



Republic of the Philippines  
Department of Education

27 MAY 2021

DepEd ORDER  
No. 020, s. 2021


**ENHANCED GUIDELINES ON ACCREDITATION/RE-ACCREDITATION  
OF PRIVATE ENTITIES UNDER THE AUTOMATIC PAYROLL  
DEDUCTION SYSTEM PROGRAM**

To: Undersecretaries  
Assistant Secretaries  
Bureau and Service Directors  
Regional Directors  
Schools Division Superintendents  
Public and Private Elementary and Secondary School Heads  
All Others Concerned

1. For information and guidance of all concerned, the Department of Education (DepEd) issues the enclosed **Enhanced Guidelines on Accreditation/Re-Accreditation of Private Entities under the Automatic Payroll Deduction System (APDS) Program**.
2. DepEd shall regulate the use of its APDS to facilitate and ensure orderly implementation of salary deductions authorized by law, adherence to legal limitations on salary deductions, and protection and promotion of the welfare of all teachers and employees, by addressing the issues and concerns both from internal and external stakeholders and limiting the disputes regarding issues related to salary deductions.
3. These revised guidelines shall apply to the following:
  - a. Private entities authorized under existing laws to be paid through salary deductions and applying to participate in the APDS at the national, regional, schools division, and school levels; and
  - b. All DepEd officials and employees who are in actual service at the central, regional and schools division offices, including schools.
4. DepEd Order No. 18, s. 2018 titled *Revised Guidelines on Accreditation/Re-Accreditation of Private Entities under the Automatic Payroll Deduction System (APDS) Program*, and all earlier DepEd issuances on the same subject are repealed. All other rules, regulations, and issuances, which are inconsistent with these guidelines are repealed or modified accordingly.
5. These guidelines shall take effect upon posting on the DepEd website, and in Official Gazette and/or two newspapers of general circulation, and must be registered at the Office of the National Administrative Register (ONAR), College of Law, University of the Philippines, Diliman, Quezon City.

6. For more information, please contact the **Employee Account Management Division**, the APDS Secretariat, 2nd Floor, Teodoro Alonzo Building, Department of Education Central Office, DepEd Complex, Meralco Avenue, Pasig City through email at [fs.eamd@deped.gov.ph](mailto:fs.eamd@deped.gov.ph) or at telephone number (02) 8633-7248.

7. Immediate dissemination of and strict compliance with this Order is directed.

  
**LEONOR MAGTOLIS BRIONES**  
Secretary

Encls.:

As stated



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DEPED-OSEC-442791

Reference:

DepEd Order (No. 18, s. 2018)

To be indicated in the Perpetual Index  
under the following subjects:

ACCREDITATION  
CHANGE  
DEDUCTIONS  
EMPLOYEES  
OFFICIALS  
PAYMENTS  
POLICY  
SALARY  
TEACHERS

(ENCLOSURE 1 TO DEPED ORDER NO. 20, S. 2021)

**ENHANCED GUIDELINES ON ACCREDITATION/  
RE-ACCREDITATION OF PRIVATE ENTITIES UNDER THE  
AUTOMATIC PAYROLL DEDUCTION SYSTEM (APDS) PROGRAM**

**I. RATIONALE**

1. The Department of Education, as a government agency, is authorized by various laws, rules and regulations to deduct from salaries of its employees such amounts intended for the payment of contributions and other obligations due to specified to private entities.

2. Such authorization, however, is concurrently limited by other laws, particularly Section 21<sup>1</sup> of RA 4670 or the Magna Carta for Public School Teachers, and Section 66<sup>2</sup>, Title I(A), Book V of the Administrative Code of 1987.

3. In addition, Congress has imposed limitations on the extent of the amount that may be deducted, as well as on the order of preference of the deductions, through the General Provisions of the General Appropriations Act (GAA) on authorized deductions from salaries and other benefits accruing to any government employee, chargeable against the appropriations for Personnel Services.

4. In the implementation of authorized deductions, the DepEd is also under responsibility to consider the welfare of the teachers and employees. Among the powers, duties and functions of the Secretary of the Department of Education, as provided in Section 7 (A) of RA 9155 or the Governance of Basic Education Act of 2001, is "(E)nhancing the employment status, professional competence, welfare and working conditions of all personnel of the Department".

5. As part of DepEd's implementation of the authorized deduction from salaries, it has been implementing a centralized Accreditation for the inclusion of private entities in its Automatic Payroll Deduction System (APDS). The Accreditation provides standards and procedures that private entities must comply with to be included in the APDS. The Accreditation also facilitates the orderly implementation of the limitations on authorized deductions, including the observance of the minimum monthly net take home pay (NTHP) as well as the order of preference of deductions.

6. This Revised Guidelines on Accreditation/Re-Accreditation of Private Entities under the APDS is issued to enhance the existing rules and criteria for Accreditation/Re-accreditation, for continuous systems improvement, such as the automation on granting loans to DepEd personnel and submission of billing statements by the accredited entities, in view of the current technology advances and modernization thrust of the government, and to cover issues and concerns raised by both DepEd personnel and accredited entities with the implementation of the existing APDS policy which need to be addressed by the Department. Further guidelines relative to deduction from salaries of government employees may be issued by the Department as deemed necessary.

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<sup>1</sup> Section 21, RA 4670 - Deductions Prohibited. No person shall make any deduction whatsoever from the salaries of teachers except under specific authority of law authorizing such deductions: Provided, however, That upon written authority executed by the teacher concerned, (1) lawful dues and fees owing to the Philippine Public School Teachers Association, and (2) premiums properly due on insurance policies, shall be considered deductible.

<sup>2</sup> Section 66, Title I(A), Book V of the Administrative Code of 1987 - "Except as may otherwise be provided by law, it shall be unlawful for a treasurer or other fiscal officer to draw or retain from the salary due an officer or employee, any amount for contribution or payment of obligations other than those due the government or its instrumentalities".

## II. SCOPE

7. The revised guidelines apply to private entities authorized under existing laws to be paid through salary deductions and applying to participate in the APDS at the national, regional, school division, and school levels.

8. Accreditation/Re-accreditation shall be valid for a period of **five (5) years** from the date of the signing of the Terms and Conditions of the APDS Accreditation (TCAA) by the representative of the accredited entity, unless the Accreditation is earlier revoked by DepEd for grounds as provided in the TCAA. Moreover, performance of accredited entities shall be evaluated to assure compliance with the TCAA six (6) months before the third year of their TCAA.

9. Services offered under these guidelines shall be extended to DepEd officials and employees who are in actual service at the Central, Regional and Schools Division Offices, including schools. Officials and employees who avail of these services shall be bound by the terms and conditions specified in the relevant provisions of this policy.

## III. DEFINITION OF TERMS

10. The following terms are defined, as used in these guidelines:

- a. **Affiliate company** refers to an entity which shall act as the accredited entity's partner in catering loans and insurance/mutual aid or benefit systems membership to DepEd personnel. It must be duly registered with the appropriate government regulatory body (SEC, CDA, IC, and BSP), and which office must meet the requirements in paragraph 22 of these guidelines. Pawnshops and money exchangers (and other similar entities) are prohibited to act affiliates of APDS accredited entities under these guidelines.
- b. **Agency Authorized Officer** refers to a designated DepEd employee who is responsible for approving GSIS loans applied by DepEd employees, among others. He/she shall coordinate with the DepEd Verifier to ensure that repayment of said loan can be accommodated in the payroll.
- c. **Automatic Payroll Deduction System (APDS)** refers to a mechanism of collecting payments, through salary deduction, for mandatory and non-mandatory financial obligations of DepEd employees, and remittance thereof to government and accredited private entities.
- d. **Automatic Payroll Deduction System Program** refers to a DepEd program officially recognizing and authorizing private entities to utilize the APDS facility for non-mandatory deductions in the Central, Regional, Schools Divisions, and implementing unit secondary schools. Entails the execution of Terms and Conditions of the APDS Accreditation (TCAA, for brevity) which assigns an APDS code and sets the *roles and responsibilities* of the accredited entity with regard to the APDS.
- e. **DepEd Verifier** refers to a designated DepEd employee who is responsible for checking if the loan or any financial obligation being applied for by a certain DepEd employee can be accommodated in his/her pay slip. He/she shall verify the resulting net take home pay of a DepEd employee after obtaining a loan or any financial obligation being applied for.
- f. **Effective Interest Rate** refers to the rate that exactly discounts estimated future cash flows through the life of a loan to the net amount of loan proceeds. It is also the rate paid due to the result of compounding over a given time period.

- g. **General Appropriations Act** refers to the law enacted every fiscal year that defines the annual expenditure program of the national government and all its instrumentalities.
- h. **Interest Rate** refers to the proportion of a loan that is charged as interest to the borrower, usually expressed as an annual percentage of the outstanding loan. It is the amount to be paid by the Borrower for the use of money for a period of time and is expressed as a percentage of the total outstanding balance of time on loan.
- i. **Net Take Home Pay** refers to the total amount disbursed to a DepEd Employee in a payroll month after all the mandatory and non-mandatory deductions have been deducted.
- j. **Pay slip** refers to the document issued monthly by a payroll services unit to each DepEd employee showing the employee's gross receipts, deductions, and net take home pay for that payroll month.
- k. **Principal Amount of Loan** refers to the gross amount of a loan, based on which, the interest and loan payments are computed.
- l. **Terms and Conditions of the APDS Accreditation (TCAA)** refers to the document signed by the representative of the APDS accredited entity as proof of its enrollment to the DepEd APDS Program, duly notarized by a Notary Public and acknowledged by DepEd. It includes the APDS Code to be used by the accredited entity including its roles and responsibilities to be followed in the utilization of the APDS facility.

#### IV. POLICY STATEMENT

11. The DepEd shall regulate the use of its APDS to facilitate and ensure orderly implementation of salary deductions authorized by law, adherence to legal limitations on salary deductions, and protection and promotion of the welfare of all teachers and employees, by addressing the issues and concerns both from internal and external stakeholders and limiting the disputes regarding issues related to salary deductions.

12. Only entities specifically authorized by law to be paid through salary deductions of teaching and non-teaching employees' contributions and obligations may apply for Accreditation/Re-Accreditation.

13. The DepEd shall impose a ceiling on interest rates, service charges, and other fees charged by lending institutions participating in the APDS.

14. The DepEd shall endeavor to prevent and eliminate illegal and unauthorized deductions from the salaries of DepEd officials and employees.

15. Except as otherwise provided by law, any deduction shall be allowed only upon written authorization by the DepEd official or employee concerned.

16. In the implementation of authorized deductions, the DepEd is also under responsibility to consider the welfare of the teachers and employees. Among the powers, duties and functions of the Secretary of the Department of Education, as provided in Section 7 (A) of RA 9155 or the Governance of Basic Education Act of 2001, is "(E)nhancing the employment status, professional competence, welfare and working conditions of all personnel of the Department".

## V. GENERAL PRINCIPLES

17. A centralized Accreditation/Re-accreditation shall be implemented by the DepEd Central Office as a requirement to participation in the DepEd's APDS. The Accredited/Re-Accredited entity shall be assigned an APDS Code, and Sub-Codes as applicable, by the DepEd Central Office (CO) through the Employee Account Management Division (EAMD), which shall act as the APDS Secretariat. However, for cooperatives whose membership is exclusive to DepEd teaching, non-teaching, and teaching-related personnel, current or retired (hereinafter referred to as "DepEd personnel cooperatives"), and whose operations are limited to one Region, accreditation is delegated to the DepEd Regional Office.

18. The Accredited/Re-accredited entity shall sign the TCAA of the APDS Accreditation and acknowledge the same before a notary public.

19. Accreditation/Re-accreditation shall be granted to entities that agree to abide by these specific guidelines, with reference to the following:

- 19.1 Specific authorization by law for payment of contributions or obligations through salary deductions;
- 19.2 Legal existence and license to operate as granted by the government through its different regulators;
- 19.3 Full transparency in reporting operations and financial status;
- 19.4 Grounds for suspensions and revocation of Accreditation; and
- 19.5 Other conditions set forth in the TCAA.

20. Entities, including affiliates/associates/partners with contested ownership or chairmanship are not allowed to participate in the APDS.

21. Entities participating in the APDS as well as all DepEd offices and personnel concerned shall follow the procedures for the verification of the NTHP, as contained in Annex B and C of Enclosures 2 and 3, respectively, of this DepEd Order.

22. Entities shall be allowed to participate in the APDS facility in the **province**<sup>3</sup> where they have an office established in accordance with law. The office shall have a fully equipped physical site of transaction, inside a building or commercial structure, with a local business permit, proper sign board, official contact details (landline, post-paid mobile or registered number, including e-mail address), and full-time manager/authorized personnel and staff who shall maintain complete records, accept payments, issue statements of accounts, official receipts, certificates of full payment, and contracts and membership documents, all within specified timeframes, and attend to other transactions, queries, and complaints of DepEd personnel.

23. Entities may also be allowed to transact business within a region even without the existence of an office in a certain province, provided the Entity concerned has its fully equipped facility/system that enables lending business transactions via online process, from acceptance of loan applications filed by DepEd borrowers, granting of loans, responding to queries, and others, as reviewed by the DepEd Central Office APDS Task Force and approved by the Undersecretary for Finance.

24. Entities that do not have an office in a province may offer **loans and insurance/mutual aid memberships** under APDS to DepEd personnel in that province by making arrangements and entering into legal agreements with affiliate companies, **except for**

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<sup>3</sup> For this purpose, Metro Manila will be considered as one province.

**pawnshops and money exchangers**, which shall act as the former’s agent. The said affiliate **company** must be duly registered with the appropriate government regulatory body, and must have an office in the **province** that meets the requirements in **paragraph 22** hereof.

25. For purposes of renewal of the TCAA, the Accredited Entity shall submit its Letter of Intent for the APDS re-accreditation **at least one (1) month prior to the date of expiration**.

26. Entities participating in the APDS for lending business shall conform with the ceilings on interest and non-interest rates on loans as shown below. Only loans with a term not exceeding **three (3) years** will be accommodated under the APDS. Illustrations for the loan computations from **one (1) to three (3) years** are in Annexes D-1 to D-3 of Enclosure 2 of this DepEd Order.

<b>Particulars</b>	<b>Ceilings</b>
Contractual Interest Rates (based on diminishing/declining principal balance)	1 year – 7.500% per annum (p.a.) or 0.625% per month 2 years – 9.000% p.a. or 0.750% per month 3 years – 9.660% p.a. or 0.805% per month
One-time Other Charges (Must be itemized in the Disclosure Statement)	6.000%, deducted upfront from the principal amount of loan
Effective Interest Rates (EIR) p.a.	1 year – 21.091% 2 years – 16.351% 3 years – 14.886%

27. The Department shall conduct a review of and adjust these rates as often as may be needed by the prevailing circumstances, in consultation with the relevant government agencies, and on other policy considerations.

28. The Department shall also post in the DepEd website or any online platforms, or in any conspicuous places of the DepEd offices, the rates of interest and other charges on loans to be offered to DepEd officials and personnel by lending institutions participating in the APDS.

29. Entities participating in the APDS shall pay the following service fees, which shall be collected by the DepEd implementing units **(Central, Regional and Schools Division Offices, as well as Implementing Unit Secondary Schools)** through automatic deduction from the remittance due to the Accredited/Re-accredited Entity, in favor of the DepEd Provident Fund:

- 29.1 For loans granted by banks, insurance companies, financing companies: One percent (1%) of amount to be remitted.
- 29.2 For loans granted by non-stock savings and loans associations, mutual benefit associations, and DepEd personnel cooperatives and other associations: One-half of one percent (0.5%) of the amount to be remitted.
- 29.3 For insurance premia due to insurance companies: Three percent (3%) of amount to be remitted.
- 29.4 For mutual benefit membership dues/contributions due to associations/cooperatives, non-stock savings and loan associations, and mutual benefit associations: One percent (1%) of amount to be remitted.

## VI. ACCREDITATION/RE-ACCREDITATION CRITERIA

### A. MINIMUM REQUIREMENTS

30. To be eligible for consideration for accreditation/re-accreditation, applicants must satisfy the following criteria:

- 30.1 Legally organized and duly registered with government regulatory agencies such as the Securities and Exchange Commission (SEC), BSP, Insurance Commission (IC), and Cooperative Development Authority (CDA);
- 30.2 For lending business, the applicant must be authorized to engage in lending based on the primary or secondary purpose stated in the Articles of Incorporation/Cooperation;
- 30.3 For insurance business and mutual benefit and association memberships, the applicant must be authorized to offer insurance policies and mutual benefit and association memberships based on the primary or secondary purpose stated in the Articles of Incorporation/Cooperation;
- 30.4 Operating and in good standing for the current year as certified by SEC, BSP, PDIC, IC, or CDA;
- 30.5 Must have **authorized personnel** and staff **in each of entities' offices/branches** who shall maintain complete records, accept payments, issue statements of accounts, official receipts, certificates of full payment, and contracts and membership documents, all within specified timeframes, and attend to other transactions, queries, and complaints of DepEd personnel;
- 30.6 For new applicants, must have a track record of at least **five (5) years** of operations for the type of accreditation being applied for, **except for DepEd personnel cooperatives which must have a track record of at least two (2) years;**
- 30.7 Must have sufficient capitalization as provided for by law or regulations, but in no case shall the equity as reflected in the **two (2) succeeding** year's Audited Financial Statements (AFS) be less than **PhP5 million, except for DepEd personnel cooperatives whose operations are limited to one (1) region** and the memberships include retired, resigned and active/current DepEd officials and employees within their respective coverages. The applicant shall have equity as follows:
  - a. At least PhP 2 million for region-wide DepEd personnel cooperatives. The applicant once accredited/re-accredited shall utilize the APDS facility only in the provinces within the region where it has offices as defined in paragraph 22 of these guidelines.
  - b. At least PhP 1 million for division-wide DepEd personnel cooperatives. The applicant once accredited/re-accredited shall limit the utilization of the APDS facility within the schools division where it is operating.
  - c. At least PhP 300,000.00 for DepEd personnel-cooperatives exclusive for Implementing Unit Schools that prepare its own payrolls (i.e. with direct release of fund from the Department of Budget and Management). The applicant once accredited/re-accredited shall limit the utilization of the APDS facility within the school where it is operating.



