



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

CHED MEMORANDUM ORDER

No. 4

Series of 2004

TO: CHEDCO AND CHEDRO DIRECTORS
PRESIDENTS/HEADS OF PUBLIC AND PRIVATE HIGHER
EDUCATION INSTITUTIONS

SUBJECT: GUIDELINES FOR THE IMPLEMENTATION OF THE STUDENT
FINANCIAL ASSISTANCE PROGRAM (STUFAP)

In accordance with the pertinent provisions of RA 7722, otherwise known as the "Higher Education Act of 1994" particularly sec. 8 (i) "*develop criteria for allocating additional resources such as research and program development grants and scholarship and other similar programs*" and pursuant to Commission en Banc Resolution No 045-2004, this Commission hereby issues guidelines for the implementation of the **STUDENT FINANCIAL ASSISTANCE PROGRAM (STUFAP)**. Consequently, all concerned are hereby informed, enjoined and directed, thus:

I. RATIONALE

The Philippine Constitution mandates the State to "establish and maintain a system of scholarship grants, student loan programs, subsidies and other incentives which shall be available to deserving students in both private and public schools, especially the underprivileged. (Art XIV, Sec 2 (3))"

The Commission on Higher Education pursues the goal to broaden the access of deserving and qualified senior students to student loans schemes intended to contribute to the long term objectives of enhancing the nation's human capital, competitiveness and economic development.

The existing scholarship and student loan programs of CHED can reach only a small portion of intended beneficiaries. Existing problems of senior students dropping off due to financial problems accelerated over the years. The **STUDENT FINANCIAL ASSISTANCE PROGRAM (STUFAP)** will play a major role in improving number of graduates in colleges and universities crucial to the development of a strong and vibrant Philippine economy.

II. OBJECTIVES

The objectives of the program are as follows:

- a) Provide assistance to financially needy 3rd, 4th and graduating students;
- b) Raise the number of grantees in CHED Priority courses;
- c) Provide qualified students and easily accessible interest-free students loan program nationwide;
- d) Raise and improve graduation rate at the tertiary level; thus contributing to the stock of high-level manpower of the country.

III. TITLE AND COVERAGE

This student loan program shall be called the **STUDENT FINANCIAL ASSISTANCE PROGRAM (STUFAP)**. The program shall cater to the financially needy 3rd, 4th and graduating students. Priority shall be given to those enrolled in CHED Priority courses.

The student loan can be used for tuition and other school fees, books and course projects, thesis writing, board and lodging, graduation fees and other valid educational expense.

IV ADMINISTRATION OF THE STUDENT FINANCIAL ASSISTANCE PROGRAM

The duties, functions and responsibilities involved in the implementation and administration of the STUFAP are as follows:

1. Commission on Higher Education

The Commission on Higher Education shall act as the lead implementing agency to provide the necessary administrative and technical support for the program.

- A. **Office of Student Services(OSS):** The OSS shall perform the following :
 - a. Formulate the guidelines for the implementation of the program;
 - b. Determine the regional slot allocation following the approved criteria;
 - c. Orient the CHED Regional Offices on the policies, rules and regulations governing the Program;
 - d. Monitor, assess and evaluate the implementation of the program.

- B. HIGHER EDUCATION DEVELOPMENT FUND (HEDF) SECRETARIAT**
- a. Release the funds for the program to CHEDROs based on the regional allocation together with OSS and CHEDRO;
- C. CHED Regional Offices(CHEDRO):** The CHEDRO shall perform the following :
- a. Conduct orientation with the HEIs on the policies, rules and regulations governing the program;
 - b. Enter into agreement with participating Higher Education Institutions
 - c. Equitably allocate and distribute funds to participating HEIs in the region.
 - d. Release the funds to the participating HEIs;
 - e. Monitor, assess and evaluate the performance of the participating HEIs to ensure effective implementation of the program.
 - f. Submit to CHED-OSS the Masterlist of loaners from the HEIs at the end of every semester.
 - g. Keep file of the participating HEIs.

