

Republika ng Pilipinas
(Republic of the Philippines)
MINISTRI NG EDUKASYON AT KULTURA
(MINISTRY OF EDUCATION AND CULTURE)
Maynila

May 21, 1980

MEC MEMORANDUM
No. 116, s. 1980

STUDENT LOAN FOR ENGINEERING EDUCATION PROJECT

To: Bureau Directors
Regional Directors
Schools Superintendents
Heads of Private Schools, Colleges and Universities

1. Beginning school year 1980-81, the Ministry of Education and Culture, through the National Educational Loan Assistance Center (NELAC) has assigned ten (10) slots each to the participant-schools of the Engineering Education Project of the Philippines, with the view to enhance the attainment of the societal twin-goals of excellence and equity.
2. Application for educational loan assistance under this program is open to financially handicapped and deserving students who will enroll or are now enrolled in the four basic disciplines of civil, mechanical, chemical and electrical engineering in any of the participant-schools. (Inclosure No. 1).
3. Qualified applicants will be financed in their studies under existing NELAC arrangements with government lending institutions. The qualifications of applicants are embodied in the Revised Guidelines for the Screening/Processing Committee in the Selection of Study-Now-Pay-Later Plan Applicants. (Inclosure No. 2).
4. The Processing Committee of each of the participant-schools shall be composed of the School Head or his representative as Chairman; and the Dean of the College of Engineering; the College/University Registrar, and the Guidance Counselor, as members.
5. The participant-schools, through their school heads, are hereby enjoined to comply with the Implementing Rules and Regulations of the Educational Assistance Act of 1976 (Presidential Decree No. 932; as amended), specifically Rule VIII thereof (Inclosure No. 3), and later on, to coordinate with the NELAC in the job-placement of grantee-graduates under the program.
6. Immediate dissemination of this Memorandum to all concerned is requested.

(SGD.) ONOFRE D. CORPUZ
Minister of Education and Culture

Incls.:

As stated

Reference:

Department Order: No. 38, s. 1976

Allotment: 1-4--(D.O. 1-76)

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

Course of Study, COLLEGIATE
PLANS
PROJECT
STUDENTS
UNIVERSITIES and COLLEGES

(Inclosure No. 1 to MEC Memorandum No. 116, s. 1980)

PARTICIPANT-SCHOOLS TO THE ENGINEERING EDUCATION PROJECT

<u>School</u>	<u>Location</u>
Saint Louis University	Baguio City
Mapua Institute of Technology	Manila
University of Sto. Tomas	Manila
University of the East	Manila
Far Eastern University	Manila
Adams University	Manila
De La Salle University	Manila
University of Nueva Caceres	Naga City
University of Negros Occidental- Recoletos	Bacolod City
West Negros College	Bacolod City
Central Philippine University	Iloilo City
Western Institute of Technology	Iloilo City
Cebu Institute of Technology	Cebu City
University of San Carlos	Cebu City
Southwestern University	Cebu City
Silliman University	Dumaguete City
Divine Word University	Tacloban City
University of Mindanao	Davao City
Notre Dame University	Cotabato City

GUIDELINES FOR THE SCREENING/PROCESSING COMMITTEE
IN THE SELECTION OF ENGINEERING STUDENT
APPLICANTS OF THE STUDY-NOW-PAY LATER PLAN

1. Composition of Processing Committee

- a. President of College/University . . . Chairman
- b. Schools Superintendent Co-Chairman
- c. Dean of College/Department of
Engineering Co-Chairman
- d. University/College Registrar Member
- e. Guidance Head/Counselor Member

2. Documents to be submitted

- a. Birth Certificate
- b. A photo copy of the Income Tax Return or its equivalent
- c. Medical certificate signed by a government physician
- d. Certificate that the applicant is not enjoying scholarship grant
from any source
- e. Ratings and weighted average (2.50) for the semester enrolled
in, signed by the school registrar (for those already enrolled
in a priority course)

3. For loan applicants who are enrolling in the second, third and fourth year, the basis of priority rating (Scholastic Achievement) shall be the weighted average of "2.50" for academic subject or its equivalent for subjects taken during the preceding two semesters with the equivalent priority rating.

<u>LETTER/NUMERICAL</u> <u>RATING</u>	<u>PRIORITY</u> <u>POINT</u>
A or 1	1
A- or 1.5	2
B+ or 1.75	3
B or 2	4
B-) or 2.5	5
G+)	

4. The priority rating on gross income shall likewise apply to loan applications under this Section.

<u>GROSS INCOME</u> (Per Annum)	<u>PRIORITY POINT</u> (PPI)
P 4,000 - below	1
4,001 - P 6,000	2
6,001 - 8,000	3
8,001 - 10,000	4
10,001 - 12,000	5

EXAMPLE:

A student has a rating of B or 2.0 in the first year college, and a gross income of P5,000.