**B. DOCUMENTS FOR SUBMISSION BY APPLICANTS**

## 31. For Accreditation of new applicants:

31.1 The applicant must submit the following original or certified true copies of the documents issued by the appropriate government regulatory agency:

31.1.1 **For SEC registered entities:**

- a. Certificate of Incorporation/Registration
- b. Articles of Incorporation and By-Laws, and Amendments, if any
- c. Updated General Information Sheet
- d. Certification from SEC that the entity has not been dissolved nor has the Commission received any derogatory information that would prevent it from exercising its primary purpose or business

31.1.2 **For BSP registered entities** (in addition to the required documents from SEC):

- a. Certificate of Authority
- b. Certification of Good Standing issued by the Philippine Deposit Insurance Corporation (PDIC)

31.1.3 **For IC registered entities** (in addition to the required documents from SEC):

- a. Certificate of Registration
- b. Certificate of Authority

31.1.4 **For CDA registered entities:**

- a. Certificate of Registration
- b. Articles of Cooperation and By-Laws, and Amendments, if any
- c. Updated Cooperative Annual Progress Report (CAPR)
- d. CDA Certificate of Good Standing intended for DepEd APDS Accreditation purposes (original to be presented for validation purposes)

## 31.1.5 Additional documents required from all new applicants:

- a. Letter of Intent signed by the President/Chairman/Chief Executive Officer
- b. Latest organization profile
- c. Ownership structure, including, among others, the percentage of share ownership of the stockholders/members
- d. Curriculum vitae/bio-data of corporate directors and officers with photocopy of ID with picture and signature. For government employees, the accomplished and filed Civil Service Commission Form 212 (Personal Data Sheet) must be submitted
- e. List of all products and/or services offered to DepEd personnel. For applications for insurance business and mutual benefit and association memberships: approval from their respective government regulatory agencies to offer such products and/or services
- f. In case of mutual benefit associations, DepEd personnel cooperatives, and associations, a Certification from its President/Chairman that the organization is duly operating under existing laws which are managed by and/or for the benefit of government employees
- g. AFS for the two (2) immediately preceding years, stamped received by the BIR
- h. Copy of Income Tax Return (ITR) for the two (2) immediately preceding years, with proof of payment
- i. BIR Certificate of Registration (Form 2303) of Tax
- j. Identification Number (TIN)
- k. List of main and all field offices/branches, including the names of its Authorized Personnel/Head of Office/Branch Manager per region, with complete addresses, any official contact number, and official e-mail

addresses, with a corresponding Certification that the said offices/branches can sufficiently render all the services mentioned in paragraph 22

- l. For entities applying for accreditation for lending business: sample amortization schedules for each type and term of loan, showing the rates of interest, non-interest, and other charges (itemized), following the Effective Interest Calculation Model in Annexes "D-1" to "D-5" of Enclosure 2
- m. For entities applying for accreditation for lending business: subscribed statement attesting to the Truth in Lending Act with attached expanded Disclosure Statement on Loan/Credit Transaction (as required under R.A. 3765, Truth in Lending Act)
- n. Business Permits of all offices/branches intended for lending purposes
- o. Contract of Lease (effective during the term of the TCAA) or proof of ownership of offices/branches
- p. For affiliate companies: Certification executed by both the private entity and the affiliate companies stating that the latter can sufficiently render all the services mentioned in paragraph 22

32. For Re-Accreditation of private entities with existing APDS Codes:

32.1 To be qualified for re-accreditation process, the applicant entity must comply with the submission of the reportorial requirements specified in paragraph 8.2 of the previous TCAA. In addition, the following documents must also be submitted:

- a. Letter of Intent signed by the President/Chairman/Chief Executive Officer;
- b. Updated Curriculum vitae/bio-data of corporate directors and officers with photocopy of ID with picture and signature. For government employees, the accomplished and filed Civil Service Commission Form 212 (Personal Data Sheet) must be submitted; and
- c. Updated List of all products and/or services offered to DepEd personnel. In the case of insurance companies/MAS organizations, it is required that they should secure certification from the Insurance Commission on their approved products and/or services offered.

33. The Department may, from time to time, require accredited entities to submit hard copies of Promissory Notes, Authorities to Deduct, Disclosure Statements, Subsidiary Ledgers, Insurance Policy Contracts, Certificates of Membership, and other APDS-related membership and transaction documents of DepEd personnel.

## VII. ACCREDITATION/RE-ACCREDITATION PROCESS

34. Accreditation/Re-accreditation shall be continued in cycles of **five (5) years**. For this cycle, the accreditation/re-accreditation of private entities under APDS shall run from the date of the notarization of the new TCAA until December 31, 2025. Subsequent cycles shall still run for a full cycle of five (5) years starting January 1, 2026.

35. Entities aspiring to participate in the APDS must submit the complete set of documentary requirements to the following:

- 35.1 DepEd Central Office (CO) –
  - a. Non-stock savings and loans associations and mutual benefit associations duly operating under existing laws and cooperatives which are managed by and/or for the benefit of government employees. For cooperatives, the operations/offices must be in more than one (1) region;

- b. Associations or Provident Funds organized and managed by government employees for their benefit and welfare;
- c. Licensed insurance companies; and
- d. Thrift banks or rural banks accredited by the BSP.

35.2 DepEd Regional Office (RO) - DepEd personnel cooperatives **whose composition of incorporators and members include retired, resigned and active/current DepEd officials and employees**, and whose operations are limited to one (1) region.

35.3 Cooperatives whose operations are limited only in 1 region with previous accreditation at the DepEd CO may still submit the complete documents for re-accreditation to the said office for evaluation.

36. Acceptance of applications shall be as follows:

36.1 For accreditation, the required documents must be submitted on or before **July 31, 2021**. Evaluation and processing of applications with complete submission of the said required documents shall reckon on **August 1, 2021**, and is expected to be concluded up to the issuance of the TCAA on or before **August 31, 2021**.

36.2 For re-accreditation, the required documents must be submitted on or before **June 30, 2021**. Evaluation and processing of applications with complete submission of the said required documents shall reckon on **July 1, 2021**, and is expected to be concluded up to the issuance of the TCAA on or before **July 31, 2021**.

37. DepEd APDS Task Forces comprising of **seven (7) to nine (9) members** shall be formed at the RO and CO. Each Task Force shall be composed of the following personnel holding plantilla positions:

<b>Designation</b>	<b>RO</b>	<b>CO</b>
Chairperson	a. Regional Director or Assistant Regional Director	a. Assistant Secretary for Finance Service
Vice Chairperson		b. Assistant Secretary for Legal Service
Members	b. Chief Administrative Officer, Administrative Division	c. Assistant Secretary for Field Operations
	c. Chief Administrative Officer, Finance Division	d. Director, ICTS or his representative
	d. Supervising Administrative Officer, Finance Division	e. Director for Finance Service
	e. Head of Accounting Unit, Finance Division	f. Chief Administrative Officer, Employee Account Management Division (EAMD)
	f. Head, Personnel Section or Payroll Services Unit, Administrative Division	g. Chief Administrative Officer, Personnel Division
	g. One (1) representative from the Legal Unit, preferably holding an Attorney position	h. Supervising Administrative Officer, EAMD
		i. One (1) Representative from Accounting Division

38. The designated Chairpersons of the respective Task Forces shall issue an Office Order designating the Task Force members and furnish the Office of the Undersecretary for Finance and the APDS Secretariat, a copy of the same. A similar process shall be followed in case of changes in the composition of a Task Force.

39. The members of the Task Force may recommend a permanent alternate within the same office, holding a plantilla position, to attend meetings in his/her absence. The Chairperson may designate an officer from the members of the Task Force to officiate a meeting in the Chairperson's absence.

40. The following procedure shall be followed for entities applying at DepEd CO:

40.1 The complete set of documentary requirements must be submitted on or before the deadlines specified, with the letter of intent addressed to the Office of the Secretary, through the Undersecretary for Finance.

40.2 The Office of the Undersecretary for Finance, with the assistance of the APDS Secretariat and Regional APDS Task Forces, shall review and evaluate the submitted documents as well as validate compliance with all the necessary requirements by the applicants.

40.3 The Office of the Undersecretary for Finance on the basis of the review, may approve or disapprove the application. For applications for Re-Accreditation, records of the concerned entities' compliance with the previous **TCAA** will be considered in making the decision on whether to approve or disapprove. A letter of notification of the action taken thereon shall be served by the aforesaid Office to the applicants.

40.4 If approved, a corresponding TCAA shall be executed by the accredited entity, through its authorized representatives, and acknowledge the same before a notary public.

40.5 The responsibilities of the accredited entity are contained in the enhanced TCAA (Enclosures 2 and 3), subject to modification whenever necessary.

40.6 Accreditation is considered complete only upon the notarization of the TCAA.

41. The following procedures shall be followed for entities applying at the DepEd RO:

41.1 The complete set of documentary requirements must be submitted to the concerned DepEd Regional Office on or before the deadlines specified, with the letter of intent addressed to the Regional Director.

41.2 The Regional APDS Task Force shall review and evaluate the submitted documents as well as validate the compliance of the cooperative with all the necessary requirements under these guidelines.

41.3 On the basis of the evaluation made by the Regional APDS Task Force, the Regional Director shall approve or disapprove the application for Accreditation/Re-accreditation. For applications for Re-Accreditation, records of the concerned cooperative's compliance with the previous TCAA will be considered in making the decision. A letter of notification on the action taken shall be served by the aforesaid Office to the applicants.

41.4 For approved applications, the Regional Director shall send a written request for the assignment of the APDS Code (and Sub-Codes, if applicable) to the Undersecretary for Finance, **through the APDS Secretariat**.

41.5 Upon receipt of the APDS Code (and Sub-Codes, if applicable), the corresponding TCAA shall be executed by the accredited entity through its authorized representative.

41.6 The roles and responsibilities of both parties, as well as the other terms and conditions of the TCAA, are enumerated in Enclosures 2 and 3, subject to further modification whenever necessary.

41.7 Accreditation is considered complete only upon the notarization of the TCAA.

42. Non-accreditation or disapproval of the application for Accreditation or Re-Accreditation shall result in the denial of the entity's privilege to transact new business under APDS. However, for entities failing to get approval for Re-Accreditation, the DepEd shall:

42.1 **For lending business:** Continue servicing the collection of existing deductions already included in the APDS, up to the deduction termination dates reflected in the pay slip, and remit the same to the entity. Thereafter, the APDS Code is automatically cancelled.

42.2 **For insurance premia or membership dues/contributions:** Continue servicing the collection of deductions already incorporated in the payroll system, as of the date of the disapproval, for the next three (3) months or until requested for stoppage by the DepEd policy holder/member/depositor, whichever comes earlier, and remit the same to the entity. Within sixty (60) calendar days from the said disapproval, DepEd shall notify the concerned DepEd personnel of the stoppage of deductions, and the latter may transact and/or pay directly to the formerly accredited entity, or terminate their memberships therewith. Thereafter, the APDS Code and Sub-Codes, if any, are automatically cancelled.

### VIII. SUSPENSION OR REVOCATION OF ACCREDITATION

43. Entities applying for Accreditation agree that such Accreditation may be suspended or revoked by DepEd as may be provided in the TCAA.

### IX. MONITORING AND EVALUATION

44. Monitoring the compliance of APDS accredited entities with these guidelines and the TCAA, including addressing issues that arise in implementation, shall be undertaken by DepEd through the APDS Task Forces and the APDS Secretariat.

45. The APDS Task Forces shall have the following responsibilities within their respective jurisdictions:

45.1 Validate the existence of offices of entities during the application stage and as the need arises. To expedite the validation, the services of the Schools Division Office located near the entity's office or branch is located, may be tapped, provided, the Validation Report shall be supported with proof of existence of office like pictures of the office and its staff and the report is signed by the members of the Regional APDS Task Force.

45.2 Conduct spot-checking or monitoring activities of the compliance of entities;

45.3 Submit annual reports to the Undersecretary for Finance on the compliance of the entity of the TCAA on or before the end of February of each year;

45.4 Monitor the submission of annual documentary requirements of school-based cooperatives;

45.5 Monitor compliance of the designated DepEd Verifiers, Authorized Agency Officers for GSIS loans and the Pag-Ibig Loan Endorsers, with regard to the requirements

stipulated in the General Provision of the annual GAA on the resulting Net Take Home Pay of DepEd borrowers when applying for loans under the APDS.

- 45.6 Conduct investigations, fact-finding activities, meetings, and/or mediation activities as necessary to address issues raised by various stakeholders, and submit a corresponding report and/or recommendations to the Undersecretary for Finance for centrally accredited entities and to the Regional Director for school-based cooperatives; and
  - 45.7 Other tasks as may be assigned by the Secretary or the Undersecretary for Finance.
46. When conducting monitoring activities such as validation of existence of offices and spot-checking, at least three (3) members of the Task Force should be present. The Validation Report on the existence of the Entity's office/s shall be submitted in advance to DepEd Central Office via email. Thus, the corresponding letter of approval may be issued and released to the Lender prior to the receipt of the original copy thereof.
47. The APDS Secretariat shall have the following responsibilities:
- 47.1 Monitor the submission of annual documentary requirements of centrally accredited entities;
  - 47.2 Validate, consolidate and analyze/review all reports submitted by the APDS Task Forces;
  - 47.3 Seek opinion from the Office of the Undersecretary for Legal Affairs as needed;
  - 47.4 Collect, analyze, and report data on contributions and obligations covered by APDS;
  - 47.5 Prepare complete staff work on matters needing policy and implementation decisions;
  - 47.6 Recommend to the Secretary, through the Undersecretary for Finance, appropriate action, including creation of ad hoc bodies to resolve issues when needed; and
  - 47.7 Other related tasks that may be assigned.
48. A periodic review of this guidelines to further enhance its provisions and effectiveness shall be conducted by DepEd.

## **X. FINAL PROVISIONS**

### **A. REPEALING CLAUSE**

49. The following DepEd issuances are hereby repealed:
- 49.1 DO No. 19, s. 2019 entitled "Implementation of the P5,000 Net Take Home Pay for the Department of Education Personnel for Fiscal Year 2019;"
  - 49.2 DO No. 18, s. 2018 entitled, "Revised Guidelines on Accreditation/Re-accreditation of Private Entities under the Automatic Payroll Deduction System (APDS) Program;
  - 49.3 DO 49, s. 2017 entitled, "Revised Guidelines on Accreditation/Re-Accreditation of Private Lending Institutions (PLIs) under the Automatic Payroll Deduction System (APDS) Program;"

49.4 DepEd Memorandum (DM) No. 489, s. 2009 entitled, "Revised Automatic Payroll Deduction System (APDS) Guidelines on Accreditation/Re-Accreditation of Insurance Companies, Mutual Benefits Associations, Cooperatives/Associations and Other Organizations Authorized by Law;" and

49.5 All earlier DepEd issuances on the same subject.

50. Unless otherwise repealed or amended, the pertinent provisions of DO 14, s. 2019 entitled, "Implementation of the P5,000 Net Take Home Pay for the Department of Education Personnel for Fiscal Year 2019" are deemed integral parts and adopted in these guidelines.

51. Any information to be requested to DepEd by the private entity accredited under the APDS shall be subject to its availability and compliance with the provisions of Republic Act 10173 entitled "Data Privacy Act of 2012."

52. All other rules, regulations and issuances, which are inconsistent with these guidelines are hereby repealed or modified accordingly.

**B. EFFECTIVITY**

53. These guidelines shall take effect upon posting on the DepEd website.

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(ENCLOSURE 2 TO DEPED ORDER NO. 20, S. 2021)

## **TERMS AND CONDITIONS OF THE APDS ACCREDITATION (TCAA) FOR LOANS**

### **1. STATEMENT OF PRINCIPLES**

- 1.1 Participation in the DepEd Automatic Payroll Deduction System (APDS) at the national, regional and school levels may be granted to private institutions authorized under specific law to be paid through salary deductions, and accredited by DepEd after fulfillment of requirements as provided in DepEd Order No. 20, s. 2021.
- 1.2 The accredited private institution shall subscribe to the following principles:
  - 1.2.1 Full transparency in reporting operations and financial status as evidenced by audited financial statements and appropriate disclosure statements; and
  - 1.2.2 Integrity of operations through proper and complete documentation of loans to DepEd personnel.
- 1.3 The DepEd shall ensure that the objectives and purposes of APDS are achieved through proper regulation, periodic review, and accreditation/re-accreditation.
- 1.4 The APDS shall be implemented in accordance with the limitations imposed by existing and new laws, such as on monthly net take-home pay (NTHP) and order of preference of deductions.

### **2. ACCREDITATION AND ASSIGNMENT OF APDS CODE**

- 2.1 Accredited entities shall be assigned APDS codes for their exclusive use.
- 2.2 **APDS Code <number>** for lending business shall strictly be used for the collection of loan payments only<sup>1</sup>.
- 2.3 The APDS Code is not transferable, for sale, or for assignment to any other entity, except in cases of acquisition, merger, and consolidation of entities. In the event that the Lender changes its corporate name or effects other corporate changes, the Lender shall furnish DepEd with duly certified copies of the amended Articles of Incorporation/Cooperation [as applicable to the entity] and by-laws approved by the SEC/CDA [as applicable to the entity] to enable the DepEd to update its records accordingly.

### **3. GRANTING OF LOANS**

- 3.1 For loans intended to be serviced through the APDS, the Lender shall process loan applications and release loan proceeds in accordance with the terms and conditions herein.
- 3.2 Processing of online/digital applications may be allowed under APDS, provided DepEd is notified by the Lender in writing, duly supported with information on its detailed procedures/mechanics and online process flow in granting loans presented to the DepEd Central Office APDS Task Force, and acknowledged/authorized by DepEd.

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<sup>1</sup>The APDS Code issued in this TCAA shall not be used for deductions for insurance premia and/or membership dues/contributions.

