



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

CHED MEMORANDUM ORDER

No. 25
Series of 2008

SUBJECT: GUIDELINES FOR THE IMPLEMENTATION OF THE STUDENT ASSISTANCE FUND FOR EDUCATION (SAFE) FOR LOAN

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In accordance with the pertinent provision of RA No. 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 with the allocation provided by Her Excellency, President Gloria Macapagal-Arroyo arising out of an increased collection from the Value-Added Tax (VAT), One Billion Pesos (PhP 1,000,000,000.00) was provided for new students' financial assistance package for this School Year, to be distributed equitably so as to make available additional slots for the intended beneficiaries in both the Scholarship (PhP500 Million) and Loan (PhP500 Million) Programs. Consequently, all concerned are hereby informed, enjoined and directed, thus:

I. RATIONALE

The Philippine Constitution mandates the State "*to protect and promote the right of all citizens to quality education at all levels, and take appropriate steps to make such education accessible to all*" (Art. XIV, Sec. 1) and "*to establish and maintain a system of scholarship grants, student loan program, subsidies and other incentives which shall be available to deserving student in both public and private schools, specifically to the underprivileged*" (Art. XIV, Sec. 2, (3)).

The Commission on Higher Education pursues the goal to broaden the access of deserving and qualified students to higher education, which is 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 are not sufficient to address all scholarship needs and is availed of only by a limited number of intended beneficiaries, hence, the SAFE Program will play a major role in increasing the number of students who are able to complete their courses and graduate from the various colleges and universities in the country, which development is crucial for maintaining a strong and vibrant Philippine economy.

II. OBJECTIVES

The general objectives of the program are as follows:

- Provide assistance through scholarship and loan programs to financially needy students;
- Raise the number of grantees in CHED Priority Courses;
- Raise and improve graduation rate at the tertiary level, thus, contributing to the stock of high-level manpower of the country

The specific objective of this Guidelines is to define the responsibilities, accountabilities of all concerned in the implementation and administration of the SAFE Loan in order to:

- Objectively select the most deserving student based on the results of the Financial and Socio Eligibility Indices, vis-à-vis the priority programs of CHED;
- Raise the efficiency and effectiveness levels in the delivery of services and financial assistance to the grantees;
- Ascertain that grantees are enrolled in HEIs, preferably in SUCs, which offer priority programs such as Agriculture, Fisheries, Agro-business, Forestry, Veterinary Medicine, Environmental Science, English, Math, Science, Teacher Education, Maritime and Engineering, and duly recognized by CHED.

III. TITLE AND COVERAGE

This additional student assistance package shall be known as **Student Assistance Fund for Education for Loan (SAFE Loan)**. The program shall cater to financially needy students who are in their 3rd, 4th, 5th or graduating year of study. Priority shall be given to those enrolled in CHED Priority Courses.

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

IV. CRITERIA FOR ALLOCATION OF SLOTS PER REGION AND SELECTION OF PARTNER INSTITUTION

Allocation of Slots per Region shall be determined based on the following:

- Percentage of poverty incidence in the region
- Student population
- Calamity affected areas
- Number of SUCs in the Region

For Partner Institution:

- Offering recognized programs and the identified CHED priority courses;
- Willing and capable of implementing and administering the program.

V. SELECTION OF GRANTEES AND DOCUMENTS REQUIRED FROM GRANTEES

The applicant-grantee must submit duly comply and meet the documentary requirements of the participating higher education institution.

VI. AMOUNT OF SAFE LOAN GRANT

Qualified loan grantees can borrow as much as Eight Thousand Pesos (PhP8,000.00), depending on individual circumstances and requirements.

VII. APPLICATION PROCEDURES

The applicant-student should apply directly to the SFA Unit of the participating higher education institution.

VIII. RESPONSIBILITIES OF THE SAFE LOAN GRANTEE

The Grantee shall:

- Carry a full semestral load as prescribed in the curriculum, and finish the same within the normal duration of the program;
- Notify the school within 30 days from occurrence about any change of permanent address, status or married name.

