



Republic of the Philippines
Department of Education
REGION X – NORTHERN MINDANAO
SCHOOLS DIVISION OF EL SALVADOR CITY

15 May 2020

DIVISION MEMORANDUM
No. 110, s. 2020

**IMPLEMENTATION OF MANDATORY GRACE PERIOD FOR LOAN PAYMENTS
DURING THE COMMUNITY QUARANTINE PERIOD**

To: **Asst. Schools Division Superintendent**
Chief CID, SGOD
PSDS, Education Program Supervisors
Section Heads
All Public Elementary & Secondary School Heads
All Others Concerned
This Division

1. This is to inform the field of the General Advisory dated May 4, 2020, from the Office of the Undersecretary for Finance, relative to Implementation of Mandatory Grace Period for Loan Payments During the Community Quarantine Period. Kindly refer to the attached copy of the advisory for the details.
2. Refund on loan payments shall be processed by the Division Office based from the data forwarded by the Regional Office. The Personnel Unit shall ensure that electronic copy of the Pay Slip on Refunds for Loan Payment/s is sent to employees individually via their DepEd Email, to serve as reference.
3. For information, guidance and compliance.

OLGA C. ALONSABE
Asst. Schools Division Superintendent
Officer-In-Charge
Office of the Schools Division Superintendent

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

EMPLOYEES BENEFITS DEDUCTIONS

OSDS/AMA





May 4, 2020

GENERAL ADVISORY

To All Department of Education (DepEd) Teaching and Non-Teaching Personnel

Re: Implementation of Mandatory Grace Period for Loan Payments During the Community Quarantine Period

1. Pursuant to Republic Act No. 11469, otherwise known as the "Bayanihan to Heal As One Act," and the Implementing Rules and Regulations issued by the Department of Finance on April 1, 2020, the national government embarked on temporary measures yet comprehensive in scope to contain the further transmission of the COVID-19 pandemic. Among the measures cited is the provision of **loan payment reliefs for all types of loans during the period of the community quarantine**. This Act directed all private and public banks, quasi-banks, financing companies, lending companies and other financial institutions, including the Government Service Insurance System, Social Security System and Pag-IBIG Fund to implement a grace period of 30 days, minimum, for the payment of all loans falling due within the enhanced community quarantine without interests, penalties, fees or other charges;
2. In Section 2.01(a), Rule II of the IRR, "Covered Institutions" shall mean all lenders, including but not limited to banks, quasi-banks, non-stock savings and loan associations, credit card issuers, pawnshops and other credit granting financial institutions under the supervision of the Bangko Sentral ng Pilipinas (BSP), Securities and Exchange Commission (SEC), and Cooperative Development Authority (CDA), public or private, including the Government Service Insurance System, Social Security System and Pag-IBIG Fund;
3. To operationalize this declared national policy, the Department of Education issued on April 17, 2020, DepEd Order No. 003 s. 2020 entitled "*Internal Guidelines on the Implementation of Section 4(Aa) of Republic Act (RA) No. 11469 Pertaining to the Grant of Extension or Grace Period on Payment of Loans Under the Department's Automatic Payroll Deduction System (APDS) Program*" to provide clear and uniform rules, and to ensure that the implementation of the aforementioned law and its IRR shall be beneficial to DepEd borrowers;
4. Given this policy, it is essential to inform and remind DepEd personnel and all private lending institutions (PLIs) offering loan facility/program to our employees, including those lenders not accredited in the Department of Education (DepEd's) APDS Program, of their faithful compliance with the provisions of Bayanihan Law and the policies in D.O. No. 3, s. 2020.
5. In addition thereto and in facilitating the Department's continuing efforts and commitment to protect the collective interest of all DepEd personnel, the Office of the Undersecretary of Finance provides information on the following additional financial reliefs consistent with the Bayanihan Law:



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Loan payment relief applies to credit card holders