- 3.3 The Lender shall exert all efforts to examine the authenticity of documents submitted online by the applicant. In case of fraud, and/ or misrepresentation thereof, it shall be solely responsible for the process of approving the membership applications of DepEd personnel.
- 3.4 The Lender may approve a loan only upon certification by the DepEd Verifier, secured by the Lender through the DepEd Borrower (hereinafter referred to as "Borrower"), stating that the monthly payments can be accommodated within the threshold of the monthly NTHP as required in the General Appropriations Act (GAA) at the time of approval of loan. Succeeding deductions shall conform to the monthly NTHP as provided by the GAA or other applicable laws at the time of the deduction.
- 3.5 The Lender shall accept loan applications only from DepEd officials and personnel who have **served at least six (6) months in DepEd** and are incorporated in the regular payroll with issued employee number, whether assigned at the national, regional, schools division, or school level [implementing unit (IU) or non-IU].
- 3.6 The Lender shall follow the procedure on the processing of loan application and approval as contained in **Annex "B-1" (for on-site/manual processing) and Annex "B-2" (for online processing)**.
- 3.7 The Lender shall immediately release the loan proceeds to the Borrower upon approval.
- 3.8 The Lender shall ensure that every loan is fully documented with a completely filled out Authority to Deduct (ATD), Promissory Note (PN), and Disclosure Statement (DS). These must be accomplished following the standard forms/templates as contained in Annexes "C-1" and "C-2", and with consistent information. The Lender shall furnish the Borrower copies of these documents free of charge, upon release of the loan, including a copy of the amortization schedule, in accordance with Annexes "D-1" to "D-3" of this TCAA.
- 3.9 Except for existing loans at the time of execution of this TCAA, the Lender is authorized to grant only one (1) new loan per Borrower for inclusion in the APDS. However, the Lender may grant additional loan to Borrowers in the event there is a declaration of state of calamity in the particular province/s, subject to NTHP verification.
- 3.9.1 Availment of this additional loan shall be available within three (3) months after the declaration of state of calamity.
- 3.9.2 Additional loan due to other forms of emergency situation shall also be allowed upon the approval of the DepEd Secretary through the Undersecretary for Finance.
- 3.10 In case of loan renewal, the Lender shall deduct the outstanding principal balance from the proceeds of the renewed loan and reflect such in the Disclosure Statement (DS). All loan renewals, regardless whether applied for by the Borrower before its end term, shall be treated as a new loan. Application for renewal of loan shall be allowed only once on existing loans granted under the previous TCAA of the Lender, as reflected in the pay slip of DepEd personnel.
- 3.11 The Lender may be allowed to offer one-time restructuring of current and past due loans (Undeducted Obligations) to the Borrower, subject to the following conditions:
- i. Application for loan restructuring by the Borrower is voluntary;

- ii. Only loans reflected on the pay slip of the Borrower shall be restructured;
  - iii. In case the Lender has granted more than one (1) loan to a Borrower as reflected on the Borrower's pay slip, the Lender shall consolidate these into one (1) loan during restructuring; and
  - iv. Penalties, if any, shall be waived (i.e., shall not be charged against the Borrower directly or indirectly)
- 3.12 Granting of additional, renewal and restructuring of loans shall be subject DepEd's verification process if the corresponding loan amortization can be accommodated in the payroll, and shall be with lower or the same loan terms based on the TCAA.
- 3.13 The Lender shall abide by the APDS policies on the terms and conditions of loans to be offered to Borrowers, including but not limited to the ceilings on interest rates and non-interest charges, and shall not impose any other charges except as provided in Annexes "D-1" to "D-3" of this enclosure.
- 3.14 The Lender shall ensure that conditions on penalties and/or past due interest on loans, if any, shall be reflected in the DS to be signed by Borrowers, with a notation that the same shall not be collected through the APDS. The fully accomplished DS shall be an indispensable requirement for inclusion of the loan in the APDS.
- 3.15 The Lender shall not compel any Borrower to take out any type of insurance contract as a condition to the loan agreement, except credit life insurance, the premium for which shall be included in the one-time other charges specified in Annexes "D-1" to "D-3".
- 3.16 The Lender shall fully explain the terms and conditions of the loan to the Borrower. The Lender shall submit a Sworn Statement to this effect together with its billing. (See Annex "E" for the sample.)
- 3.17 The Lender shall not require the surrender of an Automated Teller Machine (ATM) card as collateral from Borrowers for their loans.
- 3.18 The Lender shall not deduct advance payments from the loan proceeds of the Borrowers.
- 3.19 The Lender shall ensure that the venue of litigation in the event of legal suit against the Borrower or the Lender shall be within the location of the Borrower's work station only.

#### 4. BILLING OF LOANS

- 4.1 The Lender shall consolidate all the loan accounts granted within a month into one billing.
- 4.2 The Lender shall be responsible for submitting monthly billings to the PSU and IU, and checking and retrieving any returned billings (**refer to Annex F for the procedure**). Any billing for new loans granted by the Lender that will reduce the monthly minimum NTHP shall not be accommodated and shall be returned to the Lender.
- 4.3 The Lender shall not bill new loans if the Borrower has existing Undeducted Obligations as reflected in his/her pay slip.

- 4.4 For loan amortizations to be incorporated in the next payroll month, the Lender shall submit billings for all loans granted within the current month on or before the **5th working** day of the same month. Under no circumstance shall the Lender bill a Borrower for loans not yet granted.
- 4.5 The Lender shall submit billing statement to DepEd in an electronic format as agreed with the PSU and IU. The billing must be duly supported with soft copies of the required ATD, PN, DS, proof of loan release (i.e. checks, loan vouchers, credit memos, remittance lists, and others) duly acknowledged by Borrowers and Sworn Statement mentioned in item 3.16 above.
- 4.5.1 Only billings certified by DepEd Verifier that such loan amortization could be accommodated in the payroll and with complete supporting documents shall be processed by the PSU. The Lender may opt to submit billing statement via email or direct to the PSU/IU secondary school's office.
- 4.5.2 Notarization of the PN is optional. Unless it is notarized, notarial fee shall not be included under Other Charges.
- 4.5.3 The Lender shall be solely responsible in case of misrepresentation in the submission of the said supporting documents.
- 4.6 The Lender shall provide copies of the billings to the concerned Schools Division Offices within ten (10) days after the submission of its billing to the DepEd.
- 4.7 The Lender shall not charge penalties/fines/surcharges due to delays of payments as a result of any of the following:
- 4.7.1 Failure on the part of the Lender to pick up remittance checks;
- 4.7.2 Non-remittance due to suspension or revocation of Accreditation;
- 4.7.3 Failure of the DepEd to remit on time due to errors, inadvertence, force majeure, or any extreme circumstance;
- 4.7.4 Non-existence of office or affiliate company in a particular province; and
- 4.7.5 Other reasons/causes similar or analogous to the above.
- 4.8 In case of Borrower's transfer of work station to other region, for purposes of collection only, the Lender may submit the corresponding billing to the concerned PSU/IU. Such billing shall be supported with new ATD signed by the Borrower and other requirements specified in item 4.5 above. The Lender shall not renew the Borrower's loan unless the former has established office or affiliate/partner duly acknowledged by DepEd in the region where the Borrower has transferred.
- 4.9 In case the Borrower was temporarily removed from the regular payroll due to prolonged leave of absence, (or any other similar or analogous reasons), the loan deductions on his/her pay slip shall be retained and shall appear once he/she has reported back to office, and is integrated back to the regular payroll.
- 4.10 The Lender shall be responsible or collecting the outstanding loans of its Borrowers outside APDS, in case of their retirement, resignation or termination of appointment.

## **5. OVER-THE-COUNTER PAYMENTS**

- 5.1 The Lender shall not refuse to accept tender of payment made in advance by Borrowers, whether partial or in full. In case of full payment, the Lender shall immediately: a) inform the PSU/IU to delete the loan deductions; and b) submit the deletion file for the said deduction.

- 5.2 In case of advance payment, the Lender shall collect only the outstanding principal balance and shall charge interest only up to the date when the advance payment was made.
- 5.3 In case of full payment of loan by the Borrower, the Lender shall automatically include the Borrower's name in the list of loan amortizations for stoppage in the payroll and in the Deletion File to be effected immediately in the next payroll month.
- 5.4 The Lender shall request the PSU and IU the monthly list of payroll deductions that were stopped, and the corresponding supporting documents such as the Borrower's request for stoppage.

## 6. OVER-DEDUCTION

- 6.1 In case of over-deductions, the Lender shall refund the corresponding amount to the Borrower concerned within thirty (30) days from knowledge or notice thereof.
- 6.2 The Lender shall request DepEd for the adjustment of Service Fee in the next payroll month, corresponding to the amount refunded on over-deductions. The said request must be duly supported with proof of refund, duly acknowledged by the Borrower.

## 7. REMITTANCE

- 7.1 The Lender shall pay DepEd a service fee of \_\_\_\_ percent (\_\_\_%) of the total monthly collection, which shall be automatically deducted from their collection before remittance. *[The rate shall be based on Title V General Principles, Item 29, of the Revised Guidelines on Accreditation/Re-Accreditation of Private Entities under the APDS.]*
- 7.2 The Lender shall issue an OR to DepEd within fifteen (15) days after remittance of payments. Failure to do so will cause the suspension of the release of succeeding remittances until the issuance of the OR. The Lender may request DepEd to remit the payments through either of the following modes:
  - a. Through intra- or interbank fund transfer: The Lender shall coordinate with the remitting DepEd office for the procedure in setting up the fund transfer. The Lender shall shoulder the service charge, if any.
  - b. Through check: The Lender shall pick up the remittance check from DepEd within the succeeding month after the deductions were effected in the payroll. Otherwise, the preparation of succeeding checks will be suspended until the prepared check is picked up. Any request for replacement of stale checks shall be supported by written justification from the Lender.
- 7.3 Loan amortizations shall be refunded to the Borrowers in case the corresponding remittance check became stale and not requested by the Lender for replacement after notification by the DepEd for three (3) times.

## 8. DOCUMENTARY REQUIREMENTS

- 8.1 The Lender shall ensure the issuance of a Statement of Account (SOA) for every loan granted to a Borrower, free of charge, annually and anytime upon request, preferably within the day that the request was made by DepEd or by the Borrower, but in no case after more than three (3) days from such request. The SOA shall include an up-to-date payment history.

8.2 The Lender shall submit through email or electronic medium (USB), and other digital means, the following documents, duly certified as true copies by the concerned government regulatory agencies (i.e. SEC/CDA/IC), to the DepEd Central Office (CO), annually, through the APDS Secretariat, on or before September 30, except for business permit/s, the deadline for which is March 31 of the current year.

- Audited Financial Statements for the previous year, duly filed and stamped received by the BIR
- Corporate income tax return for the previous year, duly filed and stamped received by the BIR
- Business Permit/s for the current year in the provinces where the Lender has its office/s

*[Additional documents as applicable to the entity:]*

- SEC Certification that (i) the Lender has not been dissolved and (ii) that the Commission has not received any derogatory information that would prevent the entity from exercising its purpose/s as stated in its Articles of Incorporation. The Certification shall cover a period of one year immediately preceding its issuance.
- General Information Sheet for the current year stamped received by the SEC
- Certificate of Compliance issued by the CDA for the current year
- Cooperative Annual Progress Report (CAPR) for the current year
- PDIC Certificate of Good Standing covering the current year
- IC Certificate of Authority covering the current year

8.3 The Lender shall submit to the DepEd CO, copy furnished the concerned DepEd Regional Offices (ROs), reports on Outstanding Loan Receivables from Borrowers, duly certified by the Lender's Chief Accountant or his/her equivalent, on a semi-annual basis (in electronic– MS Excel format and hard copies) scheduled as follows:

<b>Cut-off Period</b>	<b>Deadline</b>
As of June 30 of the year	On or before September 30 of the year
As of December 31 of the year	On or before March 31 of the following year

## 9. OTHER CONDITIONS

- 9.1 The Lender shall not enter into any contract or agreement with DepEd offices other than the CO/RO regarding salary loans under APDS.
- 9.2 The Lender shall limit its operation to provinces/**regions** where it has office/s and **affiliate companies**. The office shall employ a full-time manager **or authorized personnel**, and staff who shall maintain the complete records/loan documents, accept payments, issue SOA, OR, and CFPL, and attend to other loan transactions and any queries/complaints of DepEd personnel. Annex "**G**", which forms an integral part of this TCAA, contains the provinces/**regions**, including the location of its offices (main and branches) and affiliate companies, if any, per province/**region**, where the Lender is authorized to operate.
- 9.3 In case of transfer of the Lender's office/s to another location or site, the Lender shall notify DepEd in writing regarding such transfer before the closure of the existing office/s, and submit corresponding necessary documents, for proper validation.
- 9.4 In case of change in contact number/s regardless if post-paid or registered mobile in the name of the Lender or landline telephone, the Lender shall notify/update DepEd Central Office by submitting a Certification stating therein the changes on contact number/s that will be officially used in transacting with DepEd employees.

- 9.5 The Lender shall make available to DepEd for inspection at any reasonable time all ATDs, PNs, DS and other related documents in the course of periodic review of the loan portfolio.
- 9.6 In case of a merger or consolidation involving the Lender, the Lender shall make sure that the surviving entity shall submit the following within three (3) months upon their availability, in addition to the documents required for accreditation:
- Formal letter signifying their intention to maintain their APDS accreditation for lending under the same deduction code together with a board resolution or secretary's certificate;
  - Certified true copy of the Articles of Merger or Consolidation; and
  - Deed of Assignment, if any.
- 9.7 In case the Lender is put under Receivership/Liquidation, the DepEd shall continue the payroll deduction from the monthly salary of the Borrower until full payment and the corresponding remittance to the appropriate government regulatory agency (PDIC for banks, CDA for cooperatives, Insurance Commission for insurance companies, etc.). However, the DepEd shall automatically stop the deductions of loan amortization in case of written request from the Borrower.
- 9.8 The Lender shall not use the name of DepEd or the term "public school teacher" in its promotions or in any form of advertisement.

## 10. NECESSARY ATTACHMENTS

- 10.1 This TCAA shall include as integral parts the following attachments:
- 10.1.1 **Annex "A"** – Notarized Secretary's Certificate supported by a Board Resolution authorizing the Lender's representative to execute this TCAA.
- 10.1.2 **Annexes "B-1 and B-2"** - Procedures for the Processing of Loan Applications of DepEd Borrowers Under the Department's APDS (on-site/manual and on-line process, respectively).
- 10.1.3 **Annexes "C-1" and "C-2"** – APDS Templates/Standard Format of Authority to Deduct, Promissory Note, and Disclosure Statement
- 10.1.4 **Annexes "D-1" to "D-3"** – Effective Interest Rate Calculation Models for 1-, 2-, and 3-year loans using the DepEd ceilings for interest rates and other charges.
- 10.1.5 **Annex "E"** – Sample Sworn Statement regarding the loan documents submitted and full explanation of the terms and conditions of the loans to the Borrowers.
- 10.1.6 **Annex "F"** – Procedures for the Online Process on the Submission of Monthly Billing Statements by the Lender Under the Department's Program on APDS.
- 10.1.7 **Annex "G"** — Provinces/Regions where the Lender has office/s as validated by DepEd, with the main office per province/region identified, indicating therein the address/es, official contact numbers, and the name/s of manager/s and contact person/s.
- 10.1.8 **Annex "H"** – Grounds for Suspension or Revocation of Accreditation.

## 11. GROUNDS FOR SUSPENSION OR REVOCATION

- 11.1 The Lender agrees that its Accreditation may be suspended or revoked by DepEd based on grounds enumerated in Annex "H".
- 11.2 Suspension, which involves the withholding of remittance for not less than one (1) month but not more than six (6) months, and the corresponding non-acceptance of new business or deduction billing for not less than one (1) month, shall be imposed upon repeated commission of grounds classified as "Simple".
- 11.3 The Accreditation shall be revoked upon commission of grounds classified as "Serious". When the Accreditation is revoked, the Lender shall no longer be allowed to grant new business in the affected provinces/**regions** under the APDS. However, collection of deductions already incorporated in the APDS as of the date of revocation shall continue up to the termination dates reflected in the pay slip. Thereafter, the APDS Code is automatically cancelled.
- 11.4 Any suspension or revocation imposed upon a particular office shall likewise be considered as sanction against all its other offices within the same province/region. If imposed on the Head Office, the same shall be imposed upon all its other offices in the national level.
- 11.5 Any complaint for the commission of any of the grounds for suspension or revocation should be made in writing and sufficient in form and substance. For the purposes of a formal investigation, the complaint must:
- Contain the names and addresses of the complainant/s;
  - Contain the entity or person subject of the complaint;
  - Contain the acts or omissions complained of constituting the infraction, based on the personal knowledge of the complainant;
  - Be accompanied with supporting documents, as needed; and
  - Be notarized.

However, DepEd shall not be precluded from conducting an investigation/fact-finding on the basis of other information received or discovered.

- 11.6 Commission of grounds for suspension or revocation shall be validated by the appropriate committee or task force designated by the Secretary. The APDS Task Forces in the CO and ROs may impose the suspension or revocation as a result of its investigation. The suspension or revocation may be appealed to the Office of the Secretary, through the Office of the Undersecretary for Finance, within a period of fifteen (15) days from notice. Pending the resolution by the Office of the Secretary, the suspension or revocation shall be held in abeyance. The suspension or revocation imposed by the APDS Task Force shall be reported to the Secretary, through the Undersecretary for Finance, for monitoring and records purposes.

## 12. EFFECTIVITY OF THE TCAA

- 12.1 This TCAA shall be valid upon signing and notarization, and shall be effective until **December 31, 2025**.
- 12.2 For purposes of renewal of this TCAA, the Lender shall submit its **Letter of Intent** for the APDS re-accreditation at least **one (1) month** prior to the date of expiration.



**13. FINAL PROVISIONS**

- 13.1 This TCAA, its annexes, and pertinent DepEd issuances shall be the governing documents with reference to the inclusion of the Lender in the APDS.
- 13.2 The Lender shall conform to any APDS policy subsequently issued by DepEd in the form of DepEd Order, Memorandum, or other issuance. Any provision in this TCAA affected by such subsequent APDS policy is deemed automatically modified or repealed as applicable.