Scholastic Average of B or 2.0 = Priority Pt. of 4
Gross Income of P5,000 = Priority Pt. of 2

$$\text{Priority} = \frac{\text{Priority Point in Income (PPI)} + \text{Priority Point in Scholastic Achievement (PPSA)}}{2}$$

= 2 + 4

= 6/2

= 3.00

Using the foregoing schedule for computation purposes priorities for loan grants under the point system herein above described shall be as follows:

<u>PRIORITY RATING</u>	<u>PRIORITY CLASSIFICATION</u>
1.00 - 2.00	First Priority
2.01 - 3.50	Second Priority
3.51 - 5.00	Third Priority

5. Steps to be followed by the recommended educational loan applicants for the approval of their loan applications by the lending institutions.
 - a. The original copy of the application and all supporting documents shall be returned by the Screening and Processing Committee to the applicant who shall then proceed to the proper lending institution to file his application for loan assistance. The second copy and masterlist shall be forwarded to the National Educational Loan Assistance Center, MEC. The third copy shall be retained for file in the school concerned and the fourth copy shall be retained by the applicant.
 - b. The applicant shall also submit from the school where enrolled the certificate of admission and enrolment, statement of accounts for tuition and other school fees.

GUIDELINES FOR THE SCREENING/PROCESSING COMMITTEE
IN THE SELECTION OF APPLICANTS
FOR THE DEGREE PROGRAM

1. Must be a Filipino citizen, single and resident of the Philippines.
2. Must be in good health as shown by a medical certificate issued by a government physician.
3. Must be of good moral character and has not been a subject of any disciplinary action.
4. Must be a dependent of parents or guardians with a gross family income of not more than P12,000 per annum.
5. Must not be enjoying a government or private scholarship or receiving any grants-in-aid for his studies from any source which provides books, personal and living allowances.
6. Must be deserving:
 - 6.1. For those enrolling in a degree program in the freshman years:
 - 6.1.1. Must have completed his secondary course in a public school or in a duly recognized private school in the Philippines and must belong to the upper 15% of the graduating class.
 - 6.1.2. Must have obtained an NCEE score with a general average percentile rank of at least 85 and a general average of not less than 82% for the fourth year high school.
 - 6.1.3. Must not be over 21 years of age at the time of the application.
 - 6.2. For those already enrolled in a priority course:
 - 6.2.1. Must not have failed in any subject in his two semesters immediately preceding the application for a loan.
 - 6.2.2. Must have obtained a weighted average of at least 2.50 or its equivalents in the two semesters immediately preceding the application.
 - 6.2.3. Must not be over 25 years of age at the time of application.
 - 6.3. There shall be only one grantee per family in any school year.

GUIDELINES FOR THE SCREENING/PROCESSING COMMITTEE
IN THE SELECTION OF APPLICANTS FOR THE
NON-DEGREE PROGRAM

1. Must be a Filipino citizen belonging to a poor family. In the case of applicants from the Pilot Resettlement Areas, he must be a bona-fide resident of the following resettlement areas: per certification by the authorized representative from the National Housing Authority: Sapang-Palay, Bulacan; Carmona, Cavite; San Pedro, Laguna; Dasmariñas, Cavite and the Tenement Housing Projects, Metro Manila.
2. Must be single and not over 25 years of age at the time of the application.
3. Must have completed his secondary course in a duly recognized public or private school in the Philippines.
4. Must have obtained a general average of 80% in his fourth year high school subjects.
5. In good health as shown by a medical certificate issued by a government physician.
6. Must be of good moral character and has not been the subject of any disciplinary action.
7. Poor:
 - 7.1. Must be a dependent of parents or legal guardians with a gross income of not more than P12,000 per annum.
 - 7.2. Has no source of support other than what his parents or legal guardian can provide.
8. There shall be only one grantee per family in any given school year.
9. Should study within the region where the applicant resides.

**RULES AND REGULATIONS IMPLEMENTING
THE EDUCATIONAL ASSISTANCE
ACT OF 1976**

(PRESIDENTIAL DECREE NO. 932)

(AS AMENDED ON JANUARY 30, 1979)

2 Pursuant to the provisions of Section 8 of Presidential Decree 932 entitled the Educational Assistance Act of 1976, the following implementing rules and regulations are hereby promulgated for the guidance and information of all concerned:

RULE I

DEFINITION OF TERMS

Section 1. For purposes of these rules the following are the definitions of terms as used herein (as amended on Feb. 21, 1978)