IX. ADMINISTRATION OF THE SAFE LOAN

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

A. Commission on Higher Education (CHED)

The CHED shall be the lead implementing agency that shall provide the proper coordination, direction, as well as administrative and technical support for the program.

a.1. Office of Student Services (OSS) shall perform the following:

- Formulate the guidelines for the implementation of the program;
- Determine the regional slot allocation following set criteria;
- Orient CHED Regional Offices (CHEDROs) on the guidelines governing the program;
- Monitor, assess and evaluate the implementation of the program to ensure that the fund allocation is properly dispensed to intended beneficiaries; and
- Recommend to the Commission en Banc through the Executive Office for immediate action through corrective or necessary process, any irregularity that is observed in the course of monitoring the program implementation.

a.2. Administrative and Finance Service (AFS). Release the fund for the program through issuance of Notice of Sub-Allotment Advise and Notice of Transfer Allocation to CHEDROs as recommended by OSS.

a.3. CHED Regional Offices (CHEDROs) shall perform the following:

- Conduct jointly with Higher Education Institutions (HEIs) in the region, an orientation on the guidelines governing the program;
- Enter into agreement with selected participating HEIs using the *pro-forma* agreement attached to this guidelines as Annex "A";
- Equitably allocate, distribute and release funds to participating HEIs in the region in accordance with set criteria;
- Monitor, assess and evaluate the performance of the participating HEIs;
- Submit to OSS the masterlist of grantees a month after classes have officially started;
- Maintain an active file of the documents submitted by the participating HEIs for ease of reference and monitoring purposes; and
- Transfer One Million Pesos (PhP 1 Million) each to all participating SUCs, with the balance of total fund transferred from CHED Central Office to be distributed to the identified participating private HEIs.

B. Participating Higher Education Institutions (HEIs) shall perform the following:

- i. Shall establish a Student Financial Assistance (SFA) Unit to manage the disbursements of the program and undertake operations internal to the private HEI, with the option to utilize its existing unit equivalent to SFA Unit for this purpose;
- ii. Treat the Fund transferred from the CHED Regional Office as Revolving Fund to expand the number of beneficiaries of the SAFE Loan Program;
- iii. Screen and accept applicants in accordance with set criteria;
- iv. Conduct orientation with the grantees on the guidelines governing the program;

- v. Draw corresponding duly notarized promissory note for repayment within 2 to 5 years after graduation, duly signed by the student borrower when grant of loan is awarded;
- vi. Decide on the termination of the grant, or of any appeal for reconsideration/reinstatement by terminated grantee/s, if any;
- vii. Act on requests for transfer to another school, shifting of course, deferment, financial assistance for summer, and other matters of similar nature, provided that the grantee is enrolled in a school offering the identified CHED priority courses;
- viii. Maintain separate accounting records for the program that will be subjected to periodic monitoring by CHED and/or COA Audit Teams;
- ix. Submit to CHED Regional Offices (CHEDRO) the following:
 - List of grantees per semester; and
 - Status of SAFE Loan Program Implementation per semester.
- x. Assist CHEDRO to monitor or track the whereabouts of the scholars after graduation in order that the latter properly comply with their obligation to refund the loan at the intended period of repayment; and
- xi. In the course of implementation, recommend whenever necessary, measures to improve the efficient and effective handling of the program.

X. EFFECTIVITY

These guidelines shall take effect immediately.

Immediate dissemination of this CHED Order is hereby enjoined.

For proper guidance and strict compliance of all concerned.

Issued this 3rd of June 2008, Pasig City.


ROMULO L. NERI
Acting Chairman

MEMORANDUM OF AGREEMENT

KNOW ALL MEN BY THESE PRESENTS:

This Memorandum of Agreement made and entered into this ____ day of June 2008 by and between;

The **COMMISSION ON HIGHER EDUCATION** a government agency, with office address located at 5/F DAP Bldg., San Miguel Avenue, Ortigas Center, Pasig City represented herein by its **Regional Director**, _____, hereinafter referred to as "CHED";

-and-

The _____,
a duly recognized higher education institution with office address at _____,
herein represented by its **President**, _____,
hereinafter referred to as the "HEI";

WITNESSETH: That

WHEREAS, a program called the **STUDENT ASSISTANCE FUND FOR EDUCATION FOR LOAN (SAFE LOAN)** conceived by CHED aims to provide assistance to the financially needy 3rd year, 4th year, 5th year, or 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 SAFE LOAN was issued through CHED Memorandum Order No. 25, series of 2008;

WHEREAS, in view of available funds provided to the Commission for this purpose, the program is again being undertaken for School Year 2008-2009;

WHEREAS, to effectively implement the SAFE LOAN, there is a need to define the working relationship between the CHED Regional Offices and the participating Higher Education Institutions;

NOW, THEREFORE, for and in consideration of the foregoing premises, the Parties herein hereby agree on the following terms and conditions:

I. Objective

The Parties hereby agree to jointly conduct this Program in an efficient and workable manner that provides an immediate and available mechanism for financial assistance to the intended recipients, in order to ensure prompt and effective delivery of services to the student beneficiaries of the SAFE LOAN.