2. Participating Higher Education Institution

The participating HEI that shall assist in implementing this program shall create a Student Financial Assistance Unit to manage the STUFAP in their respective institutions. Specifically it shall perform the following functions:

- a. Perform the banking functions of lending students loans to qualified and deserving applicants and collecting payments and interest from loaners in accordance with guidelines;
- b. Screen and accept applicants in accordance with the criteria;
- c. Enter into loan agreement with the borrowers;
- d. Conduct orientation on the grantees on the regulations of the program;
- e. Submit to CHEDRO the list of borrowers, together with their accomplished certificate of enrolment and completed application form;
- f. Decide on the termination of the loan grantees, appeal for reconsideration/reinstatement of terminated grantees, and act on requests for transfer to another school, shifting of course, determent, financial assistance for summer and other matters similar nature;
- g. Submit to CHED the ff:
 - The list of student borrowers, the amount borrowed and the item the loan was spent
 - Status of funds for the program
 - Records of repayment of loan
- h. Keep a separate accounting records of the STUFAP Fund subject to periodic inspectorial visit by CHED finance personnel and/or COA resident auditor;
- i. Recommend measures for the improvement of this program.

V. QUALIFICATION OF THE PARTICIPATING HIGHER EDUCATION INSTITUTIONS

- a. Must have recognized programs;
- b. Must be offering priority courses;
- c. Must have good track records in handling CHED administered scholarship programs;
- d. Must be willing to enter into a memorandum of Agreement with CHED
- e. Must be willing to perform the functions and responsibilities as participating HEIs

VI. QUALIFICATIONS OF APPLICANTS

The applicants for the **STUDENT FINANCIAL ASSISTANCE PROGRAM** must meet the following qualifications/requirements:

- a. Must be enrolled as 3rd, 4th or graduating college student;
- b. Must not be presently enjoying any government scholarship grant;
- c. Must have attended the Orientation program called for the purpose;
- d. Must be willing to comply with the program's rules and regulations;
- e. Must have a co-borrower either his/her parents or his/her relatives or any person who GSIS/SSS member.

VII. LOANABLE AMOUNT and MODE OF PAYMENT

Qualified borrowers may be allowed to borrow a maximum of P8,000 per semester covering the following benefits: school fees, course projects, board and lodging. Qualified borrowers shall not be charged any interest on their loan fund.

- Loans below P4,000 are payable within five years.
- Loans above P4001 are payable within ten years.

The student borrower's parents (either father or mother), any relatives or persons he or she may present shall sign the loan agreement together with the student.

VIII. Application Procedures

The student borrowers should apply directly to the Student Financial Assistance Unit of the participating Higher Education Institutions where they are enrolled in:

IX. Responsibilities of the Loan Borrower

- a. Pay the amount borrowed under the program within the amortization period;
- b. Notify the school within 30 days for any changes on the following:
 1. change of permanent address
 2. commencement of employment
 3. transfer of change of employment
 4. change in civil status

X. Allocation of Funds

The funding allocation shall be based on the following factors

- a. Number of 3rd, 4th and graduating students
- b. Number of poor graduating students
- c. Poverty index of the region

XI. EFFECTIVITY

These guidelines shall take effect immediately and shall continue to be in effect until the program is terminated due to exhaustion of funds.

Immediate dissemination of this CHED Order is hereby enjoined.

For proper guidance and strict compliance of all concerned.

Issued this 26th day of January 2004.

For the COMMISSION:


ROLANDO RAMOS DIZON
Chairperson

(Higher Education Institution /Address)

1 x 1
ID PICTURE

SAFE 4 SR APPLICATION FORM

Instruction:

1. Print all entries
2. Place an x in the appropriate blank provided
3. Fully accomplished form should be submitted to school registrar

Action Taken: _____
 Award No. _____
 Date of Filing _____
 Region _____
 Province _____
 Cong. District _____

Received by Authorized Official:

(Printed Name & Signature)

PERSONAL INFORMATION:

Name: _____
 (LAST) (FIRST) (MIDDLE NAME)
 Age: _____ Sex: _____ Status: _____ Religion: _____ Citizenship: _____
 Date of Birth: _____ Place of Birth: _____
 Mailing Address: _____ Tel. No.: _____
 Home/Provincial Address: _____
 School Type: () Public () Private
 Year Level: _____ Course: _____ Expected date of Graduation: _____

Academic Awards/Honors Received:

