation of Accrued Interest to be Charged by PLIs which did NOT Signify on its Waiver

ASSUMPTIONS:	
<ul style="list-style-type: none"> • 60-day grace period to be implemented on Oct. 2020 payroll month • Term of Loan : 9% per annum, payable in 2 years or 24 months, or 0.75% per month • P300,000.00 Principal Loan, with Outstanding Principal Loan Balance of P229,965.71 as of Sept. 2020 	
COMPUTATION:	
Outstanding Principal Balance as of Sept. 2020	P229,965.71
Multiplied by Contractual Interest Rate per Month	0.75%
Accrued Interest for October 2020	P1,724.74
Accrued Interest for November 2020	P1,724.74
Total Accrued Interest for 2 months – to be paid outside APDS	P3,442.48

NOTES:

1. Pursuant to Section 4(uu) of R 11494 (Bayanihan Act 2), the total Accrued Interest may be settled on staggered basis without interest on interests, penalties and other charges until December 31, 2020 (i.e. P1,724.74/month from Nov. to Dec. 2020, or as may be agreed upon by the borrower and the Lender).
2. Unlike in Section 4 (aa) of RA 11469 (Bayanihan Act 1), the Accrued Interest **may be settled on staggered basis** without interest on interests, penalties and other charges **over the remaining life of the loan** (eg. In case the remaining life of the loan is 16 months, the borrower may opt to pay **P215.60 per month (i.e. P3,449.49 divided by 16 months = P215.60)**)
3. **The accrued interest to be charged under Bayanihan Act 2 is over and above the accrued interest charged by the Lender under the Bayanihan Act 1**