- a. "Educational Loan Fund" refers to funds made available by lending institutions to service the financial needs of eligible students.
- b. "Educational Loan Guarantee Fund" refers to the funds to be made available by the government for lending institutions to avail of in case defaults in payments of obligations.
- c. "Plan" refers to the Educational Assistance Act of 1976 or the "Study New Day Later Plan".
- d. "Council" refers to the Educational Assistance Policy Council (as amended on Feb. 21, 1978)
- e. "Secretariat" refers to the inter-agency body organized to assist the Council in the implementation of the Plan
- f. "Priority Course" refers to any of the courses specified by the Council as necessary for national development.
- g. "Degree Program" refers to college and university courses leading to at least a Bachelor's degree.
- h. "Non-Degree Program" refers to all post secondary, technical, vocational courses not otherwise covered by degree requirements (as amended on Feb. 21, 1978).
- i. "School" refers to any government or duly recognized school or educational institution (as amended on Feb. 21, 1978)
- j. "Student" refers to a person who has been granted an educational loan under this Plan
- k. "Dependent" refers to the spouse or a non-applicant who is totally dependent on his/her parents or guardian for support

- m. "Guardian" refers to natural or legal guardian. (as amended on Feb. 21, 1978)
- n. "National Educational Loan Assistance Center" refers to the supportive Staff of the Ministry of Education and Culture which assists the Secretariat and Council in the implementation of the Plan. (as amended on Feb. 21, 1978 and January 30, 1979)
- o. "School Division Offices" refers to the offices of any of the City/Provincial Superintendents of Schools. (as amended on Feb. 21, 1978)
- p. "Regional Offices" refers to the Ministry of Education and Culture regional offices in the country. (as amended on Feb. 21, 1978 and January 30, 1979)
- q. "Participating Lending Institutions" refers to such funding institutions contemplated under Section 2, P.D. 932. (as amended on Feb. 21, 1978)
- r. "MOC" refers to the Ministry of Education and Culture. (as amended on Feb. 21, 1978 and January 30, 1979)

RULE II

COVERAGE

Section 1. The Plan shall include in its coverage Filipino citizens desiring to pursue post secondary courses in schools in the Philippines, public or private, provided they possess the qualifications required under the provisions of the Decree and its implementing rules and regulations and provided further, that they enroll in priority courses specified by the Council.

Section 2. The Plan shall likewise include in its coverage students enrolled in priority courses in any curriculum year on the post secondary level.

RULE III

ADMINISTRATION OF FUNDS

Section 1. Educational loan funds to be made available under the Plan, pursuant to Sec. 2.1. of the Decree, shall be administered by the respective participating funding institutions which shall earmark a portion of their loanable funds every year for students entering degree or non-degree programs, pursuant to P.D. 932. (as amended on Feb. 21, 1978)

Section 2. Participating lending institutions shall, as soon as practicable, authorize their branch offices to extend loans according to the loan authority granted them under each participating institution. Each funding agency shall issue its own procedural guidelines for the participating institutions regarding procedures structuring of loan repayment, and interest rates. The Council shall in due time take steps toward the standardization of such operational procedures.

RULE IV

QUALIFICATIONS OF LOAN APPLICANTS

Section 1. Without prejudice to such exceptions as may be prescribed by the Council, an applicant for financial assistance under this Plan shall

possess the following qualifications:

a. Must be a Filipino citizen, single and a resident of the Philippines, (as amended on Feb. 21, 1978)

b. 1. Must not be over 21 years of age at the time of application if enrolling in the freshman year of degree course. (as amended on Feb. 21, 1978)

2. Must not be over 25 years of age at the time of application if already enrolled in a priority course. (as amended on Feb. 21, 1978)

3. Must not be over 25 years of age at the time of application if enrolling in technical/technician non-degree course. (as amended on Feb. 21, 1978)

Is enrolling or is enrolled in any of the priority courses listed in Rule V hereof.

Must be in good health as shown by a medical certificate issued by a government physician. (as amended on Feb. 21, 1978)

Must be of good moral character and has not been the subject of any disciplinary action.

Deserving:

1. If enrolling in degree courses:

1.1 For those entering the freshman year:

1.1.1 Must have completed his secondary course in a public school or in a duly recognized private school in the Philippines and must belong to the upper 15% of his entire graduating class. (as amended on Feb. 21, 1978)

1.1.2 Must have obtained an NCEE score with a general average percentile rank of at least 85% and must have a general average of not less than 82% for his fourth year high school. (as amended on Feb. 21, 1978)

1.2 If already enrolled in a priority course:

1.2.1 Must not have failed in any subject in his two semesters immediately preceding the application for a loan.

1.2.2 Must have obtained a weighted average of at least "2.50" or its equivalent in the two semesters immediately preceding the application. (as amended on Feb. 21, 1978)

2. If enrolling in non-degree technical/technician courses:

2.1 Must have completed his secondary course in a duly recognized public or private school in the Philippines (as amended on Feb. 21, 1978)

2.2 Must have or had obtained a general average of not lower than 80% in his fourth year high school subject. (as amended on Feb. 21, 1978)

g. Poor:

1. Must be a dependent (son/daughter) of parents or guardian with a gross income of not more than ₱12,000 per annum;

2. Must not be enjoying a government or private scholarship grant or receiving any grants-in-aid for his studies from any source which provides free tuition fees, books, personal and living allowances. (as amended on Feb. 9, 1977)

Section 2. There shall be only one grantee per family in any school year.