Nature/Description	School	Date

FAMILY BACKGROUND:

Father: () Living () Deceased Mother: () Living () Deceased
 Name: _____
 Address: _____
 Occupation: _____
 Office Address: _____
 Educational Attainment: _____

(Fund Requirement)

Loan Amount	Purpose	Date Needed
_____	<input type="checkbox"/> Books	_____
_____	<input type="checkbox"/> Tuition Fees	_____
_____	<input type="checkbox"/> Graduation Fees	_____
_____	<input type="checkbox"/> Theses Writing Expenses	_____
_____	<input type="checkbox"/> Project	_____
_____	<input type="checkbox"/> Board and Lodging	_____
_____	<input type="checkbox"/> Others:	_____

I declare that the above information provided herein are true and correct.

(Signature over Printed Name of Applicant)

(Date)

**LOAN AGREEMENT BETWEEN
THE STUDENT LOAN BORROWER
OF THE STUDENT FINANCIAL ASSISTANCE PROGRAM (STUFAP)
AND _____
(SCHOOL)**

KNOW ALL MEN BY THIS PRESENTS

For value received, We _____ and
(Student-borrower)
_____ of legal age, residents of
(Co-Maker)
_____ respectively, hereby jointly and severally promise to pay to order _____
(School)
at its address _____ joint collectors of the Educational fund
provided by the Commission on Higher Education the sum of pesos: _____
P(_____).

The amount subject of this loan agreement refers to an Educational Loan under the "Student Financial Assistance Program" (STUFAP) to defray the educational expenses of the Student-borrower/Grantee, starting School Year _____ to be released once per semester after the complete required documents will be submitted to the Participating Higher Education Institution (HEI).

Repayment of this loan, unless otherwise provided, shall be made within a period of not exceeding ten (10) years for a loan of four thousand pesos and higher; five (5) years for below four thousand pesos (P4,000.00) starting 2 years after the Student-borrower has graduated from college.

It is hereby understood that the CHED and/or its regional offices may, at their option increase the amount of monthly amortization should the financial condition of the Student-borrower improve during the repayment period.

Effective upon employment, the Student-borrower and the guarantor shall inform his/her school of the same including the name and place of business of his/her employer.

Without need of notice or demand, any default due to causes stipulated in the implementing rules and regulations, or failure to pay this loan or any installment thereon when due, shall cause the obligation to become immediately due and payable. In case a suit of any kind is filed against me/us by said school, without prior notice of demand, the obligation shall likewise immediately become due and payable and venue of any legal action thereon shall be the proper court of _____
(City/Province)

In the event that this loan is not paid on the date of maturity or when the same becomes due under any of the provisions hereof, I/We hereby authorize _____

(School)

at their option and without notice, to apply to the repayment of this loan, any and all moneys, securities and things of value belonging to us, appoint the said school to be my/our true Attorney-in-Fact with full power and authority to negotiate, sell and transfer any moneys, securities and things of value belonging to me/us which it may hold, by public or private sale and apply the proceeds thereof to the payment of this loan.

It is likewise understood that any partial payment of performance of this loan or any extension granted shall not alter or vary the terms of the original conditions of the obligation which shall interrupt the period of prescription.

I/We hereby expressly consent to be bound to any extension of payment a renewal of this loan in whole or in part, as to the terms of payment and/or any partial payment of this loan which may be granted to any of us, without and/or without need of executing as renewal loan agreement.

Should it become necessary to collect this loan through an attorney-in-fact, I/We hereby expressly agree to pay jointly and severally, five (5%) percent of the total amount due to this loan as attorney's fees which in no case shall be less than P100.00 exclusive of all costs and fees allowed by law as stipulated in the Loan Agreement.

Demand and Dishonor Waived, _____ may accept of its, I/We hereby
(School)

waive all my/our rights under the provision of Rule 39, Sec. 12 of the Revised Rules and Court.

This loan agreement shall be further governed by the terms and conditions set forth in the approved application signed/executed by the Student-borrower and the Guarantor and such oath existing and future rules and regulations that CHED may issue to effectively implement this student assistance program .

