

5/163



Republic of the Philippines
Department of Education
REGION VIII - EASTERN VISAYAS

May 2, 2023

ADVISORY

**REITERATION ON SOME SALIENT PROVISIONS OF
DEPED ORDER NO. 20, S. 2021
(ENHANCED GUIDELINES ON ACCREDITATION/RE-ACCREDITATION
OF PRIVATE ENTITIES UNDER THE AUTOMATIC PAYROLL
DEDUCTION SYSTEM PROGRAM)**

**TO: GOVERNMENT FINANCIAL INSTITUTIONS (GFIs)
PRIVATE LENDING INSTITUTIONS (PLIs)
INSURANCE COMPANIES (ICs)
ALL OTHERS CONCERNED**

1. Reports reached this Office that some Private Lending Institutions do not accept over-the-counter payments or with delays in the issuance of certificate of full payment and Statement of Account.
2. Relative thereto, all Private Lending Institutions/Government Financial Institutions and Insurance Companies are reminded on some salient provisions of DepEd Order No. 20, s. 2021 (Enhanced Guidelines on Accreditation/Re-Accreditation of Private Entities Under the Automatic Payroll Deduction System Program) particularly on over-the-counter payments and issuance of official receipt which are among the grounds for suspension or revocation of accreditation.
3. Attached is a copy of Annex H-Grounds for Suspension or Revocation of Accreditation, for reference.
4. Please be guided accordingly.


EVELYN R. FETALVERO, CESO IV
Regional Director



AD-PS-EDR



ANNEX "H"**GROUNDINGS 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.