RULE V

PRIORITY COURSES

Section 1. The following are the priority courses in which loan applicants may enroll, subject to such changes or additions as the Council may determine from time to time;

a. Degree Programs

1. BS Agriculture, Major in:
 - Agronomy
 - Plant Pathology
 - Animal Husbandry
 - Agricultural Economics
 - Agricultural Botany
 - Soils
2. BS Agricultural Business
3. BS Agricultural Chemistry
4. BS Agricultural Education
5. BS Agricultural Engineering
6. BS Agricultural Extension
7. BS Aeronautical Engineering
8. BS Chemistry
9. BS Chemical Engineering
10. BS Civil Engineering
11. AB Economics
12. BS Electrical Engineering
13. BS Electronic and Communication Engineering
14. BS Fisheries, Major in:
 - Fishing Technology
 - Inland Fisheries
 - Marine Fisheries
15. BS Food Technology
16. BS Forestry, Major in:
 - Forest Biological Science
 - Forest Extension
 - Forest Resources Management
 - Wood Sciences and Technology
17. BS Biometric Engineering
18. BS Geology
19. BS Horticulture (as amended on Jan. 30, 1979)
20. BS Industrial Chemistry
21. BS Industrial Education
22. BS Industrial Engineering (as amended on Feb. 21, 1978)
23. BS Industrial Technology
24. BS Management Engineering
25. BS Management Engineering
26. BS Marine Biology
27. BS Marine Transportation
28. BS Mathematics
29. BS Mechanical Engineering
30. BS Metallurgical Engineering
31. BS Mining Engineering
32. BS Physics

33. BS Rural Sociology
34. BS Rubber Technology
35. BS Sanitary Engineering
36. BS Statistics
37. BS Sugar Technology
38. BS Textile Technology
39. BS Veterinary Medicine
40. AB Restaurant and Hotel Management

Non-Degree Programs

1. Agricultural Technician (as amended on Jan. 30, 1979)
2. Associate in Fisheries Technician (as amended on Jan. 30, 1979)
3. Aircraft Technician
4. Auto Mechanics
5. Automotive Technology
6. Broadcasting Station Technician (as amended on Jan. 30, 1979)
7. Civil Building Technician (as amended on Feb. 21, 1978 and Jan. 30, 1979)
8. Ceramics Technician (as amended on Jan. 30, 1979)
9. Certificate in Food Management (as amended on Jan. 30, 1979)
10. Clothing and Applied Arts (as amended on Jan. 30, 1979)
11. Communication Technician (Radio/Telephone) (as amended on Feb. 21, 1978)
12. Computer Technology (as amended on Jan. 30, 1979)
13. Commercial Radio/Telegraph Operator (as amended on Jan. 30, 1979)
14. Construction Technology (as amended on Jan. 30, 1979)
15. Cosmetology (as amended on Jan. 30, 1979)
16. Drafting Technology (as amended on Jan. 30, 1979)
17. Diesel Technology
18. Electronics
19. Electronics Service Technician (as amended on Jan. 30, 1979)
20. Farm Mechanics (as amended on Jan. 30, 1979)
21. Fishery Technology (as amended on Jan. 30, 1979)
22. Food Trade (as amended on Feb. 21, 1978)
23. Forest Ranger Certificate (as amended on Feb. 21, 1978)
24. Foundry Technology (as amended on Feb. 21, 1978)
25. Garment Trade (as amended on Feb. 21, 1978)
26. General Construction Technician (as amended on Jan. 30, 1979)
27. Home Arts Technician (as amended on Jan. 30, 1979)
28. Hydraulic (as amended on Feb. 21, 1978)
29. Internal Combustion Engine Technician (as amended on Jan. 30, 1979)
30. Instrumentation Technician (as amended on Feb. 21, 1978)
31. Industrial Technology
32. Leathercraft Technician (as amended on Jan. 30, 1979)
33. Machine Shop Technology or Machine Shop Practice (as amended on Jan. 30, 1979)
34. Mechanical Technology (as amended on Jan. 30, 1979)
35. Nautical (as amended on Jan. 30, 1979)
36. Print Technology (as amended on Jan. 30, 1979)
37. Radio Communication
38. Radio/TV Technician (Radio Mechanics) (as amended on Jan. 30, 1979)
39. Refrigeration and Airconditioning Technology (as amended on Jan. 30, 1979)
40. Sheet Metal Technology
41. Shellcraft Technician (as amended on Jan. 30, 1979)
42. Specialized Maintenance (as amended on Jan. 30, 1979)
43. Stationary and Marine Engine Technician (as amended on Jan. 30, 1979)
44. Technology of Technical Apparel Trade (as amended on Feb. 21, 1978 and Jan. 30, 1979)
45. Technical Draftsman (as amended on Feb. 21, 1978)
46. Technical Electronics (Servicing) (as amended on Feb. 21, 1978)
47. Technical Electro-Mechanics (as amended on Feb. 21, 1978)
48. Technical Machine Shop (as amended on Feb. 21, 1978)
49. Technical Welding (as amended on Feb. 21, 1978)
50. Technical Power Distribution Technician (as amended on 2/21/78)
51. Technical Textile Worker (as amended on Feb. 21, 1978)
52. Teletype Operator (as amended on Jan. 30, 1979)
53. Tool and Dye Making (as amended on Jan. 30, 1979)
54. Tourism Security (as amended on Jan. 30, 1979)