**CONFORME:**

ACKNOWLEDGEMENT

**ANNEX "B-1"****PROCEDURES FOR THE MANUAL PROCESSING OF LOAN APPLICATIONS OF DEPED BORROWERS UNDER THE DEPARTMENT'S PROGRAM ON AUTOMATIC PAYROLL DEDUCTION SYSTEM (APDS)**

1. The **DepEd Borrower** (hereinafter referred to as the "**Borrower**") shall present his/her latest available pay slip to the APDS accredited lending entity (hereinafter referred to as the "**Lender**") as part of his/her loan application.
  2. The **Lender** shall evaluate the Borrower's loan application using its own criteria, including the Borrower's capacity to pay based on the presented pay slip. The presence of "Undeducted Obligations" in the Borrower's pay slip indicates his/her lack of capacity to pay the loan through the APDS, hence, such borrower is ineligible to borrow under the APDS.
  3. If the loan application passes the Lender's evaluation, the **Lender** shall stamp the following on the face of the pay slip without obscuring the pertinent details therein:
    - a. Corporate name of the Lender and APDS Code for lending;
    - b. Principal amount of the loan;
    - c. Term of the loan (first and final months of deduction);
    - d. Amount of monthly amortization;
    - e. Date of loan evaluation; and
    - f. Name and signature of Lender's Loan Officer.
  4. The **Lender** shall e-mail a scan of the stamped pay slip to the Borrower using the e-mail subject, "Request for Confirmation of Evaluated APDS Loan- <Lender's APDS Code> - <Borrower's complete name>"<sup>2</sup> and return the stamped pay slip to the Borrower.
  5. The **Borrower** shall forward the e-mail received from the Lender to the official/designated DepEd e-mail address of the concerned DepEd Verifier (hereinafter referred to as "Verifier") using the Borrower's official DepEd e-mail.
  6. The **Verifier** shall record the details of the Borrower and of the loan evaluated by the Lender that are pertinent to the assessment of the Borrower's capacity to pay.
  7. The **Verifier** shall determine if the stamped monthly amortization can be accommodated in the APDS, cognizant of the Borrower's eligibility to avail of loans under the APDS, the NTHP rule, and the Borrower's capacity to pay based on the presented pay slip and the Verifier's records. The Verifier, based on his/her records, shall also check if the Borrower has approved obligations that are not yet reflected in the latter's stamped pay slip.
- First-in first-served rule shall be strictly observed in the verification of loan applications.
8. The **Verifier**, using the official/designated DepEd e-mail, shall e-mail the Lender, copy furnished ("Cc") the Borrower, either of the following messages depending on the Verifier's assessment:

---

<sup>2</sup>The DepEd Office concerned may prescribe its own e-mail subject through official communications with the Lenders, copy furnished the Office of the Undersecretary for Finance.

- a. If the monthly loan amortization can be accommodated in the APDS:

Please be informed that as validated in our records, the loan you evaluated **can be accommodated in the APDS:**

<b>Borrower's Name</b>	
<b>Employee No.</b>	
<b>Station Code</b>	
<b>Principal Amount of Approved Loan</b>	
<b>Amount of Monthly Amortization</b>	

Any misrepresentation in the Borrower's application verified by the Lender shall not be the liability of the Verifier.

**<Name of Verifier>**  
**<Office>**

- b. If the monthly loan amortization cannot be accommodated in the APDS:

Please be informed that as validated in our records, the loan you evaluated **cannot be accommodated in the APDS** for reasons stated below:

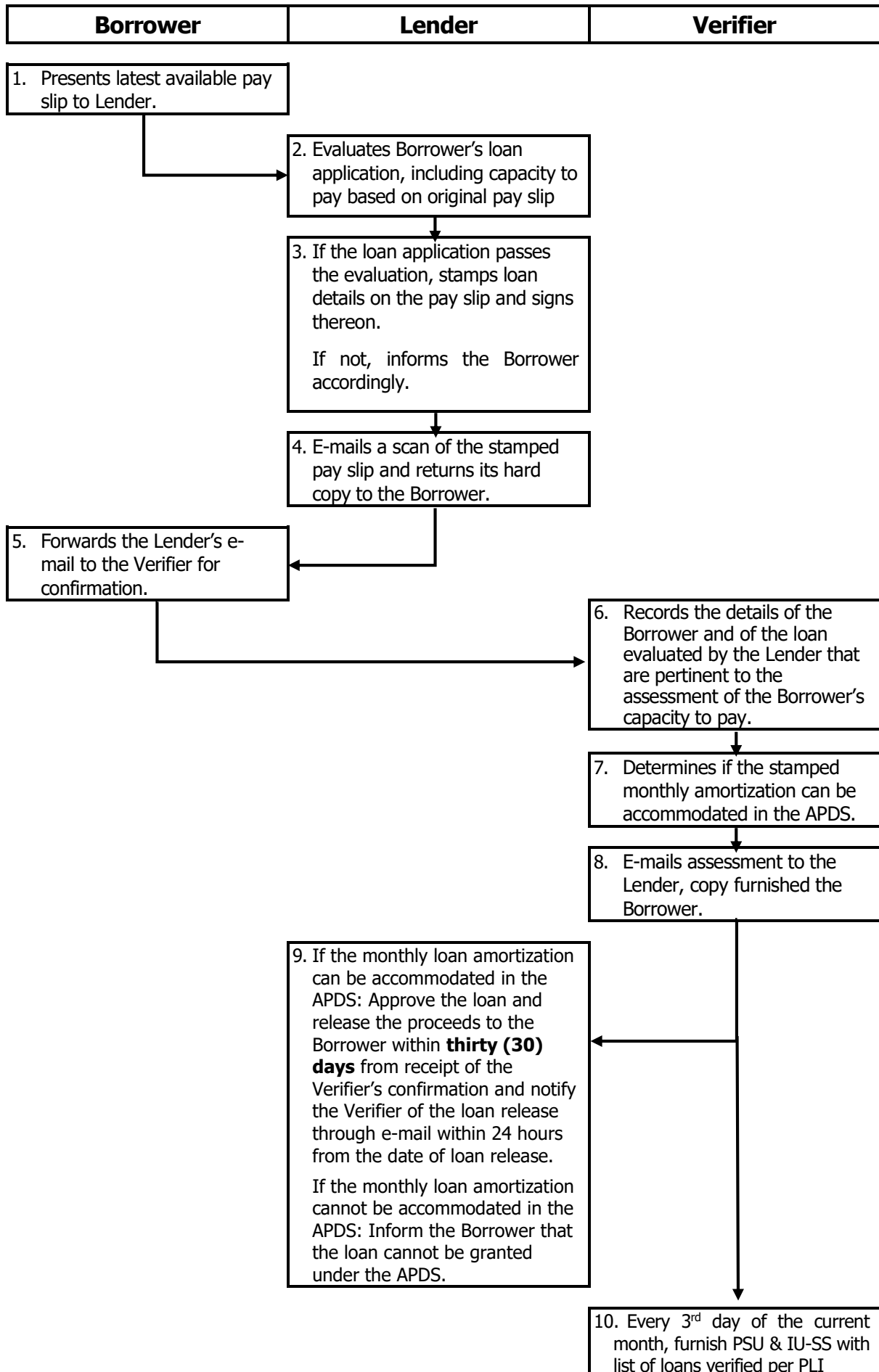
<b>Borrower's Name</b>	
<b>Employee No.</b>	
<b>Station Code</b>	
<b>Principal Amount of Approved Loan</b>	
<b>Amount of Monthly Amortization</b>	
<b>Reason/s</b>	<i>e.g. Insufficient NTHP; With approved obligations that are not yet reflected in the stamped pay slip</i>

**<Name of Verifier>**  
**<Office>**

9. Depending on the Verifier's assessment, the **Lender** shall do either of the following upon receipt of the former's e-mail:
- a. If the monthly loan amortization can be accommodated in the APDS: Approve the loan and release the loan proceeds to the Borrower within **thirty (30) days** from receipt of the Verifier's confirmation and notify the Verifier of the release of the loan proceeds through e-mail within 24 hours from the date of loan release.
  - b. If the monthly loan amortization cannot be accommodated in the APDS: Inform the Borrower that the loan cannot be granted under the APDS.

-- End --

**PROCESS FLOW ON LOAN APPLICATIONS OF DEPED BORROWERS UNDER THE DEPARTMENT'S PROGRAM ON AUTOMATIC PAYROLL DEDUCTION SYSTEM (APDS) – VIA APPLICATION TO THE LENDER'S PHYSICAL OFFICE**



**ANNEX "B-2"****PROCEDURES FOR THE ONLINE PROCESS OF LOAN APPLICATIONS OF DEPED BORROWERS UNDER THE DEPARTMENT'S PROGRAM ON AUTOMATIC PAYROLL DEDUCTION SYSTEM (APDS)**

1. The **DepEd Borrower** (hereinafter referred to as the "**Borrower**"), using the deped.gov.ph email address shall:
  - a. Secure ONLINE Loan Application Form (LAF) from the APDS accredited lending entity (hereinafter referred to as the "Lender");
  - b. Accomplish LAF and submit the same to the Lender together with the latest available pay slip; and
  - c. Wait for the response of the Lender through email, if he/she is eligible to be granted loan or not. In case eligible, forward the Lender's response to the official e-mail address of designated DepEd Verifier (hereinafter referred to as "Verifier").
  
2. The **Lender** shall:
  - a. Perform background check on the legitimacy of the loan being applied for by the Borrower to prevent occurrence of loans applied by fictitious borrowers;
  - b. Evaluate the Borrower's loan application using the Lender's own criteria, including the Borrower's capacity to pay based on the presented pay slip. The presence of "Undeducted Obligations" in the Borrower's pay slip indicates his/her lack of capacity to pay the loan through the APDS, hence, such borrower is ineligible to borrow under the APDS;
  - c. If the loan application passes the Lender's evaluation, stamp the following on the face of the pay slip without obscuring the pertinent details therein:
    - i. Corporate name of the Lender and APDS Code for lending;
    - ii. Principal amount of the loan;
    - iii. Term of the loan (first and final months of deduction);
    - iv. Amount of monthly amortization;
    - v. Date of loan evaluation; and
    - vi. Name and signature of Lender's Loan Officer;
  - d. E-mail a scan of the stamped pay slip to the Borrower using the e-mail subject, "Request for Confirmation of Evaluated APDS Loan- <Lender's APDS Code> - <Borrower's complete name>"<sup>3</sup>; and
  - e. Depending on the Verifier's assessment, shall do either of the following upon receipt of the former's e-mail:
    - i. If the monthly loan amortization can be accommodated in the APDS: 1) Approve the loan and release the loan proceeds to the Borrower **within thirty (30) days** from receipt of the Verifier's confirmation; and 2) notify the Verifier of the release of the loan proceeds through e-mail within 24 hours from the date of loan release.
    - ii. If the monthly loan amortization cannot be accommodated in the APDS: Inform the Borrower that the loan cannot be granted under the APDS.

---

<sup>3</sup>The DepEd Office concerned may prescribe its own e-mail subject through official communications with the Lenders, copy furnished the Office of the Undersecretary for Finance.

3. The **Verifier** shall:

- a. Record the details of the Borrower and of the loan evaluated by the Lender that are pertinent to the assessment of the Borrower’s capacity to pay;
- b. Determine if the stamped monthly amortization can be accommodated in the APDS, cognizant of the Borrower’s eligibility to avail of loans under the APDS, the NTHP rule, and the Borrower’s capacity to pay based on the presented pay slip and the Verifier’s records. The Verifier, based on his/her records, shall also check if the Borrower has approved obligations that are not yet reflected in the latter’s stamped pay slip.

First-in first-served rule shall be strictly observed in the verification of loan applications;

- c. Using the official/designated DepEd e-mail, shall e-mail the Lender, copy furnished (“cc”) the Borrower, either of the following messages depending on the Verifier’s assessment:
  - i. If the monthly loan amortization can be accommodated in the APDS:

Please be informed that as validated in our records, the loan application you evaluated can be accommodated in the APDS:

<b>Borrower’s Name</b>	
<b>Employee No.</b>	
<b>Station Code</b>	
<b>Principal Amount of Approved Loan</b>	
<b>Amount of Monthly Amortization</b>	

Any misrepresentation in the Borrower’s application verified by the Lender shall not be the liability of the Verifier.

**<Name of Verifier>**  
**<Office>**

- ii. If the monthly loan amortization cannot be accommodated in the APDS:

Please be informed that as validated in our records, the loan application you evaluated cannot be accommodated in the APDS for reasons stated below:

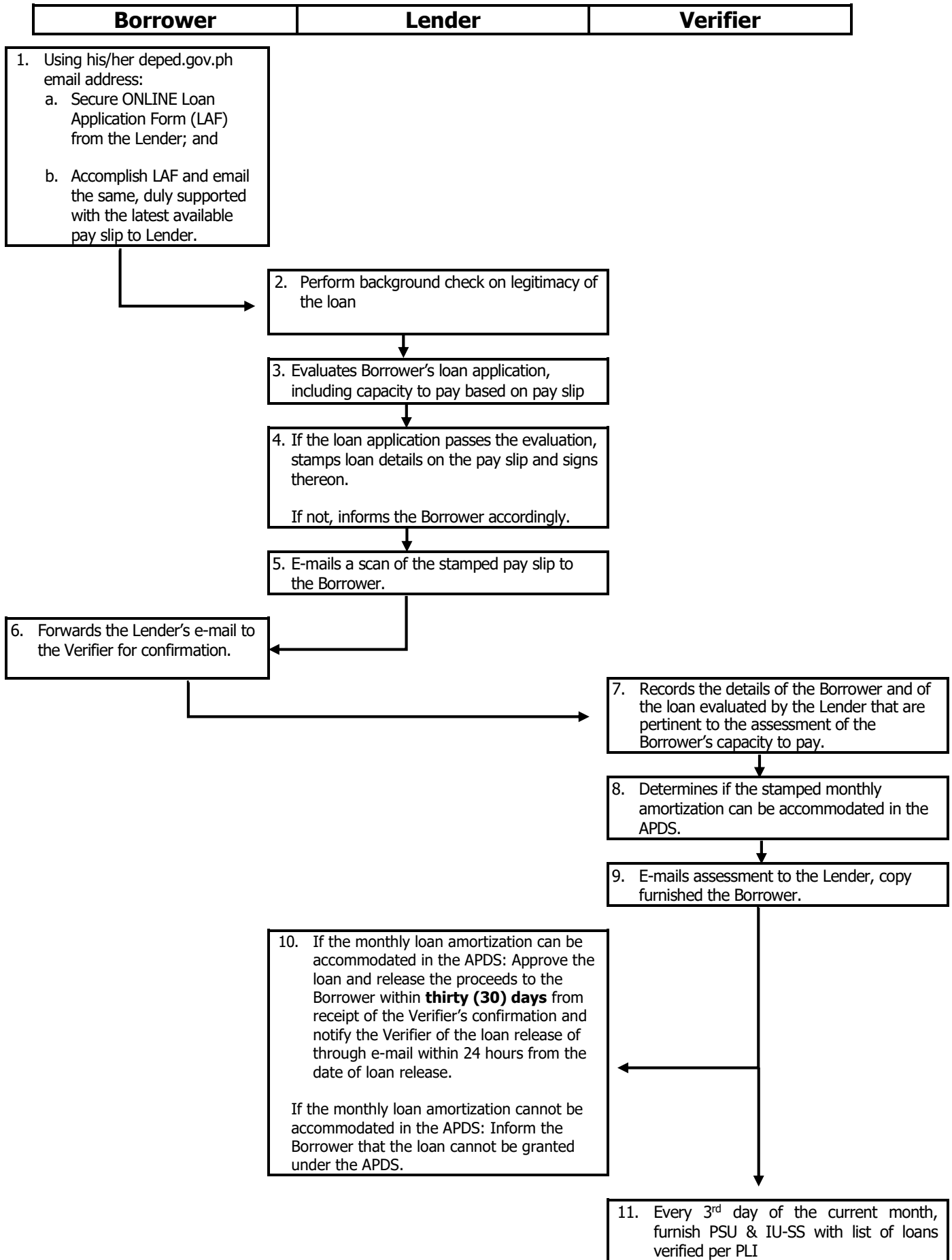
<b>Borrower’s Name</b>	
<b>Employee No.</b>	
<b>Station Code</b>	
<b>Principal Amount of Applied Loan</b>	
<b>Amount of Monthly Amortization</b>	
<b>Reason/s</b>	<i>e.g. Insufficient NTHP; With approved obligations that are not yet reflected in the stamped pay slip</i>

**<Name of Verifier>**  
**<Office>**

- d. Every 3<sup>rd</sup> day of the current month, furnish the Payroll Services Unit (PSU) and/or Implementing Unit-Secondary Schools (IU-SS) with list of verified loan amortizations per PLI that can be accommodated in the payroll.

