



Republic of the Philippines
OFFICE OF THE PRESIDENT
COMMISSION ON HIGHER EDUCATION

CHED MEMORANDUM ORDER

No. 16
Series of 2011

**SUBJECT : IMPLEMENTING RULES AND REGULATIONS IN THE
ADMINISTRATION AND IMPLEMENTATION OF THE ENHANCED
STUDY-NOW-PAY-LATER PLAN (E-SNPLP)**

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In accordance with the pertinent provisions of Republic Act No. 7722, otherwise known as the "Higher Education Act of 1994," Republic Act No. 8545, also known as the **"AN ACT AMENDING REPUBLIC ACT 6728 OTHERWISE KNOWN AS AN ACT PROVIDING GOVERNMENT ASSISTANCE TO STUDENTS AND TEACHERS IN PRIVATE EDUCATION AND APPROPRIATING FUNDS THEREFOR, "ESTABLISHING A FUND FOR THE PURPOSE OF SUBSIDIZING SALARIES OF PRIVATE SCHOOL TEACHERS AND APPROPRIATING FUNDS THEREFOR.** This Memorandum Order is issued to ensure the viability, productivity and sustainability of the implementation and management of the Enhanced Study-Now-Pay-Later Plan (E-SNPLP).

I. Coverage

E-SNPLP is a loan program available to incoming college students, or to those who have already earned units in any curriculum year, to cover their tuition and miscellaneous fees in CHED identified public or private higher education institutions per CMO No. 16, Series 2002.

II. Definition of Terms

- A. Borrower - a student who is granted a loan under this program
- B. Co-borrower - a member of GSIS or SSS who acted as the co-debtor of the student applicant or borrower
- C. Delinquent Borrower - a student / graduate who has not paid in full his/her loan grant 5-7 years after employment within amortization period

III. Qualifications of Applicant and Co-Borrower

A. An applicant shall meet the following requirements:

1. Shall be a Filipino citizen;
2. Shall not exceed age limit of 30 years old;
3. Shall be enrolled in any curricular year level, in any CHED identified priority courses;
4. No income limit but priority is given to children of parents with a combined gross annual income of P300,000.00 or less;
5. Shall be of good moral character;
6. Shall not be enjoying other government scholarship and financial assistance programs.

B. Qualification of Co-Borrower

1. Must not be more than 50 years old;
2. Must be a member of SSS or GSIS and in good standing as evidenced by a Certificate of Employment and Compensation from his/her employer.

IV. Documentary Requirements

A. The following are the requirements for application:

1. Duly accomplished application form;
2. Birth Certificate;
3. Admission slip/enrollment registration form;
4. National Career Assessment Examination (NCAE) Certificate for entering freshmen;
5. Form 138 for incoming college students; Certified True Copy of Grades during the previous semester attended, for those with earned/other curriculum year level;
6. Certificate of good moral character from the high school principal/guidance counselor;
7. Latest BIR Income Tax Returns (ITR) or Certificate of Exemption from filing ITR of parents;
8. Certificate of employment of Co-Borrower;
9. Latest BIR Form 2316 (Withholding Tax Certificate) or ITR of Co-Borrower;
10. Photocopy of GSIS or SSS Identification Card of Co-Borrower;
11. TIN, SSS OR GSIS No. of applicant student for purpose of future tracking of the student borrower.

B. The following are the requirements for payment of educational loan/financial assistance:

1. Payment of CHEDRO to Student-borrower

a. For Initial Payment the following are required:

- i. Notice of Award (NOA) and Acceptance;
- ii. Notarized Contract between CHED and student-borrower;
- iii. Enrollment Registration form and proof of payment;

b. For succeeding payment the following are required:

- i. Enrollment Registration form or proof of payment;
- ii. Proof of Rating/Grades of preceeding semester;
- iii. Updated information on the Co-borrower.

2. Fund Transfer from CHED Central Office to CHEDRO

- a. Certified correct masterlist from CHEDRO for the first release of fund transfer;
- b. Updated certified correct masterlist for the succeeding releases of fund transfers.

V. Application Procedures

A. Applicant may visit the the nearest CHED Regional Office (CHEDRO) where his /her chosen higher education institution is located; or CHED Website: www.ched.gov.ph to secure application form;

B. Accomplish StuFAPs application form (OSS Form 01);

C. Attach the documentary requirements as mentioned in Section IV.A. above.

VI. Screening, Evaluation and Awarding Procedures

A. The CHEDRO screens and evaluates applications in compliance to the set criteria;

B. The CHEDRO ranks the qualified applicants and initially assigns award number based on the number of available slots;

C. The CHEDRO notifies the qualified applicants through issuance of Notice of Award/Acceptance (NOA);

D. Qualified applicant confirms acceptance within thirty (30) days after receipt of the NOA;

E. The CHEDRO prepares and certifies the correctness of masterlist.

VII. Payment of Loan Procedures

A. Payment of CHEDRO to student-borrower

1. Student-borrower submits to CHEDRO the required documents within thirty (30) days from date of enrollment those listed under Section IV.B.1.a for the initial payment; and those listed under Section IV.B.1.b for the succeeding payments;
2. CHEDRO process payments ;
3. Student-borrower receives corresponding check.