- 55. Welding Technology
- 56. Wood Pattern Making
- 57. Vocational Agriculture (as amended on Jan. 30, 1979)

RULE VI

PROCESSING OF LOAN APPLICATIONS

Section 1. An official list of the upper 15% of the entire graduating class as certified by the High School Principal shall be submitted to the City/Provincial School Division Offices for final processing and ranking according to priority. (as amended on Feb. 21, 1978)

Section 2. Applicants enrolling in the freshman year included in the official list as certified by the High School Principal shall file their application with the Office of the School Division Superintendent of the province or city where the applicants completed their high school for processing and ranking according to priority. Qualified applicants shall be given standard loan awards by the National Educational Loan Assistance Center. (as amended on Feb. 9, 1977; Feb. 21, 1978 and Jan. 30, 1979)

In the case of those who were out of school for at least one year, they may apply with the school division nearest their residence. (as amended on Feb. 21, 1978)

In the case of those who are already pursuing degree or non-degree courses, applications may be filed with the Office of the Division Superintendent which has jurisdiction of the Schools the applicants are enrolled in. (as amended on Feb. 21, 1978)

A qualified applicant certified by the Division Superintendent of schools within a certain region shall enroll in a school within the same region, unless the course which said student shall enroll in is not offered therein, in which case he may enroll in a school located in the next geographically adjacent region. (as amended on Jan. 30, 1979)

Section 3. A loan application shall be accompanied by the following supporting documents:

- a. A sworn copy of the income tax return of parent or guardian, or where the same is not required by law to file such return, a sworn statement stating among others:
 1. Names and ages of dependents
 2. The aggregate annual parents/guardian income from all sources
- b. Birth certificate or other valid proof of birth. (as amended on Feb. 9, 1977 and Feb. 21, 1978)
- c. A medical certificate signed by a government physician certifying to the applicant's physical fitness to pursue his studies.
- d. 1. If applicant is enrolling in a degree program in the freshman year:
 - 1.1 HCEE report of rating
 - 1.2 Certification of the School Registrar or Principal that he is among the upper 15% of entire graduating class of the school. (as amended on Feb. 21, 1978)
 - 1.3 Form 138 - High School Report Card
- e. If out of school for at least more than one school year:
 - 2.1 A certificate from the Barangay Chairman as to his residence and good moral character. (as amended on Feb. 21, 1978)
 - 2.2 Form 138 - High School Report Card. (as amended on Feb. 21, 1978)

3. If already pursuing a priority course:

3.1 Certification of grades during the last two semesters enrolled in by the School Registrar or his duly authorized representative with a minimum weighted average of "2.50" or its equivalent. (as amended on Feb. 21, 1978)

3.2 A certificate from the School Registrar as to his good moral character. (as amended on Feb. 21, 1978)

4. If applicant is enrolling in non-degree technical/technician courses (as amended on Feb. 21, 1978)

4.1 Form 138 - High School Report Card. (as amended on Feb. 21, 1978)

4.2 A certificate of good moral character signed by the High School Principal. (as amended on Feb. 21, 1978)

5. If already pursuing a priority non-degree course (as amended on Jan. 30, 1979)

5.1 Certification of grades during the last semester enrolled in by the School Registrar or his duly authorized representative with a minimum weighted average of "2.50" or its equivalent. (as amended on Jan. 30, 1979)

Section 4. For purposes of processing loan application, a processing committee shall be organized in each division office. The committee shall be designated by the Minister of Education and Culture. (as amended on Feb. 21, 1978)

- a. The committee shall act on all applications submitted to them indicating the action taken thereon whether "QUALIFIED" or "DISQUALIFIED". (as amended on Feb. 21, 1978)
- b. The committee shall guide the qualified applicants in his choice of course according to his interest, aptitude and issue a certificate as to which course he is to undertake. (as amended on Feb. 21, 1978)
- c. The committee shall process only applications of those names which appear in the list submitted by the various high schools in the division and of those who had enrolled in school within the jurisdiction. (as amended on Feb. 21, 1978)

In case of qualified applicant the original copy of the application and all supporting documents shall be returned to the applicant who shall then proceed to the proper lending institution to file his application for loan assistance in accordance with the provisions specified in Section 4 of P.D. 9 the second copy shall be forwarded to the National Educational Loan Assistance Center, MEC, the third copy retained for file in the division office, and the fourth copy to the applicant. (as amended on Feb. 21, 1978 and Jan. 30, 1979)