-- End --

**PROCESS FLOW ON LOAN APPLICATIONS OF DEPED BORROWERS UNDER THE DEPARTMENT'S PROGRAM ON AUTOMATIC PAYROLL DEDUCTION SYSTEM (APDS) – VIA ONLINE PROCESS**







ANNEX "C-2"

PRESCRIBED TEMPLATE FOR DISCLOSURE STATEMENT

ANNEX "C-2"  
(for Enclosure 2)

(Business Name of Creditor)

DISCLOSURE STATEMENT ON LOAN/CREDIT TRANSACTION  
(As Required under R.A. 3765, Truth In Lending Act)

NAME OF BORROWER \_\_\_\_\_  
ADDRESS \_\_\_\_\_

1. LOAN GRANTED (Amount to be financed) ..... P \_\_\_\_\_ (A)  
2. FINANCE CHARGES

	Not Deducted From Proceeds of Loan	Deducted From Proceeds of Loan
	P _____	P _____
a. Interest _____ % p.a. from ____ to ____		
( ) Simple           ( ) Monthly		
( ) Compound      ( ) Quarterly		
( ) Annual		
( ) Semi-Annual		
b. Non-Interest Charges	_____	_____
c. Commitment Fee	X	X
d. Guarantee Fee	X	X
e. Other charges incidental to the extension of credit (Specify) _____	X	X
Total finance charges	P _____	P _____ (B)

3. NON-FINANCE CHARGES

a. Insurance Premium	_____	_____
b. Taxes	X	X
c. Documentary/ Science Stamps	_____	_____
d. Notarial fees	_____	_____
e. Others (Specify) _____	_____	_____
Total non-finance charges	P _____	P _____ (C)

4. OUTSTANDING LOAN BALANCE OF PREVIOUS LOAN  
(If loan renewal) P \_\_\_\_\_ (D)

5. TOTAL DEDUCTIONS FROM PROCEEDS OF LOAN (B + C + D) P \_\_\_\_\_ (E)

6. NET PROCEEDS OF LOAN (A less E) P \_\_\_\_\_ (F)

7. PERCENTAGE OF FINANCE CHARGES TO TOTAL AMOUNT FINANCED (Computed in accordance with Subsec. X301.1) \_\_\_\_\_ %

8. EFFECTIVE INTEREST RATE (Method of computation attached) \_\_\_\_\_ %

9. SCHEDULE OF PAYMENT

a. Single Payment due on \_\_\_\_\_ (Date)

b. Total Installment Payments P \_\_\_\_\_  
Payable \_\_\_\_\_ in months/year  
(no. of payments)  
at P \_\_\_\_\_ each installment

10. COLLATERAL  
This loan is wholly/partly secured by (check):  
 Real Estate                    Chattels  
 Government Securities    UNSECURED (Thru DepEd's Automatic Payroll Deduction System)

11. ADDITIONAL CHARGES IN CASE CERTAIN STIPULATIONS ARE NOT MET BY THE BORROWER.

\*\*\*NOT TO BE COLLECTED THROUGH THE APDS\*\*\*

Nature	Amount
_____	_____
_____	_____

CERTIFIED CORRECT:

\_\_\_\_\_  
(Signature of Creditor/Authorized Representative Over Printed Name)

\_\_\_\_\_  
Position

I ACKNOWLEDGE RECEIPT OF A COPY OF THIS STATEMENT PRIOR TO THE CONSUMMATION OF THE CREDIT TRANSACTION AND THAT I UNDERSTAND AND FULLY AGREE TO THE TERMS AND CONDITIONS THEREOF.

Date \_\_\_\_\_

\_\_\_\_\_  
(Signature of Borrower over Printed Name)

- Notice to Borrower:
1. You are entitled to a copy of this paper which you shall sign.
  2. Disclosure on loan is computed using the "diminishing method" while charges are deducted in advance (upfront) from loan proceeds.
  3. Items marked "X" are not allowed under DepEd's Automatic Payroll Deduction System.

## ANNEX "D-1"

**EFFECTIVE INTEREST CALCULATION MODEL FOR A ONE (1)-YEAR LOAN  
DECLINING/DIMINISHING BALANCE METHOD**

	<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>	<b>F</b>	<b>G</b>
1	Principal Amount (in Php)		100,000.00		<b>Contractual Interest Rate</b>		
2	Loan Term (in years)		1			<b>Per Annum</b>	= <b>7.500%</b>
3	No. of installments (in months)		12			<b>Per Month</b>	= 0.625%
4	Grace period (in months)		-		<b>Nominal Interest Rate</b>		
5	No. of periods (in months)		12				= <b>4.109%</b>
6	Other Charges		6.000%		<b>Effective Interest Rate (EIR)</b>		
7	Monthly Installment		<b>Php 8,675.75</b>			<b>Per Annum</b>	= <b>21.091%</b>
8						<b>Per Month</b>	= 1.608%
9	<b><u>Installment</u></b>	<b><u>Gross Loan</u></b>	<b><u>Principal</u></b>	<b><u>Interest</u></b>	<b><u>Other</u></b>	<b><u>NET PROCEEDS</u></b>	<b><u>Outstanding</u></b>
	<b><u>Period</u></b>				<b><u>Charges</u></b>	<b><u>Cash Flows</u></b>	<b><u>Balance</u></b>
10	0	100,000.00			6,000.00	94,000.00	100,000.00
11	1		8,050.75	625.00		(8,675.75)	91,949.25
12	2		8,101.07	574.68		(8,675.75)	83,848.18
13	3		8,151.70	524.05		(8,675.75)	75,696.48
14	4		8,202.65	473.10		(8,675.75)	67,493.83
15	5		8,253.91	421.84		(8,675.75)	59,239.92
16	6		8,305.50	370.25		(8,675.75)	50,934.42
17	7		8,357.41	318.34		(8,675.75)	42,577.01
18	8		8,409.64	266.11		(8,675.75)	34,167.37
19	9		8,462.20	213.55		(8,675.75)	25,705.17
20	10		8,515.09	160.66		(8,675.75)	17,190.08
21	11		8,568.31	107.44		(8,675.75)	8,621.77
22	12		8,621.77	53.89		(8,675.66)	-
23	<b>Total</b>		<b>100,000.00</b>	<b>4,108.91</b>	<b>6,000.00</b>		

## ANNEX "D-2"

EFFECTIVE INTEREST CALCULATION MODEL FOR A TWO (2)-YEAR LOAN  
DECLINING/DIMINISHING BALANCE METHOD

	A	B	C	D	E	F	G
1	Principal Amount (in PhP)		100,000.00		Contractual Interest Rate		
2	Loan Term (in years)		2		Per Annum	= 9.000%	
3	No. of installments (in months)		24		Per Month	= 0.750%	
4	Grace period (in months)		-		Nominal Interest Rate	= 4.822%	
5	No. of periods (in months)		24		Effective Interest Rate (EIR)		
6	Other Charges		6.000%		Per Annum	= 16.351%	
7	Monthly Installment		PhP 4,568.48		Per Month	= 1.270%	
8							
9	<u>Installment</u> <u>Period</u>	<u>Gross Loan</u>	<u>Principal</u>	<u>Interest</u>	<u>Other</u> <u>Charges</u>	<u>NET PROCEEDS</u> <u>Cash Flows</u>	<u>Outstanding</u> <u>Balance</u>
10	0	100,000.00			6,000.00	94,000.00	100,000.00
11	1		3,818.48	750.00		(4,568.48)	96,181.52
12	2		3,847.12	721.36		(4,568.48)	92,334.40
13	3		3,875.97	692.51		(4,568.48)	88,458.43
14	4		3,905.04	663.44		(4,568.48)	84,553.39
15	5		3,934.33	634.15		(4,568.48)	80,619.06
16	6		3,963.84	604.64		(4,568.48)	76,655.22
17	7		3,993.57	574.91		(4,568.48)	72,661.65
18	8		4,023.52	544.96		(4,568.48)	68,638.13
19	9		4,053.69	514.79		(4,568.48)	64,584.44
20	10		4,084.10	484.38		(4,568.48)	60,500.34
21	11		4,114.73	453.75		(4,568.48)	56,385.61
22	12		4,145.59	422.89		(4,568.48)	52,240.02
23	13		4,176.68	391.80		(4,568.48)	48,063.34
24	14		4,208.00	360.48		(4,568.48)	43,855.34
25	15		4,239.56	328.92		(4,568.48)	39,615.78
26	16		4,271.36	297.12		(4,568.48)	35,344.42
27	17		4,303.40	265.08		(4,568.48)	31,041.02
28	18		4,335.67	232.81		(4,568.48)	26,705.35
29	19		4,368.19	200.29		(4,568.48)	22,337.16
30	20		4,400.95	167.53		(4,568.48)	17,936.21
31	21		4,433.96	134.52		(4,568.48)	13,502.25
32	22		4,467.21	101.27		(4,568.48)	9,035.04
33	23		4,500.72	67.76		(4,568.48)	4,534.32
34	24		4,534.32	34.01		(4,568.33)	-
35	<b>Total</b>		<b>100,000.00</b>	<b>9,643.37</b>	<b>6,000.00</b>		

## ANNEX "D-3"

EFFECTIVE INTEREST CALCULATION MODEL FOR A THREE (3)-YEAR LOAN  
DECLINING/DIMINISHING BALANCE METHOD

	A	B	C	D	E	F	G
1	Principal Amount (in PhP)		100,000.00		Contractual Interest Rate		
2	Loan Term (in years)		3		Per Annum	=	9.660%
3	No. of installments (in months)		36		Per Month	=	0.805%
4	Grace period (in months)		-		Nominal Interest Rate	=	5.196%
5	No. of periods (in months)		36		Effective Interest Rate (EIR)		
6	Other Charges		6.000%		Per Annum	=	14.886%
7	Monthly Installment		PhP 3,210.78		Per Month	=	1.163%
8							
9	<u>Installment</u> <u>Period</u>	<u>Gross Loan</u>	<u>Principal</u>	<u>Interest</u>	<u>Other</u> <u>Charges</u>	<u>NET PROCEEDS</u> <u>Cash Flows</u>	<u>Outstanding</u> <u>Balance</u>
10	0	100,000.00			6,000.00	94,000.00	100,000.00
11	1		2,405.78	805.00		(3,210.78)	97,594.22
12	2		2,425.15	785.63		(3,210.78)	95,169.07
13	3		2,444.67	766.11		(3,210.78)	92,724.40
14	4		2,464.35	746.43		(3,210.78)	90,260.05
15	5		2,484.19	726.59		(3,210.78)	87,775.86
16	6		2,504.18	706.60		(3,210.78)	85,271.68
17	7		2,524.34	686.44		(3,210.78)	82,747.34
18	8		2,544.66	666.12		(3,210.78)	80,202.68
19	9		2,565.15	645.63		(3,210.78)	77,637.53
20	10		2,585.80	624.98		(3,210.78)	75,051.73
21	11		2,606.61	604.17		(3,210.78)	72,445.12
22	12		2,627.60	583.18		(3,210.78)	69,817.52
23	13		2,648.75	562.03		(3,210.78)	67,168.77
24	14		2,670.07	540.71		(3,210.78)	64,498.70
25	15		2,691.57	519.21		(3,210.78)	61,807.13
26	16		2,713.23	497.55		(3,210.78)	59,093.90
27	17		2,735.07	475.71		(3,210.78)	56,358.83
28	18		2,757.09	453.69		(3,210.78)	53,601.74
29	19		2,779.29	431.49		(3,210.78)	50,822.45
30	20		2,801.66	409.12		(3,210.78)	48,020.79
31	21		2,824.21	386.57		(3,210.78)	45,196.58
32	22		2,846.95	363.83		(3,210.78)	42,349.63
33	23		2,869.87	340.91		(3,210.78)	39,479.76
34	24		2,892.97	317.81		(3,210.78)	36,586.79
35	25		2,916.26	294.52		(3,210.78)	33,670.53
36	26		2,939.73	271.05		(3,210.78)	30,730.80
37	27		2,963.40	247.38		(3,210.78)	27,767.40
38	28		2,987.25	223.53		(3,210.78)	24,780.15
39	29		3,011.30	199.48		(3,210.78)	21,768.85
40	30		3,035.54	175.24		(3,210.78)	18,733.31
41	31		3,059.98	150.80		(3,210.78)	15,673.33
42	32		3,084.61	126.17		(3,210.78)	12,588.72
43	33		3,109.44	101.34		(3,210.78)	9,479.28
44	34		3,134.47	76.31		(3,210.78)	6,344.81
45	35		3,159.70	51.08		(3,210.78)	3,185.11
46	36		3,185.11	25.64		(3,210.75)	-
47	<b>Total</b>		<b>100,000.00</b>	<b>15,588.05</b>	<b>6,000.00</b>		

**ANNEX "E"**

**SAMPLE SWORN STATEMENT REGARDING THE LOAN DOCUMENTS SUBMITTED AND FULL EXPLANATION OF THE TERMS AND CONDITIONS OF THE LOANS TO THE BORROWERS.**

[Date]

**DR.** \_\_\_\_\_  
Regional Director  
DepEd –Region \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**SWORN CERTIFICATION**

**Sir/Madam:**

As a/an <type of private entity> accredited under the Automatic Payroll Deduction System (APDS) Program of the Department of Education, may we request for automatic payroll deduction of the obligations obtained by the following DepEd personnel for the month of \_\_\_\_\_, 2021.

	<b>Name of Employee</b>	<b>Work Station</b>	<b>Date of Loan Release</b>
1.	_____	_____	_____
2.	_____	_____	_____

In this regard, the Company hereby certifies the following:

1. Name of Entity and the DepEd borrowers have executed Authorities to Deduct, Promissory Notes, and Disclosure Statements, and copies of the said documents were furnished to the concerned DepEd borrowers;
2. The terms and conditions of the loan were properly discussed with the DepEd borrowers and they have understood the same;
3. The loans granted herein were duly verified by the designated DepEd Verifier; and
4. That the proceeds of the loan, as appearing in the documents signed by the DepEd borrowers, were actually released to and received by them in full as of the date of loan release.

The company agrees that any falsity of the certification herein is a ground for the revocation of the company's accreditation in the DepEd APDS.

Very truly yours,

\_\_\_\_\_  
**NAME**  
[Position/Official Designation]

SUBSCRIBED AND SWORN to this \_\_\_\_ day of \_\_\_\_\_ by the affiant who is personally known to me/identified by me as such persons after presenting his or her <government issued ID>.

Doc No.  
Page No.  
Book No.  
Series of 2021

**ANNEX "F"****PROCEDURES FOR THE ONLINE PROCESS ON THE SUBMISSION OF MONTHLY BILLING STATEMENTS BY THE LENDER UNDER THE DEPARTMENT'S PROGRAM ON APDS**A. The **Lender** shall:

1. Consolidate all loan accounts granted to DepEd borrowers within a month, and prepare monthly billing statement in accordance with the prescribed template provided by the Payroll Services Units (PSU) and/or Implementing Unit-Secondary Schools (IU-SS). The billing statement must be duly supported with pertinent documents, as shown below.
  - a. For each loan applied by concerned DepEd borrowers:
    - i. Processed Loan Application Form;
    - ii. Authorization to Deduct (ATD);
    - iii. Promissory Note (PN);
    - iv. Disclosure Statement;
    - v. Amortization Schedule; and
    - vi. Proof of loan release such as checks, loan vouchers (duly acknowledged by the DepEd borrowers), credit memos, remittance lists and other proof of fund transfer issued by the Lender.
  - b. Subscribed Sworn Certification stating that:
    - i. The Lender and the DepEd borrowers have executed ATDs, PNs, and DS, and copies of the said documents were furnished to the concerned DepEd borrowers;
    - ii. The Lender properly discussed the terms and conditions of the loans with the DepEd borrowers and they have understood the same;
    - iii. The loans granted herein were duly verified by the designated DepEd Verifier;
    - iv. The proceeds of the loan, as appearing in the documents signed by the DepEd borrowers, were actually released to and received by them in full as of the date of loan release; and
    - v. The Lender agrees that any falsity of the certification herein is a ground for the revocation of the company's accreditation in the DepEd APDS.
2. Every 5<sup>th</sup> day of the month, submit through email the monthly billing statement/s for all loans of DepEd borrowers granted within the previous month, together with the scanned copies of the pertinent documents listed in Items 1 (a to b) above, to the official email addresses of PSUs and/or IU-SSs (\_\_\_\_@deped.gov.ph). Under no circumstance shall the Lender bill a Borrower for loans not yet granted.
3. Check and retrieve any returned billings through email from PSUs and/or IU-SSs, and re-submit the same as rectified, on or before the 10<sup>th</sup> day of the current month. **Any billing for new loans granted by the Lender that will reduce the minimum monthly NTHP to an amount lower than what is allowed under the law shall not be accommodated and shall be returned to the Lender.**
4. Provide copies of the billing statement to the concerned Schools Division Offices, Attention: DepEd Verifiers, within ten (10) days after the submission of its final billing statement to the PSUs and/or IU-SSs.
5. Submit hard copies of signed billing statement (original copy) and the supporting documents to the PSU and/or IU-SS.

**ANNEX "G"**

**PROVINCES/REGIONS WHERE THE LENDER HAS OFFICE/S AS VALIDATED BY DEPED**  
*(Including affiliate offices, if any)*

**NAME OF ENTITY:**  
**APDS CODE:**

<b>REGION</b>	<b>PROVINCIAL LOCATION</b>	<b>CITY/ MUNICIPALITY</b>	<b>NAME OF AUTHORIZED PERSONNEL</b>	<b>OFFICIAL CONTACT NUMBER</b>	<b>EMAIL ADDRESS</b>

I hereby certify that the said offices/branches can sufficiently render services such as, but not limited to: maintaining complete records, accepting payments, issuance of statements of accounts, official receipts, certificates of full payment, and contracts and membership documents, all within specified timeframes, and attending to other transactions, queries, and complaints of DepEd personnel.

**(Signature)**  
**Name of Authorized Representative**  
**Designation**

**ANNEX "H"****GROUND S FOR SUSPENSION OR REVOCATION OF ACCREDITATION**

(For Lending, Insurance Premia, or Membership Dues/Contributions, as Applicable)

**Simple Grounds**

Suspension, which involves the withholding of remittance for not less than one (1) month but not more than six (6) months, and the corresponding non-acceptance of new business or deduction billing for not less than one (1) month, shall be imposed upon repeated commission of grounds classified as "Simple".

"Simple grounds" are acts or omissions of an accredited entity in violation of the guidelines on accreditation/re-accreditation or TCAA that can cause minor damage to DepEd employees who are borrowers, policy holders or members of accredited entities.