B. Payment of Fund Transfer from CHED Central Office (CHEDCO) to CHEDRO

1. CHEDRO submits to the Office of Student Services (OSS) the certified correct masterlist of student-borrowers for appropriate funding;
2. The OSS Study Grant Division (SGD) reviews and process the request for funding based on existing guidelines;
3. The CHEDCO transfer the corresponding fund to CHEDRO.

VIII. Loanable Amount, Applicable Interest and Mode of Repayment

A. Loanable Amount

The actual cost of tuition and other miscellaneous fees but not to exceed P20,000.00 per semester.

B. Applicable Interest

1. Four percent (4%) simple interest rate per annum to commence two (2) years after graduation;
2. In case of non completion of program/course, the 4% simple interest shall commence two years after the last availment of loan;
3. Formula for computation of interest is:
$$\text{Interest} = \text{Principal} \times 4\% \times \text{Term of Payment}$$

(Diminishing Method)

C. Mode of Repayment

1. No interest will be charged upon full payment of loan within the grace period of 2 years;
2. On installment basis, the following mode of payments are acceptable:
 - a. Cash;
 - b. Manager's Check;
 - c. Postal Money Order (PMO);
 - d. Deposit through CHED-LBP account specifically for repayment of student loan program.
3. Amortization period shall be within five (5) years (excluding the 2- year grace period);
4. Formula for computation is:
$$\text{Repayment} = \text{Principal} + \text{Accrued Applicable Interest}$$

- 5. Penalties and surcharges for payments made beyond 5-year period:
 - a. Additional interest of 2% per annum;
 - b. Surcharge of 2% of the total balance.

D. Operationalization of the Repayment Scheme

1. CHEDRO shall issue billing, notices or demand letter to concerned student-borrower; CHEDRO or Central Office (through OSS and AFS) shall handle repayment collections;
2. The student-borrower may pay directly to the CHEDRO or to CHED Central Office through OSS or to a Land Bank account as designated depository bank account;
3. To enhance and improve the repayment scheme, and as an alternative mode of repayment, services rendered for CHED or in any government agencies by the student-borrowers can be considered or quantified as repayment.

IX. Loan Program Conditions

- A. The student-borrower shall carry the full load of academic subjects for each semester as prescribed by the program of study;
- B. Deferment of enrollment shall be allowed for 1 school year only; for meritorious reasons such as health conditions, security, force majeure reason;
- C. The student-borrower shall maintain satisfactory academic performance in accordance with the policies and standards of the school and finish the program/course within the prescribed duration of the course;
- D. The student-borrower may carry an overload of one subject with the approval of the authorized school official;
- E. The student-borrower may enroll in summer class, provided that the actual tuition and miscellaneous shall be at the expense of the student-borrower;
- F. The student-borrower shall be required to enroll and finish NSTP and PE subjects within the duration of the course.

X. Administration of the Program

A. CHED REGIONAL OFFICES (CHEDROs)

1. Conduct program orientation for student-borrowers;
2. Maintain and update database and subsidiary ledgers of student-borrowers;
3. Process payments for student-borrowers;
4. Handle all billings and collections;
5. Monitor the status of student-borrowers in HEIs;
6. Submit semestral monitoring and evaluation, and status reports to OSS;
7. Issues certification to student-borrowers who have updated or fully settled their loan, for any legal purpose it may serve the student-borrowers;
8. Conduct tracer-study of student-borrowers.

B. CHED-OFFICE OF STUDENT SERVICES

1. Conduct national program orientation for CHEDROs;
2. Maintain and update database and subsidiary ledgers of student-borrowers based on submission of CHEDROs;
3. Process (review, analyze, recommend) payment of fund transfers to CHEDROs;
4. Monitor CHEDROs in loan program implementation;
5. Prepare periodic reports;

6. Enter into a Memorandum of Agreement (MOA) with of the Bureau of Immigration (BI) and National Bureau of Investigation (NBI) for technical assistance on delinquent student-borrowers;
7. Enter into a Memorandum of Agreement with the accepting government agency in case the student-borrower decides/intends to avail of the return service provision of two (2) years, as an alternative mode of repayment;
8. Consolidate data on tracer-study gathered by CHEDROs.

C. HIGHER EDUCATION INSTITUTIONS

1. Submit to CHED Regional Offices (CHEDRO) the list of student-borrowers per semester;
2. Assist CHEDRO to monitor or track the whereabouts of the student-borrowers after graduation in order that the latter properly comply with their obligation to refund the loan at the intended period of repayment;
3. Recommend whenever necessary, measures to improve the efficient and effective handling of the program.

XI. Effectivity

This program takes effect on the 1st Semester of AY 2011-2012.

For strict compliance.

Quezon City, Philippines, July 13, 2011.


PATRICIA B. LICUANAN, Ph.D.
Chairperson