In case of disqualification, the application shall be retained by school division office which will be forwarded to the National Educational Loan Assistance Center, Ministry of Education and Culture. (as amended on Feb. 21, 1978 and Jan. 30, 1979)

Section 5. The applicant shall submit to the lending institution ~~certificates of good moral character, assessment of fees, and such required documents for purposes of enrolment to the priority course from the school he intends to enroll in.~~ (as amended on Feb. 21, 1978)

Section 6. The City/Provincial School Superintendents shall submit to the National Educational Loan Assistance Center, MEC on such date as directed by the Ministry of Education and Culture as masterlist in Duplicate copies of qualified applicants ranked accordingly to the slots assigned to each division by MEC. A list of disqualified applicants should likewise be submitted. (as amended on Feb. 21, 1978 and Jan. 30, 1979)

Section 7. All lending institutions shall act only on application of qualified applicants whose names are within the assigned slots of each division.

Section 8. The Minister of Education and Culture shall issue directives as may be necessary for the information, guidance and compliance of all schools and offices concerned to insure the smooth and efficient implementation of the Plan, (as amended on Jan. 30, 1979)

RULE VIII

LOAN SCHEDULE AND OPTIONS

Section 1. Loans that may be granted under the Plan shall be in accordance with the following schedule:

A. DEGREE COURSE:

<u>Items</u>	<u>Maximum Amount Allowable Per Annum (2 Semesters)</u>
I. School Expenses:	
a. Tuition and other fees	P 1,200.00
b. Books, uniform and other supplies	650.00
Total I	P 1,850.00
II. Living and Other Expenses:	
a. Board/Lodging	P 2,500.00
b. Transportation and Personal Expenses	650.00
Total II	P 3,150.00
GRAND TOTAL	P5,000.00

Provided, however should the applicant not avail of the maximum amount under II(a) Board and Lodging, he may be allowed an amount above P650.00 for transportation and personal expenses under II(b) but not exceeding a total of P1,500.00 a year. (as amended on Feb. 9, 1977 and Feb. 21, 1978)

Should the course require for a grantee to enroll in a summer course to enable him to meet the pre-requisite course requirements for graduation, an additional loan to be applied specifically for taking the said summer course so required may be granted in accordance with the following schedule:

<u>Items</u>	<u>Maximum Allowed</u>
I. School Expenses	
a. Tuition and other school fees	P250.00
b. Books and other school expenses	100.00
Living and other School Expenses	
a. Board and Lodging	P500.00
b. Transportation and Personal Expenses	150.00
TOTAL	P1,000.00

Provided, however, that the student submits a certificate duly signed by the school registrar stating the necessity for the student to enroll in the required summer course/s listed for reasons as above indicated.

NON-DEGREE COURSE:

<u>Items</u>	<u>MAXIMUM AMOUNT ALLOWABLE PER ANNUM (2 SEMESTERS)</u>
I. School Expenses	P 1,500.00
II. Living and Other Expenses	2,000.00
GRAND TOTAL	P 3,500.00

Provided, however should the grantee not avail of the maximum amount allowed under II, but in no case shall the total amount exceed P3,500.00 (as amended on Jan. 30, 1979)

Provided, further that, this rate shall not affect non-degree grantees who were extended loan under the old rules and regulations. (as amended on Jan. 30, 1979)

C. For purposes of taking or review course immediately after graduation and the succeeding government examination for a degree course under this program. Loans shall be in accordance with the following schedule (as amended on Jan. 30, 1979)

- a. Review Course Fee . . . Actual (as amended on Jan. 30, 1979)
- b. Board Examination Fee . . . Actual (as amended on Jan. 30, 1979)
- c. Two Months Board and Lodging and Personal Expenses . . . P800.00 (as amended on Jan. 30, 1979)

Section 2. Subject to the approval by lending institutions as actual need or circumstances warrant, an applicant may avail of the full amount of all or any of the items herein indicated or portion thereof, to wit: (as amended on Feb. 21, 1978)

- Option A. A full loan (to cover School Living and other Expenses (I a&b; II a&b)
- Option B. A full loan for School Expenses only (I a&b)
- Option C. A loan for Living and other expenses only (II a&b)
- Option D. A choice of any of the items in I and II of Section I (any of Ia, Ib, IIa or IIb)

Section 3. Nothing in this rule shall prevent a borrower from applying for an amount less than the maximum allowable for any item in the loan schedule. The lending institution shall make adjustments on loans applied for as actual needs, and/or circumstances warrant.

Section 4. The lending institution shall determine the manner and schedule of release of the loans; Provided, however, that the release of loan funds shall not make it difficult for the student to get enrolled, secure his school needs, or pay his obligations on time. The student borrower shall indicate in his original loan application the option and the amount he intends to undertake, without prejudice to making a change of option in succeeding curricular years of his studies, subject, however, to approval of such request by the lending institution which granted the loan. Unless a request for change of option is made, it shall be assumed that the borrower continues to receive the proceeds of his loan provided in the original loan agreement with the lending institutions.