Simple grounds include, but are not limited to, the following:

- a. Billing more than one (1) loan per DepEd borrower.
- b. Not furnishing the DepEd employee, or charging the borrower/DepEd fees for, copies of the ATD, PN, DS, and/or amortization schedule in accordance with Annexes D-1 to D-3, or copies of the Certificate of Membership, Policy Contract, and/or other documents evidencing membership for insurance/mutual benefits/association duly acknowledged by Employees.
- c. Billing the co-maker, through APDS, for the loan balance of the principal borrower.
- d. Computation of interest and non-interest charges on Loan not in accordance with the guidelines, but the Effective Interest Rate is still within the specified ceiling.
- e. Not reflecting the conditions on penalties and/or past due interest on loans, if any, in the DS signed by DepEd borrowers.
- f. Refusal to accept tender payment of loan in advance, whether partially or in full, during or after the term of the loan, from DepEd borrower/s or from other lending institutions, in case of loan take-out/buy-out by the latter.
- g. Non- or delayed issuance of the Official Receipt in case of partial or full payment.
- h. Failure or delay in the issuance of a dated Certificate of Full Payment of Loan to the DepEd borrower and/or failure to send a written request to the concerned payroll servicing unit concerned for the immediate stoppage of deduction, in case of advance payment of loan in full.
- i. Unrefunded over-deductions for the first time/payroll month.
- j. Failure to provide duly certified Statement of Account/Status of Premium Payments for every loan/transaction granted to a DepEd borrower/member, free of charge, annually and anytime upon request, within the day that the request was made by DepEd or the DepEd borrower/member, duly supported by an up-to-date payment history.
- k. Extending the termination date of loan amortization beyond what is stipulated in the Authority to Deduct signed by DepEd borrowers, or beyond the period allowed by the guidelines.



- l. Charging fee for and/or delay or non-issuance of a Certificate of Full Payment of Loan (CFPL).
- m. Failure to inform DepEd Regional/Central Office of any transfer of office location for purposes of updating Annex G of the TCAA.
- n. Using the terms "DepEd" or "public school teacher" in promotions or in any form of advertisement.
- o. Submission of billing not in accordance with the prescribed timelines.
- p. Charging and collecting interest for the remainder of the term of the loan in case of advance payment in full of the loan.
- q. Operating lending/insurance premia/mutual benefits business in a province without prior authority from DepEd.
- r. Maintaining an office that is not compliant with the requirements of the guidelines/TCAA.
- s. Non- or delayed submission of annual and semi-annual documentary requirements.
- t. Accepting Automated Teller Machine (ATM) card as collateral from DepEd employees for their loans under APDS.
- u. Inclusion in the billing statement for lending business of mutual aid system/ insurance premia deductions, or compelling any DepEd borrower to take out any type of insurance contract other than credit life insurance, as a condition to the loan agreement.
- v. Failure to submit the required documents within the period specified by the guidelines.
- w. Deduction of advance payments from the loan proceeds of DepEd borrowers.
- x. Other acts or omissions similar or analogous to the above.

### **Serious Grounds**

The Accreditation shall be revoked upon commission of grounds classified as "Serious". When the Accreditation is revoked, the Accredited Entity shall no longer be allowed to grant new business in the affected province/s under the APDS. However, collection of deductions already incorporated in the APDS as of the date of revocation shall continue up to the termination dates reflected in the pay slip. Thereafter, the APDS Code is automatically cancelled.

"Serious grounds" are acts or omissions of an accredited entity in violation of the guidelines on accreditation/re-accreditation or TCAA, which manifest fraud, bad faith, or willful misrepresentation intended to obtain undue financial gain at the expense of a DepEd employee who is a borrower, policy holder or member of accredited entities, or to undermine the effectiveness of the APDS.

Serious grounds include, but are not limited to, the following:

- a. Approval/release/billing of loans/insurance premium/membership dues or contributions without requisite approval by DepEd Verifier.
- b. Making false representation to the DepEd employee regarding the terms and conditions of the loan/insurance premium/membership dues or contributions.

- c. Acceptance of blank Authority to Deduct (ATD), Promissory Note (PN), Disclosure Statement, signed by the concerned DepEd borrowers.
- d. Submission of false/fraudulent documents.
- e. Inclusion of deductions not indicated in Annexes D1 – D3 (sample loan computation)
- f. Computation of interest and non-interest rates on Loan not in accordance with the guidelines and the Effective interest Rate exceeds the specified ceiling.
- g. Billing of loans not yet granted, renewed or released to DepEd borrowers.
- h. Entering into automatic payroll deduction agreements with fiscally autonomous DepEd schools.
- i. Transfer, reassignment, and sale of deduction code.
- j. "Piggy-backing" (Accredited entities allowing the use of the APDS Code by non-accredited entities).
- k. Making malicious or defamatory imputation, threat and physical injury against DepEd officials and/or personnel in relation to the implementation of the APDS.
- l. The Certificate of Registration/Authority of the entity is cancelled or terminated by the IC, SEC, BSP or CDA.
- m. Non-disclosure of the revocation or suspension of the Certificate of Registration/Authority by the concerned government regulatory bodies.
- n. Repeated suspensions based on simple grounds, indicating refusal to comply with, or wanton disregard for, APDS guidelines.
- o. Other acts or omissions constituting fraud, bad faith, or willful misrepresentation intended to obtain undue financial gain at the expense of a DepEd employee who is a borrower, policy holder or member of accredited entities, or to undermine the effectiveness of the APDS.

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**ANNEXES FOR ENCLOSURE 3**

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(ENCLOSURE 3 TO DEPED ORDER NO. 20, S. 2021)

**TERMS AND CONDITIONS OF THE APDS ACCREDITATION (TCAA)  
FOR INSURANCE PREMIA AND MEMBERSHIP DUES/CONTRIBUTIONS**

**1. STATEMENT OF PRINCIPLES**

- 1.1 Participation in the DepEd Automatic Payroll Deduction System (APDS) at the national, regional and school levels may be granted to private institutions authorized under specific law to be paid through salary deductions, and accredited by DepEd after fulfillment of requirements as provided in DepEd Order No. 20, s. 2021.
- 1.2 The accredited private institution shall subscribe to the following principles:
  - 1.2.1 Full transparency in reporting operations and financial status as evidenced by audited financial statements and appropriate disclosure statements; and
  - 1.2.2 Integrity of operations through proper and complete documentation of insurance policies and/or memberships of DepEd personnel.
- 1.3 The DepEd shall ensure that the objectives and purposes of APDS are achieved through proper regulation, periodic review, and accreditation/re-accreditation.
- 1.4 The APDS shall be implemented in accordance with the limitations imposed by existing and new laws, such as on monthly net take-home pay (NTHP) and order of preference of deductions.

**2. ACCREDITATION AND ASSIGNMENT OF APDS CODE**

- 2.1 Accredited entities shall be assigned APDS codes for their exclusive use.
- 2.2 **APDS Code <number>, and the Sub-Codes<sup>1</sup> listed in Annex "B", if any,** for insurance premia and/or membership dues/contributions shall strictly be used for the collection of such payments only<sup>2</sup>.
- 2.3 In case of issuance of a sub-code for policy loan, the rates of interest and other charges shall not be higher than the prescribed ceiling set under paragraph 26, Enclosure 1 of DepEd Order No. 20, s. 2021.
- 2.4 The APDS Code is not transferable, for sale, or for assignment to any other entity, except in cases of acquisition, merger, and consolidation of entities. In the event that the Accredited Entity changes its corporate name or effects other corporate changes, the Accredited Entity shall furnish DepEd with duly certified copies of the amended Articles of Incorporation/Cooperation [as applicable to the entity] and by-laws approved by the SEC/CDA [as applicable to the entity] to enable the DepEd to update its records accordingly.

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<sup>1</sup>In case of multiple products and services, the Accredited Entity shall be issued a maximum of three (3) APDS Sub-Codes and shall cease using the APDS Code (main code). Annex C contains the list of Sub-Codes issued.

<sup>2</sup>The APDS Code and Sub-Codes (if any) issued in this TCAA shall not be used for deductions for any type of loan.

### 3. PROCESSING OF APPLICATIONS FOR INSURANCE POLICY/MEMBERSHIP/ OTHER ALLOWED OBLIGATION

- 3.1 For payment of insurance premia and/or membership dues/contributions intended to be serviced through the APDS, the Accredited Entity shall process applications for insurance policy/membership/other allowed obligation (hereinafter referred to as "Application") in accordance with the terms and conditions herein.
- 3.2 Processing of **online digital applications** may be allowed under APDS, provided that DepEd is notified by the Accredited Entity in writing, duly supported with information on its detailed procedures/mechanics and online process flow presented to the DepEd Central Office APDS Task Force, and acknowledged/authorized by DepEd prior to its implementation.
- 3.3 The Accredited Entity **shall exert all efforts to examine the authenticity of documents submitted online by the applicant.** In case of fraud, and/ or misrepresentation thereof, it shall be solely responsible for the process of approving the membership application of DepEd personnel.
- 3.4 The Accredited Entity may approve an Application only upon issuance of a certification by the DepEd Verifier, secured by the Accredited Entity through the DepEd Employee (hereinafter referred to as "Employee"), stating that the monthly payments can be accommodated within the threshold of the monthly NTHP as required by the General Appropriations Act (GAA) at the time of approval of the Application. Succeeding deductions shall conform to the monthly NTHP as provided for by the GAA or other applicable laws at the time of the deduction.
- 3.5 The Accredited Entity shall follow the procedure on the approval of Applications as contained in Annex "C-1 and C-2".
- 3.6 The Accredited Entity shall accept applications only from DepEd officials and personnel who have **served at least six (6) months in DepEd** and are incorporated in the regular payroll with issued employee number, whether assigned at the national, regional, schools division, or school level [implementing unit (IU) or non-IU].
- 3.7 The Accredited Entity shall ensure that every Application and/or transaction is fully documented with a completely filled out Authority to Deduct (ATD), Certificate of Membership, Policy Contract, and/or other documents evidencing insurance coverage/membership. The ATD must be accomplished following the standard form/template as contained in Annex "D", and with consistent information. The Accredited Entity shall furnish the Employee copies of these documents free of charge, upon approval of the Application.
- 3.8 The Accredited Entity shall immediately notify the Employee upon approval of his/her Application.
- 3.9 The Accredited Entity shall fully explain the terms and conditions of the insurance policy/membership/other allowed obligation to the Employee. The Accredited Entity shall submit a Sworn Statement to this effect together with its billing. (See Annex "E")
- 3.10 The Accredited Entity shall ensure that the venue of litigation in the event of legal suit against the Employee or the Accredited Entity shall be within the location of the Employee's work station only.

#### 4. BILLING OF INSURANCE PREMIA AND/OR MEMBERSHIP DUES/ CONTRIBUTIONS

- 4.1 The Accredited Entity shall consolidate all the insurance policies and/or memberships approved within a month into one billing.
- 4.2 The Accredited Entity shall be responsible for submitting monthly billings to the PSU and IU, and checking and retrieving any returned billings (refer to Annex F for the procedure). Any billing for new insurance premia and/or membership dues/contributions approved by the Accredited Entity that will reduce the monthly minimum NTHP shall not be accommodated and shall be returned to the Accredited Entity.
- 4.3 The Accredited Entity shall not bill new insurance premia and/or membership dues/contributions if the Employee has existing Undeducted Obligations as reflected in his/her pay slip.
- 4.4 For payments to be incorporated in the next payroll month, the Accredited Entity shall submit billings for all Applications approved within the current month on or before the **5<sup>th</sup> working day** of the same month. Under no circumstance shall the Accredited Entity bill an Employee for Applications and/or transactions not yet approved.
- 4.5 The Accredited Entity shall submit billing statement to DepEd in an electronic format as agreed with the PSU and IU. The billing must be duly supported with soft copies of the required ATD, Certificate of Membership, Policy Contract, and/or other documents evidencing membership duly acknowledged by Employees, and Sworn Statement mentioned in item 3.9 above. Only billings certified by DepEd Verifier that such insurance premia or membership dues/contributions could be accommodated in the payroll and with complete supporting documents shall be processed by the PSU. The Accredited Entity may opt to submit billing statement via email (refer to Annex F for the procedure) or direct to the PSU/IU secondary school's office.
- The APDS Accredited entity shall be solely responsible in case of misrepresentation in the submission of the said supporting documents.
- 4.6 The Accredited Entity shall provide copies of the billings to the concerned Schools Division Offices within ten (10) days after the submission of its billing to the DepEd.
- 4.7 The Accredited Entity shall not charge penalties/fines/surcharges due to delays of payments as a result of any of the following:
- 4.7.1 Failure on the part of the Accredited Entity to pick up remittance checks;
  - 4.7.2 Non-remittance due to suspension or revocation of Accreditation;
  - 4.7.3 Failure of the DepEd to remit on time due to errors, inadvertence, force majeure, or any extreme circumstance;
  - 4.7.4 Non-existence of office or affiliate company in a particular province; and
  - 4.7.5 Other reasons/causes similar or analogous to the above.
- 4.8 The Accredited Entity shall be responsible for collecting the outstanding balances of its members outside APDS, in case of their retirement, resignation, or termination of appointment.
- 4.9 In case of Employee's transfer of work station to other region but the Accredited Entity has no office/branch within the said region, **for purposes of collection only**, the Accredited Entity may submit the corresponding billing to the concerned PSU/IU. Such billing shall be supported with ATD signed by the Employee and other requirements specified in item 4.5 above.

**5. OVER-THE-COUNTER PAYMENTS**

- 5.1 The Accredited Entity shall not refuse to accept tender of payment made in advance by Employees, whether partial or in full. Official receipt (OR) shall be issued on the date of payment.
- 5.2 In case of full payment of dues by the Employee, the Accredited Entity shall automatically include the Employee's name in the list of insurance premia/membership deductions for stoppage in the payroll and in the Deletion File to be effected immediately in the next payroll month.
- 5.2 The Accredited Entity shall request the PSU and IU the monthly list of payroll deductions that were stopped, and the corresponding supporting documents such as the Employee's request for stoppage.

**6. OVER-DEDUCTION**

- 6.1 In case of over-deductions, the Accredited Entity shall refund the corresponding amount to the Employee concerned within thirty (30) days from knowledge or notice thereof.
- 6.2 The Accredited Entity shall request DepEd for the adjustment of Service Fee in the next payroll month, corresponding to the amount refunded on over-deductions. The said request must be duly supported with proof of refund, duly acknowledged by the Employee.

**7. REMITTANCE**

- 7.1 The Accredited Entity shall pay DepEd a service fee of \_\_\_\_ percent (\_\_\_\_%) of the total monthly collection, which shall be automatically deducted from their collection before remittance. *[The rate shall be based on Title IV General Principles, Item 29, of the Revised Guidelines on Accreditation/Re-Accreditation of Private Entities under the APDS.]*
- 7.2 The Accredited Entity shall issue an OR to DepEd within fifteen (15) days after remittance of payments. Failure to do so will cause the suspension of the release of succeeding remittances until the issuance of the OR. The Accredited Entity may request DepEd to remit the payments through either of the following modes:
  - a. Through intra- or interbank fund transfer: The Accredited Entity shall coordinate with the remitting DepEd office for the procedure in setting up the fund transfer. The Accredited Entity shall shoulder the service charge, if any.
  - b. Through check: The Accredited Entity shall pick up the remittance check from DepEd within the succeeding month after the deductions were effected in the payroll. Otherwise, the preparation of succeeding checks will be suspended until the prepared check is picked up. Any request for replacement of stale checks shall be supported by written justification from the Accredited Entity.
- 7.3 Payments for insurance premia and/or membership dues/contributions shall be refunded to the concerned Employees in case the corresponding remittance checks become stale and not requested by the Accredited Entity for replacement after notification by DepEd for three (3) times.

## 8. DOCUMENTARY REQUIREMENTS

- 8.1 The Accredited Entity shall ensure the issuance of a Statement of Account (SOA) to an Employee, free of charge, annually and anytime upon request, preferably within the day that the request was made by DepEd or by the Employee, but in no case after more than three (3) days from such request. The SOA shall include an up-to-date payment history.
- 8.2 The Accredited Entity shall submit through email or electronic medium (USB) and other digital means the following documents, duly certified as true copies by the concerned government regulatory agencies (i.e. SEC/CDA/IC) to the DepEd Central Office (CO) annually, through the APDS Secretariat, on or before September 30, except for business permit/s, the deadline for which is March 31 of the current year:
- Audited Financial Statements for the previous year, duly filed and stamped received by the BIR
  - Corporate income tax return for the previous year, duly filed and stamped received by the BIR
  - Business Permit/s for the current year in the provinces where the Accredited Entity has its office/s
- [Additional documents as applicable to the entity:]*
- SEC Certification that (i) the Accredited Entity has not been dissolved and (ii) that the Commission has not received any derogatory information that would prevent the entity from exercising its purpose/s as stated in its Articles of Incorporation. The Certification shall cover a period of one year immediately preceding its issuance.
  - General Information Sheet for the current year stamped received by the SEC
  - Certificate of Compliance issued by the CDA for the current year
  - Cooperative Annual Progress Report (CAPR) for the current year
  - PDIC Certificate of Good Standing covering the current year
  - IC Certificate of Authority covering the current year

## 9. OTHER CONDITIONS

- 9.1 The Accredited Entity shall not enter into any contract or agreement with DepEd offices other than the CO/Regional Office (RO) regarding insurance premia and/or membership dues/contributions under APDS.
- 9.2 The Accredited Entity shall limit its operation to provinces/regions where it has office/s or affiliates companies. The office shall employ a full-time manager or authorized personnel, and staff who shall maintain the complete records/documents, accept payments, issue SOA, OR, and CFP, and attend to other transactions and any queries/complaints of DepEd personnel. Annex "G", which forms an integral part of this TCAA, contains the provinces/region/s, including the location of its offices (main and branches) and affiliate companies, if any, where the Accredited Entity is authorized to operate.
- 9.3 In case of transfer of the Accredited Entity's office/s to another location or site, the Accredited Entity shall notify DepEd in writing regarding such transfer before the closure of the existing office/s, and submit corresponding necessary documents, for proper validation.
- 9.4 In case of change in contact number/s regardless if post-paid or registered mobile number or landline telephone, the Accredited Entity shall notify/update DepEd



Central Office by submitting a Certification stating therein the changes on contact number/s that will be officially used in transacting with DepEd employees.