- a. **BSP Memorandum No. M-2020-018** dated April 06, 2020 entitled "*Frequently Asked Questions (FAQ) on the Implementing Rules and Regulations (IRR) of Section 4(aa) of Republic Act (RA) No. 11469, Otherwise Known as the "Bayanihan to Heal as One Act"*" addressing all banks, quasi-banks, non-stock savings and loan associations, **credit card issuers**, trust department/corporations, pawnshops, and other credit granting entities under the supervision of BSP to grant a mandatory 30-day grace period for payment falling due within the ECQ period and to extend the payment loan period for 30 days. The grace period has effectively rescheduled the amortization such that new due date is extended for one month (i.e. plus one monthly amortization).

Loan payment relief applies to ALL lenders

- b. **Securities and Exchange Commission (SEC)**

SEC Frequently Asked Questions (FAQs) dated April 23, 2020 on the implementation of the mandatory grace period for all loans with principal and/or interest falling due within the enhanced community quarantine and other prevailing rules during the covid-19 pandemic clarifying that insofar as the Securities and SEC is concerned, the IRR of Section 4(aa) of the Bayanihan to Heal As One Act covers financing companies (FCs), lending companies (LCs), and microfinance NGOs (MF-NGOs). It also covers loans that were obtained through online lending applications/platforms that are owned and operated by registered FCs and LCs. It provides that the mandatory grace period extends the deadline for the payment of loans with principal and/or interest falling due within the ECQ period, and it aims to give borrowers more time to raise the funds needed to repay their loans and to allow them to prioritize their needs amid the pandemic. Further, all covered loans with maturity date of the principal and/or interest, including amortizations, within the ECQ Period shall be given a mandatory thirty (30)-day grace period, without incurring interest on interest, penalties, fees, and other charges.

SEC Advisory dated April 16, 2020 on the mandatory grace period for loan payments during the enhanced community quarantine period regarding reports and complaints against financing companies (FCs) and lending companies (LCs) that allegedly refuse to comply with Section 4 (aa) of RA No. 11469 and its IRR. The SEC mandated the FCs and LCs to strictly comply with Section 4 (aa) of RA 11469, its IRR and all other laws, rules and regulations being implemented by the Commission. Moreover, FCs and LCs are warned that any violation or non-compliance shall be dealt with to the full extent of the law.

SEC Notice dated April 29, 2020, entitled: "*Extension of Mandatory Grace Period for Loans during Extended Enhanced Community Quarantine Period*" advising all financing companies, lending companies and microfinance NGOs (MF-NGOs) to extend the 30-day grace period to borrowers with payments due within the extended ECQ period from



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March 17, 2020 to May 15, 2020, pursuant to Section 4 (aa) of the Bayanihan to Heal as One Act and its IRR.

c. **Cooperative Development Authority (CDA)**

CDA Memorandum dated April 2, 2020 entitled "*Compliance with Section 4(aa) of Republic Act No. 11469, Otherwise Known as the Bayanihan to Heal as One Act*" reminding all cooperatives duly registered by the Authority which provide credit and other lending services to strictly comply with the law.

6. Should you have any information or have encountered problems on the non-implementation of the mandatory grace period for loan payments during the community quarantine period under authorized loan moratorium coverage, please refer to the following hotlines:

For PLIs accredited in the APDS- please contact the Finance Service-Employee Account Management Division (EAMD) through email at fs.eamd@deped.gov.ph or call (02) 8633-7248;

For PLIs not accredited in the APDS:

- a. **BSP Supervised PLIs-** please contact the Consumer Affairs Group through email at consumeraffairs@bsp.gov.ph;
- b. **SEC Supervised PLIs-** please contact the Enforcement and Investor Protection Department (EIPD) through email at epd@sec.gov.ph;
- c. **CDA Supervised PLIs-** please contact the Regulation Division through email at regulation@cda.gov.ph or helpdesk@cda.gov.ph.

For your reference, information and guidance.


ANNALYN M. SEVILLA
Undersecretary