RULE VII-A

DISTRIBUTION OF LOAN GRANTS

Section 1. Loans of participating lending institutions available in any given school year shall be allocated in a manner as to insure an equitable distribution of grants in various regions and provinces and cities. As a general rule, the number of slots for allocation (in provincial or city) shall take into consideration the number of graduates in high school (Public or Private) of the province or city of the school year immediately preceding in relation to the overall total of secondary school graduates in the same period.

Section 2. The Chairman of the Council is hereby authorized to determine the number of slots a school division is entitled depending on loanable funds available in every given school year.

Section 5. The Chairman of the Council is further authorized to modify the allocation for each province or city as circumstances may warrant to insure an equitable distribution of the benefits granted under this plan considering the limitations on funding resources at any given time. For these purposes, the MEC shall effect the dissemination of the masterlist of qualified students prepared by the various Division Superintendent of Schools for the information and guidance of the lending institutions prior to the period of filing of application with them. (as amended on Feb. 9, 1977; Feb. 21, 1978 and Jan. 30, 1979)

RULE VII-B

SYSTEM OF SCREENING AND DETERMINING PRIORITIES

Section 1. A system of priorities for awards of loan grants is hereby established based primarily on the degree of need for assistance and the potentials for successful completion of the selected priority course of the applicant. Thus, the brightest of the very poor shall have higher priority for a loan grant than one who may be equally poor but less bright or than one equally bright but relatively not so poor.

Section 2. To insure objectively a point system which considers (a) Gross Income, (B) (Scholastic Achievement) fourth year high school general average, (C) NCEES Rating as bases for determining priorities is hereby adopted in accordance with the following schedule

(see next page)

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4-11

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GROSS INCOME (per annum)	PRIORITY POINT (PPI)	NCEE RATING	Scholastic Achievement Degree Course PRIORITY POINT (PPM)	GENERAL AVERAGE 4th year High School	PRIORITY POINT
P. 4,000 & below	1	93 & above	1	94 & above	1
4,001 - 6,000	2	91 - 92	2	91 - 93	2
6,001 - 8,000	3	89 - 90	3	88 - 90	3
8,001 - 10,000	4	87 - 88	4	85 - 87	4
10,001 - 12,000	5	85 - 86	5	82 - 84	5

FORMULAS:

$$PPSA = \frac{PPM + 2(PPI)}{3} = \frac{\text{Priority Point in Scholastic Achievement} + 2(\text{Priority Point in 4th yr. average})}{3}$$

$$P = \frac{PPI + PPSA}{2} = \frac{\text{Priority Point in Income} + \text{Priority Point in Scholastic Achievement}}{2}$$

LEGEND:

PPSA = Priority Point in Scholastic Achievement

PPM = Priority Point in NCEE

PPI = Priority Point in 4th year Averages

P = Priority

PPI = Priority Point in Gross Income

EXAMPLE: A student has an NCEE rating of 90, a general average of 85 in the 4th year in high school and a gross income of \$7,000.

NCEE rating of 90 = Priority Point (PPM) of 3

General Average of 85 = Priority (PPI) of 4

Priority point of scholastic achievement (PPSA) = $\frac{PPM + 2(PPI)}{3} = \frac{3 + 2(4)}{3} = \frac{3 + 8}{3} = \frac{11}{3} = 3.67$

Priority = $\frac{\text{Priority Point in Income} + \text{Priority point in scholastic ach.}}{2} = \frac{4 + 3.67}{2} = \frac{7.67}{2} = 3.835$

II - NON-DEGREE COURSE

GROSS INCOME	PRIORITY POINT	GENERAL AVERAGE 4th Year	SCHOLASTIC ACHIEVEMENT PRIORITY POINT (PPSA)	PRIORITY RATING	PRIORITY CLASSIFICATION
£ 4,000 & below	1	92 & above	1	1.00 - 2.00	FIRST PRIORITY
4,001 - 6,000	2	89 - 91	2	2.01 - 3.50	SECOND PRIORITY
6,001 - 8,000	3	86 - 88	3	3.51 - 5.00	THIRD PRIORITY
8,001 - 10,000	4	83 - 85	4		
10,000 - 12,000	5	80 - 82	5		