Student-Borrower

Right Hand Thumbmark

GUARANTOR

WITNESSES:

Parent/Guardian

School Official

TABLE 1

**STUDENT FINANCIAL ASSISTANCE PROGRAM
(STUFAP)**

**FUNDING ALLOCATION
(Php 200,000,000.00)**

REGION	% ALLOCATION	AMOUNT (Php)
I	5.79	11,580,000.00
II	4.39	8,780,000.00
III	5.42	10,840,000.00
IV	7.20	14,400,000.00
V	7.46	14,920,000.00
VI	7.87	15,740,000.00
VII	7.63	15,260,000.00
VIII	5.74	11,480,000.00
IX	5.55	11,100,000.00
X	5.06	10,120,000.00
XI	6.03	12,060,000.00
XII	6.61	13,220,000.00
CARAGA	4.62	9,240,000.00
CAR	5.28	10,560,000.00
NCR	15.35	30,700,000.00
GRAND TOTAL	100	200,000,000.00

TABLE 2

**STUDENT FINANCIAL ASSISTANCE PROGRAM
(STUFAP)**

REGIONAL PERCENTAGE ALLOCATION

REGION	POVERTY INCIDENCE	%	ENROLMENT (3rd to 6th Yr)	%	% ALLOCATION
I	35.5	6.26	49,766	5.32	5.79
II	29.7	5.23	33,139	3.54	4.39
III	20.9	3.68	66,966	7.16	5.42
IV	25.9	4.56	92,009	9.83	7.20
V	56.2	9.90	46,993	5.02	7.46
VI	45.7	8.05	72,008	7.70	7.87
VII	37.4	6.59	80,996	8.66	7.63
VIII	45.4	8.00	32,455	3.47	5.74
IX	44.5	7.84	30,543	3.26	5.55
X	38.7	6.82	30,841	3.30	5.06
XI	36.5	6.43	52,803	5.64	6.03
XII	55.3	9.74	32,613	3.49	6.61
CARAGA	50.2	8.85	3,692	0.39	4.62
CAR	38.0	6.70	36,144	3.86	5.28
NCR	7.6	1.34	274,795	29.37	15.35
TOTAL	567.5	100	935,763	100	100

Note:

- Poverty incidence (Source: CY 2000 NEDA)
- Enrolment (Source: AY 2000-2001 OPPRI-CHED)

**MEMORANDUM OF AGREEMENT
BETWEEN THE CHEDRO AND THE**

(Participating HEI)

KNOW ALL MEN BY THESE PRESENTS:

This Memorandum of Agreement made and entered into this ____ day of February 2004 by and between:

The **COMMISSION ON HIGHER EDUCATION REGIONAL OFFICE (CHEDRO)** a government agency, with office address located at _____, Philippines, represented herein by its Regional Director, _____ hereinafter referred to as **CHEDRO**;

-and-

The _____ (Participating Higher Education Institution), a duly recognized higher education institution with office address at _____, herein represented by its President, _____, herein referred to as **HEI**;

WITNESSETH

WHEREAS, a program called the **STUDENT FINANCIAL ASSISTANCE PROGRAM (STUFAP)** conceived by **CHED** aims to provide assistance to the financially needy 3rd year, 4th year and graduating college students in all higher education institutions nationwide through the easy, accessible, and interest-free student loan program;

WHEREAS, the implementing guidelines governing the administration and operation of the **STUFAP** was issued through **CHED Memorandum Order No. 04**, series of 2004;

WHEREAS, to effectively implement the **STUFAP**, there is a need to define the working relationship between **CHEDRO** and the participating **HEI**;

NOW, THEREFORE, for and in consideration of the foregoing premises, the Parties herein agree, as they hereby agree as follows:

I. Objective

The Parties hereby agree, to establish a functional and working relationship in order to ensure prompt and effective delivery of services to the student beneficiaries of the STUFAP.

II. Program Administration

A. CHED

A.1. Office of Student Services (OSS)

- a. Formulate the implementing guidelines of the Program;
- b. Allocate and release the funds for the program to HEIs thru the CHEDROs;
- c. With the CHEDRO, monitor the performance of the participating HEIs to ensure the effective implementation of the program; and
- d. Provide and implement appropriate actions/sanctions such as discontinuance of funding or the filing of appropriate legal actions in case of violation either by the student beneficiaries or the HEI of the terms of the STUFAP and the provisions of this Agreement.