- 9.5 The Accredited Entity shall make available to DepEd for inspection at any reasonable time all ATDs, Certificates of Membership, Policy Contracts, and other related documents in the course of periodic review.
- 9.6 In case of a merger or consolidation involving the Accredited Entity, the Accredited Entity shall make sure that the surviving entity shall submit the following within three (3) months upon their availability, in addition to the documents required for accreditation:
  - Formal letter signifying their intention to maintain their APDS accreditation for insurance premia and/or membership dues/contributions under the same deduction code/s together with a board resolution or secretary's certificate;
  - Certified true copy of the Articles of Merger or Consolidation; and
  - Deed of Assignment, if any.
- 9.7 In case the Accredited Entity is put under Liquidation by the Insurance Commission (IC), the DepEd shall coordinate with the IC as to how the deductions for insurance premia and/or membership dues/contributions will be stopped in the payroll.
- 9.8 The Accredited Entity shall not use the name of DepEd or the term "public school teacher" in its promotions or in any form of advertisement.

## **10. NECESSARY ATTACHMENTS**

10.1 This TCAA shall include as integral parts the following attachments:

- 10.1.1 **Annex "A"** – Notarized Secretary's Certificate supported by a Board Resolution authorizing the Accredited Entity's representative to execute this TCAA.
- 10.1.2 **Annex "B"** – List of Sub-Codes, if any, and the corresponding products and/or services under each Sub-Code, with proof of approval from their respective government regulatory agencies to offer such products and/or services as required in paragraph 31.1.5.e of the Revised Guidelines on Accreditation/Re-Accreditation of Private Entities under the APDS.
- 10.1.3 **Annex "C-1 and C-2"** - Procedures for the Processing of DepEd Employees' Applications for Insurance Premia and/or Membership Dues/Contributions with the Accredited Entities Under the Department's APDS (on-site/manual and on-line process, respectively).
- 10.1.4 **Annex "D"** – APDS Template/Standard Format of Authority to Deduct.
- 10.1.5 **Annex "E"** – Sworn Statement regarding the documents submitted and full explanation of the terms and conditions to the Employees.
- 10.1.6 **Annex "F"** – Procedures for the Online Process on the Submission of Monthly Billing Statements by the Accredited Entity Under the Department's Program on APDS
- 10.1.7 **Annex "G"** – Provinces/Regions where the Accredited has office/s as validated by DepEd, with the main office per region identified, indicating

therein the address/es, official contact numbers, and the name/s of manager/s and contact person/s

#### 10.1.8 **Annex "H"** – Grounds for Suspension or Revocation of Accreditation

### **11. GROUNDS FOR SUSPENSION OR REVOCATION**

- 11.1 The Accredited Entity agrees that its Accreditation may be suspended or revoked by DepEd based on grounds enumerated in Annex "H".
- 11.2 Suspension, which involves the withholding of remittance for not less than one (1) month but not more than six (6) months, and the corresponding non-acceptance of new business or deduction billing for not less than one (1) month, shall be imposed upon repeated commission of grounds classified as "Simple".
- 11.3 The Accreditation shall be revoked upon commission of grounds classified as "Serious". When the Accreditation is revoked, the Accredited Entity shall no longer be allowed to grant new business in the affected provinces/regions under the APDS. However, collection of deductions already incorporated in the APDS as of the date of revocation shall continue for the next three (3) months or until requested for stoppage by the concerned Employees, whichever comes earlier. Within sixty (60) calendar days from the said revocation, DepEd shall notify the concerned Employees of the stoppage of deductions, and the latter may transact and/or pay directly to the formerly accredited entity, or terminate their memberships therewith. Thereafter, the APDS Code and Sub-Codes, if any, are automatically cancelled.
- 11.4 Any suspension or revocation imposed upon a particular office shall likewise be considered as sanction against all its other offices within the same region. If imposed on the Head Office, the same shall be imposed upon all its other offices in the national level.
- 11.5 Any complaint for the commission of any of the grounds for suspension or revocation should be made in writing. For the purposes of a formal investigation, the complaint must:
- Contain the names and addresses of the complainant/s;
  - Contain the entity or person subject of the complaint;
  - Contain the acts or omissions complained of constituting the infraction, based on the personal knowledge of the complainant;
  - Be accompanied with supporting documents, as needed; and
  - Be notarized.

However, DepEd shall not be precluded from conducting an investigation/fact-finding on the basis of other information received or discovered.

- 11.6 Any complaint for the commission of any of the grounds for suspension or revocation should be made in writing and sufficient in form and substance. For the purposes of a formal investigation, the complaint must:
- Contain the names and addresses of the complainant/s;
  - Contain the entity or person subject of the complaint;
  - Contain the acts or omissions complained of constituting the infraction, based on the personal knowledge of the complainant;
  - Be accompanied with supporting documents, as needed; and
  - Be notarized.

However, DepEd shall not be precluded from conducting an investigation/fact-finding on the basis of other information received or discovered.

- 11.7 Commission of grounds for suspension or revocation shall be validated by the appropriate committee or task force designated by the Secretary. The APDS Task Forces in the CO and ROs may impose the suspension or revocation as a result of its investigation. The suspension or revocation may be appealed to the Office of the Secretary, through the Office of the Undersecretary for Finance, within a period of fifteen (15) days from notice. Pending the resolution by the Office of the Secretary, the suspension or revocation shall be held in abeyance. The suspension or revocation imposed by the APDS Task Force shall be reported to the Secretary, through the Undersecretary for Finance, for monitoring and records purposes.

## **12. EFFECTIVITY OF THE TCAA**

- 12.1 This TCAA shall be valid upon signing and notarization, and shall be effective until **December 31, 2025**.
- 12.2 For purposes of renewal of this TCAA, the Accredited Entity shall submit its **Letter of Intent** for the APDS re-accreditation at least **one (1) month** prior to the date of expiration.

## **13. FINAL PROVISIONS**

- 13.1 This TCAA, its annexes, and pertinent DepEd issuances shall be the governing documents with reference to the inclusion of the Accredited Entity in the APDS.
- 13.2 The Accredited Entity shall conform to any APDS policy subsequently issued by DepEd in the form of DepEd Order, Memorandum, or other issuance. Any provision in this TCAA affected by such subsequent APDS policy is deemed automatically modified or repealed as applicable.

**CONFORME:**

ACKNOWLEDGEMENT

**ANNEX "B"**

**LIST OF SUB-CODES WITH CORRESPONDING PRODUCTS AND/OR SERVICES UNDER EACH SUB-CODE**

NAME OF ENTITY: \_\_\_\_\_

APDS CODE : \_\_\_\_\_

<b>APDS SUB-CODE</b>	<b>PRODUCTS AND/OR SERVICES</b>	<b>DATE APPROVED BY IC/CDA/SEC</b>
_____ - A		
_____ - B		
_____ - C		

**CERTIFIED CORRECT:**

\_\_\_\_\_  
*Authorized Representative*

## ANNEX "C-1"

**PROCEDURES FOR THE MANUAL PROCESSING OF DEPED EMPLOYEES' APPLICATIONS FOR INSURANCE PREMIA AND/OR MEMBERSHIP DUES/CONTRIBUTIONS WITH THE ACCREDITED ENTITIES UNDER THE DEPARTMENT'S PROGRAM ON AUTOMATIC PAYROLL DEDUCTION SYSTEM (APDS)**

1. The **DepEd Employee** (hereinafter referred to as the "**Employee**") accomplishes application for insurance policy/membership/ other allowed obligation (hereinafter referred to as "**Application**") provided by the APDS accredited entity (hereinafter referred to as the "**Accredited Entity**").
2. The **Employee** submits the Application together with his/her latest available pay slip to the **Accredited Entity** as part of his/her Application.
3. The **Accredited Entity** shall evaluate the Employee's Application using its own criteria, including the Employee's capacity to pay based on the presented pay slip. The presence of "Undeducted Obligations" in the Employee's pay slip indicates his/her lack of capacity to pay through the APDS, hence, the Application of such employee shall not be approved by the Accredited Entity under the APDS.
4. If the Application passes the **Accredited Entity's** evaluation, the **Accredited Entity** shall stamp the following on the face of the pay slip without obscuring the pertinent details therein:
  - a. Corporate name of the Accredited Entity and APDS Code/Sub-Code for insurance premia and/or membership dues/contributions;
  - b. Amount of monthly salary deduction;
  - c. Date of evaluation; and
  - d. Name of Accredited Entity's Officer, who shall sign on the stamp to signify evaluation.
5. The **Accredited Entity** shall e-mail a scan of the stamped pay slip to the Employee using the e-mail subject, "Request for Confirmation of Evaluated APDS Application- <Accredited Entity's APDS Code> - <Employee's complete name>"<sup>3</sup> and return the stamped pay slip to the Employee.
6. The **Employee** shall *forward* the e-mail received from the Accredited Entity to the official/designated DepEd e-mail address of the concerned DepEd Verifier (hereinafter referred to as "Verifier") using the Employee's official DepEd e-mail.
7. The **Verifier** shall record the details of the Employee and of the Application evaluated by the Accredited Entity that are pertinent to the assessment of the Employee's capacity to pay.
8. The **Verifier** shall determine if the stamped monthly deduction can be accommodated in the APDS, cognizant of the Employee's eligibility to avail of insurance policy/membership/other allowed obligation under the APDS, the NTHP rule, and the Employee's capacity to pay based on the presented pay slip and the Verifier's records. The Verifier, based on his/her records, shall also check if the Employee has approved obligations that are not yet reflected in the latter's stamped pay slip.

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<sup>3</sup>The DepEd Office concerned may prescribe its own e-mail subject through official communications with the Accredited Entities, copy furnished the Office of the Undersecretary for Finance.

First-in first-served rule shall be strictly observed in the verification of Applications.

9. The **Verifier**, using the official/designated DepEd e-mail, shall e-mail the Accredited Entity, copy furnished ("cc") the Employee, either of the following messages depending on the Verifier's assessment:

a. If the monthly deduction can be accommodated in the APDS:

Please be informed that as validated in our records, the application of DepEd employee you evaluated can be accommodated in the APDS, as follows:

<b>Employee's Name</b>	
<b>Employee No.</b>	
<b>Station Code</b>	
<b>Amount of Monthly Membership Dues/Contribution</b>	

Any misrepresentation in the Employee's Application verified by the Accredited Entity shall not be the liability of the Verifier.

<Name of Verifier>  
<Office>

b. If the monthly deduction cannot be accommodated in the APDS:

Please be informed that as validated in our records, the application of DepEd employee you evaluated cannot be accommodated in the APDS for reasons stated below.

<b>Employee's Name</b>	
<b>Employee No.</b>	
<b>Station Code</b>	
<b>Amount of Monthly Membership Dues/Contribution</b>	
<b>Reason/s</b>	<i>e.g. Insufficient NTHP; With approved obligations that are not yet reflected in the stamped pay slip</i>

<Name of Verifier>  
<Office>

10. Depending on the Verifier's assessment, the **Accredited Entity** shall do either of the following upon receipt of the former's e-mail:

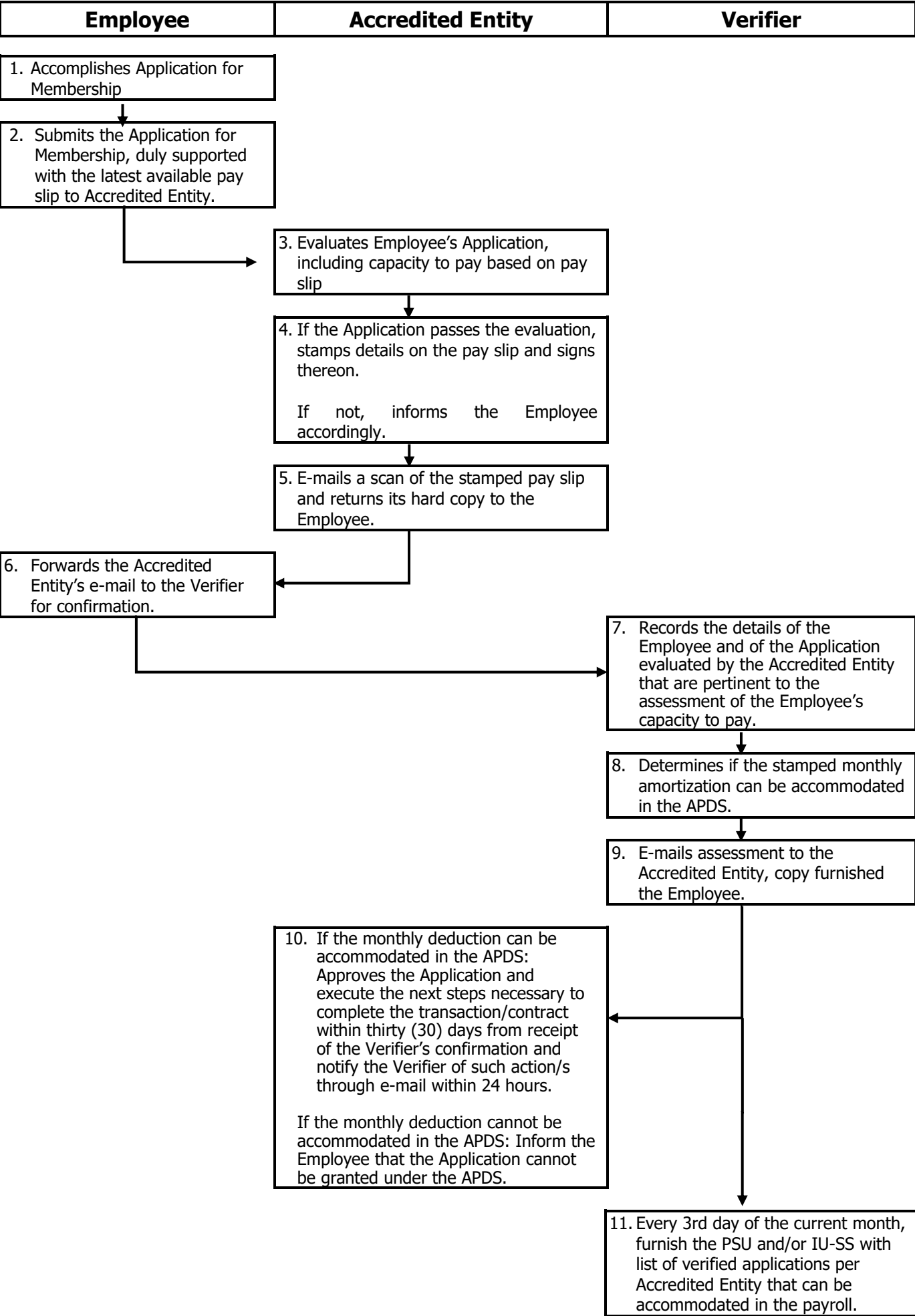
a. If the monthly deduction can be accommodated in the APDS: Approve the Application and execute the next steps necessary to complete the transaction/contract within thirty (30) days from receipt of the Verifier's confirmation and notify the Verifier of such action/s through e-mail within 24 hours.

b. If the monthly deduction cannot be accommodated in the APDS: Inform the Employee that the Application cannot be granted under the APDS.

11. Every 3<sup>rd</sup> day of the current month, furnish the Payroll Services Unit (PSU) and/or Implementing Unit-Secondary Schools (IU-SS) with list of verified insurance premia/membership dues/contributions per Accredited Entity that can be accommodated in the payroll.

-- End --

**PROCESS FLOW FOR THE PROCEDURES ON MANUAL PROCESSING OF DEPED EMPLOYEES' APPLICATIONS FOR INSURANCE PREMIA AND/OR MEMBERSHIP DUES/CONTRIBUTIONS WITH THE ACCREDITED ENTITIES UNDER THE DEPARTMENT'S PROGRAM ON APDS**



**ANNEX "C-2"****PROCEDURES FOR THE ONLINE PROCESS OF DEPED EMPLOYEES' APPLICATIONS FOR INSURANCE PREMIA AND/OR MEMBERSHIP DUES/CONTRIBUTIONS WITH THE ACCREDITED ENTITIES UNDER THE DEPARTMENT'S PROGRAM ON AUTOMATIC PAYROLL DEDUCTION SYSTEM (APDS)**

1. The **DepEd Employee** (hereinafter referred to as the "**Employee**"), using the deped.gov.ph email address shall:
  - a. Secure an ONLINE Application Form from the APDS accredited entity (hereinafter referred to as the "Accredited Entity");
  - b. Accomplish the Application Form and submit the same to the Accredited Entity together with the latest available pay slip; and
  - c. Wait for the response of the Accredited Entity through email, if he/she is eligible or not. In case eligible, forward the Accredited Entity's response to the official e-mail address of designated DepEd Verifier (hereinafter referred to as "Verifier").
  
2. The **Accredited Entity** shall:
  - a. Perform background checks on the legitimacy of the membership being applied for by the Employee to prevent occurrence of application for membership by fictitious Employees;
  - b. Evaluate the Employee's application for membership using the Accredited Entity's own criteria, including the Employee's capacity to pay based on the presented pay slip. The presence of "Undeducted Obligations" in the Employee's pay slip indicates his/her lack of capacity to pay the insurance premia and/or membership dues/contributions through the APDS, hence, such employee is ineligible to become the Accredited Entity's member under the APDS;
  - c. If the membership application passes the Accredited Entity's evaluation, stamp the following on the face of the pay slip without obscuring the pertinent details therein:
    - i. Corporate name of the Accredited Entity and APDS Code/Sub-Code for insurance premia and/or membership dues/contributions;
    - ii. Amount of monthly salary deduction;
    - iii. Date of application for membership; and
    - iv. Name of Accredited Entity's Officer who shall sign on the stamp to signify evaluation;
  - d. E-mail a scan of the stamped pay slip to the Employee using the e-mail subject, "Request for Confirmation of Evaluated APDS Application- <Accredited Entity's APDS Code> - <Employee's complete name>"; and
  - e. Depending on the Verifier's assessment, do either of the following upon receipt of the former's e-mail:
    - i. If the monthly deduction can be accommodated in the APDS: 1) Approve the Application and execute the next steps necessary to complete the transaction/contract within thirty (30) days from receipt of the Verifier's confirmation and notify the Verifier of such action/s through e-mail within 24 hours.
    - ii. If the monthly deduction cannot be accommodated in the APDS: Inform the Employee that the application cannot be granted under the APDS.