II. Program Administration

A. CHED

A.1. Office of Student Services (OSS)

- i. Formulate the guidelines for the implementation of the program;
- ii. Determine the regional slot allocation following set criteria;
- iii. Allocate and release the funds for the program to CHEDROs;
- iv. Orient CHED Regional Offices (CHEDROs) on the guidelines governing the program;
- v. Monitor, assess and evaluate the implementation of the program to ensure that the fund allocation is properly dispensed to intended beneficiaries; and
- vi. Recommend to the Commission en Banc through the Executive Office for immediate action through corrective or necessary process, any irregularity that is observed in the course of monitoring the program implementation.

A.2. Administrative and Finance Service (AFS)

- i. Release the fund for the program through issuance of Notice of Sub-Allotment Advise and Notice of Transfer Allocation to CHEDROs as recommended by OSS
- ii. Monitor, assess, and evaluate the implementation of the program together with OSS and CHEDRO.

A.3. CHED Regional Offices (CHEDRO)

- i. Conduct jointly with the Higher Education Institution (HEI), an orientation on the guidelines governing the program;
- ii. Release the funds to the participating HEIs;
- iii. Monitor, assess and evaluate the performance of the participating HEIs;
- iv. Submit to OSS the masterlist of grantees a month after classes have officially started; and
- v. Maintain an active file of the documents of participating HEIs for ease of reference and monitoring purposes.

B. Higher Education Institutions

- i. Shall establish a Student Financial Assistance (SFA) Unit to manage the disbursements of the program and undertake operations internal to the private HEI, with the option to utilize its existing unit equivalent to SFA Unit for this purpose;
- ii. Treat the Fund transferred from the CHED Regional Office as Revolving Fund to expand the number of beneficiaries of the SAFE Loan Program;
- iii. Perform the administrative functions of issuing loans to and collecting payments from qualified student borrowers;
- iv. Screen and process loan application of students in accordance with the criteria provided in CMO No. 25, series of 2008. For this purpose, the HEI shall ascertain the authenticity of the documents and the veracity of the data and information provided by the student-borrower;
- v. Conduct orientation with the grantees on the guidelines governing the program;
- vi. Draw corresponding duly notarized promissory note for repayment within 2 to 5 years after graduation, duly signed by the student borrower when grant of loan is awarded;
- vii. Decide on the termination of the grant, or of any appeal for reconsideration/reinstatement by terminated grantee/s, if any;
- viii. Act on requests for transfer to another school, shifting of course, deferment, financial assistance for summer, and other matters of similar nature, provided that the grantee is enrolled in a school offering the identified CHED priority courses;
- ix. Maintain separate accounting records for the program that will be subjected to periodic monitoring by CHED and/or COA Audit Teams;

- x. At the end of each semester, submit to the CHEDRO concerned following:
 - List of grantees per semester; and
 - Status of SAFE Loan Program Implementation per semester, which shall include amount releases and records of loan repayments.
- xi. Assist CHED Regional Offices to monitor or track the whereabouts of the scholars after graduation in order that the latter properly comply with their obligation to refund the loan at the intended period of repayment; and
- xii. In the course of implementation, recommend whenever necessary, measures to improve the efficient and effective handling of the program.

III. Implementation of the Rules & Regulations of the Program

The pertinent provisions of CHED Memorandum Order No. 25, series of 2008, shall form part of this Agreement; hence, the corresponding obligations and rights of the respective Parties stated in said CMO, are hereby deemed incorporated herein accordingly.

This Agreement shall be subject to such existing policies, rules and regulations of CHED relating to SAFE LOAN and the loan grants under the 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 through its Regional Offices.

V. Termination and Breach

This Agreement may be terminated for the following conditions:

- 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 SAFE LOAN 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 the parties, which shall form integral part(s) 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 lack of available funds, or for any other valid cause as determined by the CHED.

IN WITNESS WHEREOF, the Parties through their authorized representatives have hereunto signed this Agreement this ____ day of June 2008 at _____.

**COMMISSION ON HIGHER
EDUCATION**

HEI

CHED Regional Director

President

Signed in the presence of:

ACKNOWLEDGEMENT

REPUBLIC OF THE PHILIPPINES)
PASIG CITY.....) s.s.

BEFORE ME, a Notary Public for and in _____, on
this _____ day of _____ 2008, personally appeared:

NAME	CTC No.	Date/Place Issued
ROMULO L. NERI	_____	_____
	_____	_____

known to me and to me known to be the same persons who executed the foregoing instrument and they further acknowledged to me that the same is their free and voluntary act and deed as well as that of the entities respectively represented by them.

I further acknowledge that the instrument, including the foregoing Agreement and this page on which this Acknowledgment is written, consists of six (6) pages, all signed by the parties and their witnesses.

WRITTEN MY SIGNATURE AND NOTARIAL SEAL ON THE DATE AND PLACE FIRST ABOVE WRITTEN.

Doc. No. ____;
Book No. ____;
Page No. ____;
Series of 2008