A.2. Higher Education Development Fund (HEDF)

- a. Release the funds for the Program to CHEDROs based on the regional allocation of OSS; and
- b. Monitor, assess, and evaluate the implementation of the program together with OSS and CHEDRO.

A.3. CHED Regional Offices (CHEDRO)

- a. Conduct orientation with HEIs on the policies, rules and regulations governing the program;
- b. Enter into agreement with participating Higher Education Institution;
- c. Release the funds to the Participating HEIs;

- d. Monitor with OSS the performance of the participating HEIs to ensure the effective implementation of the program;
- e. Submit to OSS the masterlist of student-borrowers from HEIS at the end of every semester; and
- f. Keeps file of the participating HEIs.

B. HEI

- a. Perform the banking functions of lending loans to qualified and deserving student applicants and collecting payments from loan borrowers in accordance with the guidelines;
- b. Screen and process loan applications of students in accordance with the criteria in the CMO issued by CHED. For this purpose, the HEI shall verify and ascertain the authenticity of the documents forming part of the applications and also verify the data and information provided by the student-borrower;
- c. Enter into a loan contract with each of the student-borrower;
- e. Orient student-borrowers on the regulations of the STUFAP;
- f. At the end of each semester, submit to CHEDRO concerned, the following reports:
 - Masterlist of student-borrowers for the semester;
 - the amount loaned and the item/s for which the loan is used;
 - Financial status of the Program;
 - Records of loan repayment.
- g. Keep separate accounting records of the Program fund, subject to periodic inspectorial visit by CHED finance personnel and/or COA resident auditors.

III. Implementation of the Rules and Regulations of the Program

The pertinent provisions of CHED Memorandum Order No. 04 s. 2004 shall form part of this Agreement; hence, the corresponding obligations and rights of the respective Parties stated in said CMO are hereby deemed incorporated.

This Agreement shall be subject to such existing policies, rules and regulations of CHED relating to STUFAPS and the loan grants under said Program, and such other related programs currently being implemented by the Commission.

IV. Separate Fund Account

The participating HEI is under obligation to put up a separate Fund Account, Accounting Books and Bank Deposit Records for the Program which shall be monitored, evaluated, reviewed and inspected by CHED thru its Regional Offices.

V. Termination and Breach

Before the actual completion of the STUFAP, this Agreement may be terminated due to the following grounds/reasons:

- a. Refusal/failure of the participating HEI without any justifiable reason to comply with any of the provisions of this Agreement;
- b. Misuse/mismanagement of the STUFAP funds or any part of such funds thereof other than the intended purposes of the Program by the HEI, its faculty, staff or by the student-borrowers;
- c. Adoption of a resolution by CHED *en banc* winding-up the activities of the Program; and
- d. For other similar just causes and grounds, CHED reserves the right to discontinue the Program at any time, or upon determining that the objectives are not being met, hence do not justify further implementation of the Program.

VI. Amendments

The Parties hereto, may upon mutual consent, amend or modify this Agreement by or through an addendum signed by all Parties which shall form integral part hereof.

VII. Effectivity

This Agreement shall take effect upon its execution and shall be in full force and effect until the Program is terminated for cause.

IN WITNESS HEREOF, the Parties have hereunto signed this Agreement voluntarily this ____ day of February 2004.

**COMMISSION
ON HIGHER EDUCATION**

**(Participating Higher Education
Institution)**

BRO. ROLANDO RAMOS DIZON, FSC
Chairman

President

WITNESSES

ACKNOWLEDGEMENT
REPUBLIC OF THE PHILIPPINES) S. S.
)

BEFORE ME, A Notary Public for and in _____
this _____ day of _____ 2004 personally
appeared the following:

Community Residence Certificate

Name	Number	Date Issued	Place of Issue
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BRO. ROLANDO RAMOS DIZON, FSC

President of HEIs

Known to me the same persons who executed the foregoing instrument and acknowledge that the same is their free and voluntary act and deed.

WITNESS MY HAND AND SEAL, on the date and place first above mentioned.

Notary Public

Doc. _____
Page No. _____
Book No. _____
Series _____