3. The **Verifier** shall:

- a. Record the details of the Employee and of the application evaluated by the Accredited Entity that are pertinent to the assessment of the Employee’s capacity to pay;
- b. Determine if the stamped monthly amortization can be accommodated in the APDS, cognizant of the Employee’s eligibility to avail of insurance policy/membership/other allowed obligation under the APDS, the NTHP rule, and the Employee’s capacity to pay based on the presented pay slip and the Verifier’s records. The Verifier, based on his/her records, shall also check if the Employee has approved obligations that are not yet reflected in the latter’s stamped pay slip.

First-in first-served rule shall be strictly observed in the verification of applications;

- c. E-mail the Accredited Entity using the official/designated DepEd e-mail, copy furnished (“cc”) the Employee, either of the following messages depending on the Verifier’s assessment:

- i. If the monthly deduction can be accommodated in the APDS:

Please be informed that as validated in our records, the application of DepEd Employee you evaluated can be accommodated in the APDS, as follows:

<b>Employee’s Name</b>	
<b>Employee No.</b>	
<b>Station Code</b>	
<b>Amount of Monthly Membership Dues/Contribution</b>	

Any misrepresentation in the Employee’s application verified by the Accredited Entity shall not be the liability of the Verifier.

**<Name of Verifier>**  
**<Office>**

- ii. If the monthly deduction cannot be accommodated in the APDS:

Please be informed that as validated in our records, the application of DepEd Employee you evaluated cannot be accommodated in the APDS for reasons stated below:

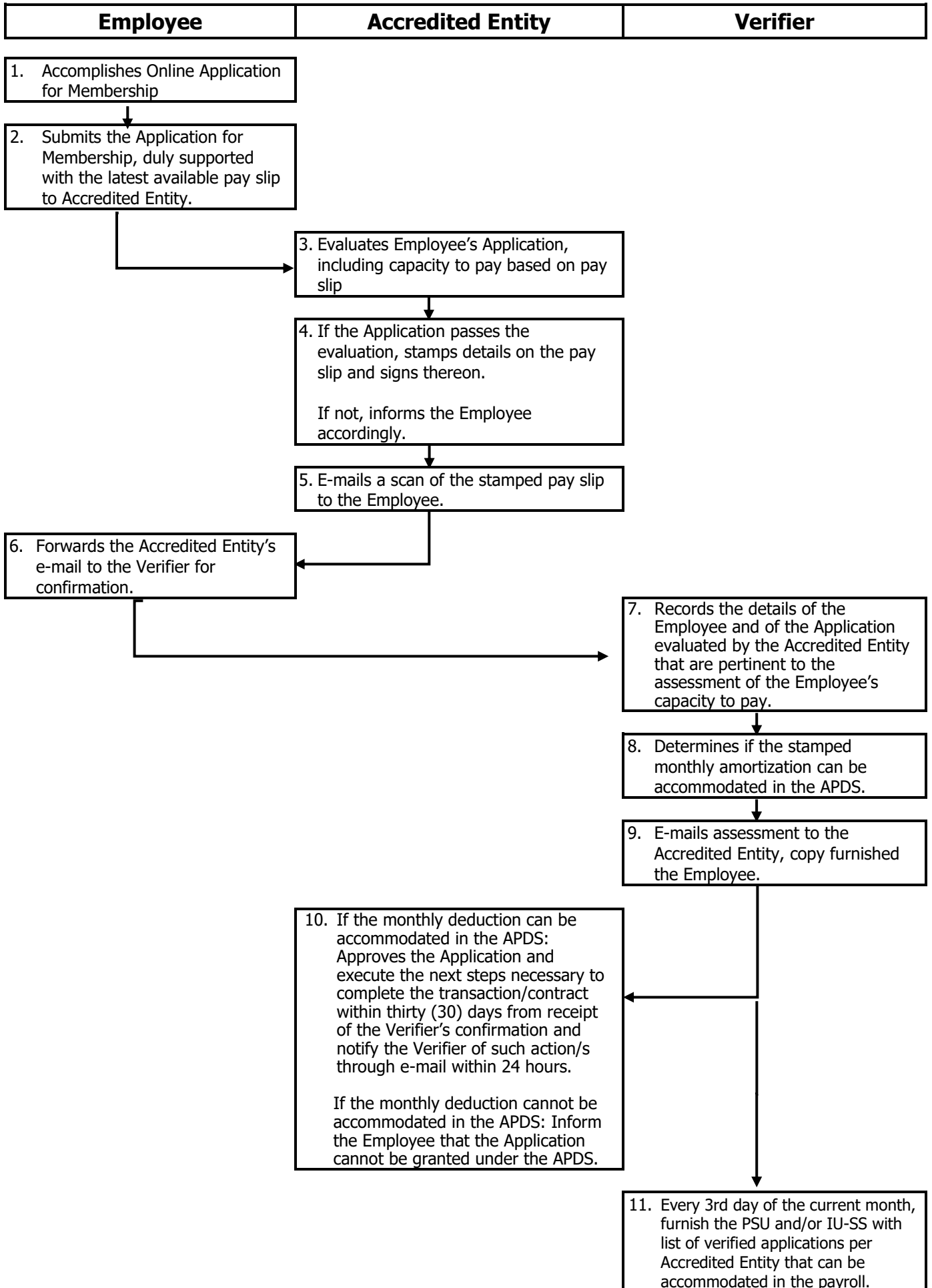
<b>Employee’s Name</b>	
<b>Employee No.</b>	
<b>Station Code</b>	
<b>Amount of Monthly Membership Dues/Contribution</b>	
<b>Reason/s</b>	<i>e.g. Insufficient NTHP; With approved obligations that are not yet reflected in the stamped pay slip</i>

**<Name of Verifier>**  
**<Office>**

- d. Every 3<sup>rd</sup> day of the current month, furnish the Payroll Services Unit (PSU) and/or Implementing Unit-Secondary Schools (IU-SS) with list of verified insurance premia/membership contributions per Accredited Entity that can be accommodated in the payroll every 3<sup>rd</sup> day of the current month

-- End --

**PROCESS FLOW FOR THE ONLINE PROCEDURES ON DEPED EMPLOYEES' APPLICATIONS FOR INSURANCE PREMIA AND/OR MEMBERSHIP DUES/CONTRIBUTIONS WITH THE ACCREDITED ENTITIES UNDER THE DEPARTMENT'S PROGRAM ON AUTOMATIC PAYROLL DEDUCTION SYSTEM (APDS)**



**ANNEX "D"**

**APDS Template/Standard Format of Authority to Deduct**

**AUTHORITY TO DEDUCT  
THROUGH THE DEPED AUTOMATIC PAYROLL DEDUCTION SYSTEM (APDS)**

I hereby authorize DepEd to deduct monthly from my salary, through the DepEd APDS, the sum of **PESOS:** \_\_\_\_\_ (P\_\_\_\_\_) beginning on \_\_\_\_\_ and ending on \_\_\_\_\_, as premium/contribution/due, and to remit the same to NAME OF ACCREDITED ENTITY in consideration of the insurance policy/membership/other allowed obligation, more specifically described as \_\_\_\_\_. In case my premium contribution is not deducted from the payroll, regardless of the reason, I also authorize DepEd to automatically adjust the termination period in my pay slip by one (1) month for every month of delay of its deduction. I fully understand that no lapses of payment shall be made by the Accredited Entity for this purpose, thus, the corresponding benefit as contracted shall be available in case of need.

The authorization is **VALID AND BINDING** within the aforementioned period, unless the authorization is otherwise revoked. Moreover, I agree that deductions that will reduce my monthly net take-home pay to lower than what is allowed under the law shall not be accommodated in the APDS.

\_\_\_\_\_  
**Signature over Printed Name of DepEd Employee**

**Employee Number:**

**Station Code:**

**Division Code:**

**Region:**

**Date:** \_\_\_\_\_

**ANNEX "E"**

**Sworn Statement regarding the documents submitted and full explanation of the terms and conditions to the Employees.**

[Date]

**DR.** \_\_\_\_\_  
Regional Director  
DepEd –Region \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**SWORN CERTIFICATION**

**Sir/Madam:**

As a/an <type of private entity> accredited under the Automatic Payroll Deduction System (APDS) Program of the Department of Education, may we request for automatic payroll deduction of the obligations obtained by the following DepEd personnel for the month of \_\_\_\_\_, 2021.

Name of Employee	Work Station	Date of Application
_____	_____	_____

In this regard, the Company hereby certifies the following:

1. Name of Entity and the DepEd personnel have executed Authorities to Deduct and Policy Contracts and/or Certificates of Membership, and copies of the said documents were furnished to the concerned DepEd personnel;
2. The insurance premia and/or membership dues/contributions of new DepEd members were duly verified by the designated DepEd Verifier; and
3. The terms and conditions were properly discussed with the DepEd personnel and they have understood the same.

The company agrees that any falsity of the certification herein is a ground for the revocation of the company's accreditation in the DepEd APDS.

Very truly yours,

\_\_\_\_\_  
**NAME**  
[Position/Official Designation]

SUBSCRIBED AND SWORN to this \_\_\_\_ day of \_\_\_\_\_ by the affiant who is personally known to me/identified by me as such persons after presenting his or her <government issued ID>.

Doc No.  
Page No.  
Book No.  
Series of 2021

**ANNEX "F"****Procedures for the Online Process on the Submission of Monthly Billing Statements by the Accredited Entity Under the Department's Program on APDS**A. The **Accredited Entity** shall:

1. Consolidate all Applications for Membership of DepEd Employees within a month, and prepare monthly billing statement in accordance with the prescribed template provided by the Payroll Services Units (PSU) and/or Implementing Unit-Secondary Schools (IU-SS). The billing statement must be duly supported with pertinent documents of DepEd Employees, as shown below.
  - a. As provided by DepEd Employees:
    - i. Accomplished Application for Membership Form
    - ii. Authorization to Deduct (ATD);
    - iii. Government Issued ID; and
    - iv. Latest available pay slip.
  - b. Subscribed Sworn Certification stating that:
    - i. Name of Entity and the DepEd personnel have executed Authorities to Deduct and Policy Contracts and/or Certificates of Membership, and copies of the said documents were furnished to the concerned DepEd personnel;
    - ii. The insurance premia and/or membership dues/contributions of new DepEd members were duly verified by the designated DepEd Verifier; and
    - iii. The terms and conditions were properly discussed with the DepEd personnel and they have understood the same.
2. Every **5<sup>th</sup> day of the month**, submit through email the monthly billing statement/s for all applications for membership of DepEd Employees granted within the previous month, together with the scanned copies of the pertinent documents listed in Items 1 (a to b) above, to the official email addresses of PSUs and/or IU-SSs (\_\_\_\_@deped.gov.ph). Under no circumstance shall the Accredited Entity bill a DepEd Employee for applications not verified by the DepEd Verifier.
3. Check and retrieve any returned billings through email from PSUs and/or IU-SSs, and re-submit the same as rectified, on or before the **10<sup>th</sup> day of the current month**. **Any billing for new Applications for Membership approved by the Accredited Entity, but has not been approved by the Verifier shall not be accommodated, and shall be returned to the Accredited Entity.**
4. Provide copies of the billing statement to the concerned Schools Division Offices, Attention: DepEd Verifiers, within ten (10) days after the submission of its final billing statement to the PSUs and/or IU-SSs.
5. Submit hard copies of signed billing statement (original copy) and the supporting documents to the PSU and/or IU-SS.

**ANNEX "G"**

**PROVINCES/REGIONS WHERE THE ACCREDITED ENTITY HAS OFFICE/S AS VALIDATED BY DEPED *(Including affiliate offices, if any)***

**NAME OF ENTITY:  
APDS CODE:**

REGION	PROVINCIAL LOCATION	CITY/MUNICIPALITY	COMPLETE ADDRESS	NAME OF AUTHORIZED PERSONNEL	CONTACT NUMBER	EMAIL ADDRESS

I hereby certify that the said offices/branches can sufficiently render services such as, but not limited to: maintaining complete records, accepting payments, issuance of statements of accounts, official receipts, certificates of full payment, and contracts and membership documents, all within specified timeframes, and attending to other transactions, queries, and complaints of DepEd personnel

**(Signature)**  
**Name of Authorized Representative**  
**Designation**

**ANNEX "H"****GROUND FOR SUSPENSION OR REVOCATION OF ACCREDITATION**

(For Lending, Insurance Premia, or Membership Dues/Contributions, as Applicable)

**Simple Grounds**

Suspension, which involves the withholding of remittance for not less than one (1) month but not more than six (6) months, and the corresponding non-acceptance of new business or deduction billing for not less than one (1) month, shall be imposed upon repeated commission of grounds classified as "Simple".

"Simple grounds" are acts or omissions of an accredited entity in violation of the guidelines on accreditation/re-accreditation or TCAA that can cause minor damage to DepEd employees who are borrowers, policy holders or members of accredited entities.

Simple grounds include, but are not limited to, the following:

- a. Billing more than one (1) loan per DepEd borrower.
- b. Not furnishing the DepEd employee, or charging the borrower/DepEd fees for, copies of the ATD, PN, DS, and/or amortization schedule in accordance with Annexes D-1 to D-3, or copies of the Certificate of Membership, Policy Contract, and/or other documents evidencing membership for insurance/mutual benefits/association duly acknowledged by Employees.
- c. Billing the co-maker, through APDS, for the loan balance of the principal borrower.
- d. Computation of interest and non-interest charges on Loan not in accordance with the guidelines, but the Effective Interest Rate is still within the specified ceiling.
- e. Not reflecting the conditions on penalties and/or past due interest on loans, if any, in the DS signed by DepEd borrowers.
- f. Refusal to accept tender payment of loan in advance, whether partially or in full, during or after the term of the loan, from DepEd borrower/s or from other lending institutions, in case of loan take-out/buy-out by the latter.
- g. Non- or delayed issuance of the Official Receipt in case of partial or full payment.
- h. Failure or delay in the issuance of a dated Certificate of Full Payment of Loan to the DepEd borrower and/or failure to send a written request to the concerned payroll servicing unit concerned for the immediate stoppage of deduction, in case of advance payment of loan in full.
- i. Unrefunded over-deductions for the first time/payroll month.
- j. Failure to provide duly certified Statement of Account/Status of Premium Payments for every loan/transaction granted to a DepEd borrower/member, free of charge, annually and anytime upon request, within the day that the request was made by DepEd or the DepEd borrower/member, duly supported by an up-to-date payment history.
- k. Extending the termination date of loan amortization beyond what is stipulated in the Authority to Deduct signed by DepEd borrowers, or beyond the period allowed by the guidelines.
- l. Charging fee for and/or delay or non-issuance of a Certificate of Full Payment of Loan (CFPL).

- m. Failure to inform DepEd Regional/Central Office of any transfer of office location for purposes of updating Annex G of the TCAA.
- n. Using the terms "DepEd" or "public school teacher" in promotions or in any form of advertisement.
- o. Submission of billing not in accordance with the prescribed timelines.
- p. Charging and collecting interest for the remainder of the term of the loan in case of advance payment in full of the loan.
- q. Operating lending/insurance premia/mutual benefits business in a province without prior authority from DepEd.
- r. Maintaining an office that is not compliant with the requirements of the guidelines/TCAA.
- s. Non- or delayed submission of annual and semi-annual documentary requirements.
- t. Accepting Automated Teller Machine (ATM) card as collateral from DepEd employees for their loans under APDS.
- u. Inclusion in the billing statement for lending business of mutual aid system/ insurance premia deductions, or compelling any DepEd borrower to take out any type of insurance contract other than credit life insurance, as a condition to the loan agreement.
- v. Failure to submit the required documents within the period specified by the guidelines.
- w. Deduction of advance payments from the loan proceeds of DepEd borrowers.
- x. Other acts or omissions similar or analogous to the above.

### **Serious Grounds**

The Accreditation shall be revoked upon commission of grounds classified as "Serious". When the Accreditation is revoked, the Accredited Entity shall no longer be allowed to grant new business in the affected province/s under the APDS. However, collection of deductions already incorporated in the APDS as of the date of revocation shall continue up to the termination dates reflected in the pay slip. Thereafter, the APDS Code is automatically cancelled.

"Serious grounds" are acts or omissions of an accredited entity in violation of the guidelines on accreditation/re-accreditation or TCAA, which manifest fraud, bad faith, or willful misrepresentation intended to obtain undue financial gain at the expense of a DepEd employee who is a borrower, policy holder or member of accredited entities, or to undermine the effectiveness of the APDS.

Serious grounds include, but are not limited to, the following:

- a. Approval/release/billing of loans/insurance premium/membership dues or contributions without requisite approval by DepEd Verifier.
- b. Making false representation to the DepEd employee regarding the terms and conditions of the loan/insurance premium/membership dues or contributions.
- c. Acceptance of blank Authority to Deduct (ATD), Promissory Note (PN), Disclosure Statement, signed by the concerned DepEd borrowers.
- d. Submission of false/fraudulent documents.
- e. Inclusion of deductions not indicated in Annexes D1 – D3 (sample loan computation)



- f. Computation of interest and non-interest rates on Loan not in accordance with the guidelines and the Effective interest Rate exceeds the specified ceiling.
- g. Billing of loans not yet granted, renewed or released to DepEd borrowers.
- h. Entering into automatic payroll deduction agreements with fiscally autonomous DepEd schools.
- i. Transfer, reassignment, and sale of deduction code.
- j. "Piggy-backing" (Accredited entities allowing the use of the APDS Code by non-accredited entities).
- k. Making malicious or defamatory imputation, threat and physical injury against DepEd officials and/or personnel in relation to the implementation of the APDS.
- l. The Certificate of Registration/Authority of the entity is cancelled or terminated by the IC, SEC, BSP or CDA,
- m. Non-disclosure of the revocation or suspension of the Certificate of Registration/Authority by the concerned government regulatory bodies.
- n. Repeated suspensions based on simple grounds, indicating refusal to comply with, or wanton disregard for, APDS guidelines.
- o. Other acts or omissions constituting fraud, bad faith, or willful misrepresentation intended to obtain undue financial gain at the expense of a DepEd employee who is a borrower, policy holder or member of accredited entities, or to undermine the effectiveness of the APDS.