FORMULA

$$P = \frac{PPI + PPSA}{2}$$

PRIORITY = $\frac{\text{PRIORITY POINT IN INCOME} + \text{PRIORITY POINT IN SCHOLASTIC ACHIEVEMENT}}{2}$

LEGEND : PPI = PRIORITY POINT IN GROSS INCOME
PPSA = PRIORITY POINT IN SCHOLASTIC ACHIEVEMENT
P = PRIORITY

EXAMPLE : A STUDENT HAS GENERAL AVERAGE OF 85% IN THE 4th YEAR HIGH SCHOOL, AND A GROSS INCOME OF £6,000.00
GENERAL AVERAGE OF 85% = PRIORITY OF SCHOLASTIC ACHIEVEMENT OF 4
GROSS INCOME OF £ 6,000.00 = PRIORITY POINT OF 2
PRIORITY = $\frac{\text{PRIORITY POINT OF INCOME} + \text{PRIORITY POINT OF SCHOLASTIC ACHIEVEMENT}}{2} = \frac{2 + 4}{2}$

$$= \frac{6}{2} = 3$$

PRIORITY = 3 (SECOND PRIORITY)

Section 3. For loan applicants who are enrolling in the second, third, fourth, fifth or sixth year of a priority course, the basis of priority rating (Scholastic Achievement) shall be the weighted average of "2.50" for academic subjects or its equivalent for subjects taken during the preceding two semesters with the equivalent priority rating as herein below indicated: (as amended on Feb. 21, 1978)

<u>LETTER/NUMERICAL RATING</u>	<u>PRIORITY POINT</u>
A or 1	1
A- or 1.5	2
B+ or 1.75	3
B or 2	4
B-) or 2.5 C+)	5

The priority rating under Section 2A (Gross Income) shall likewise apply to loan applications under this Section.

EXAMPLE:

A student has a rating of B or 2 in the first year college, and a gross income of P5,000.

Scholastic Average of B or 2 = Priority Pt. of 4

Gros Income of P5,000 = Priority Pt. of 2

Priority =
$$\frac{\text{Priority Pt. in Income} + \text{Priority Pt. in Scholastic Achievement}}{2}$$

=
$$\frac{\text{PPI} + \text{PPSA}}{2} = \frac{2 + 4}{2} = \frac{6}{2} = 3.00$$

Section 4. Using the foregoing schedule for computation purposes priorities for loan grants under the point system herein above described shall be as follows:

<u>PRIORITY RATING</u>	<u>PRIORITY CLASSIFICATION</u>
1.00 - 2.00	FIRST Priority
2.01 - 3.50	SECOND Priority
3.60 - 5.00	THIRD Priority

Section 5. In the screening of applications by the processing teams in the various division offices, care must be taken that the manner of determining priorities is strictly observed. Computation of priorities shall be reflected in the space provided for in Study Now Pay Later Plan Form No. 1 indicated "QUALIFIED" or "DISQUALIFIED" with First/Second or Third Priority and date of qualification or disqualification duly signed by the Superintendent of the division. (as amended on Feb. 21, 1978)

RULE VIII

CONDITIONS OF ASSISTANCE

Section 1. Financial assistance to any applicant/grantee under the Plan shall continue to be provided until he shall have completed his course, subject to the following conditions:

- a. Each applicant shall enroll immediately in the semester following the approval of his application. In case of deferment of any applicant/grantee, permission shall be secured from the National Educational Loan Assistance Center with proper concurrence of lending institution concerned and which deferment shall in no case exceed one year after which privilege to assistance shall be forfeited, (as amended on Feb. 21, 1978 and Jan. 30, 1979)
- b. Each applicant shall carry each semester the full load prescribed by his course of study, except for a valid reason and proper permission of the National Educational Loan Assistance Center with concurrence of the lending institution concerned. (as amended on Feb. 21, 1978 and Jan. 30, 1979)
- c. Under no circumstances should grantee drop a subject which would result in underloading without the approval of the National Educational Loan Assistance Center and the lending institution concerned. (as amended on Feb. 21, 1978 and Jan. 30, 1979)
- d. Each grantee shall not change his course without the prior approval of the National Educational Loan Assistance Center and concurrence of the lending institution concerned and upon the recommendation of the guidance counselor. Change of course is allowed only once and must be done not later than the beginning of the first semester of the second year of the course. This rule applies to student taking degree courses. (as amended on Feb. 9, 1977 and Feb. 21, 1978 and Jan. 30, 1979)
- e. Each grantee shall not transfer to another college or university without prior approval of the National Educational Loan Assistance Center and concurrence of the lending institution concerned. Transfer of school maybe allowed only once. (as amended on Feb. 21, 1978 and Jan. 30, 1979)

Section 2. To qualify for continuance or renewal of assistance a grantee shall:

- a. Maintain a weighted average of at least "2.75" or its equivalent in at least 30 academic units during preceding academic year last attended. (as amended on Feb. 9, 1977)
- b. Not get a grade of "5" or "failure" or its equivalent in more than two academic subjects every academic year.
- c. Any grade of "4" on "INCOMPLETE" or its equivalent must be removed/completed prior to the next registration period and proof to this effect should be submitted to the National Educational Loan Assistance Center. A copy of which shall be furnished the lending institutions concerned. (as amended on Feb. 9, 1977)
- d. Not have been subjected to disciplinary action carrying a penalty of more than one month suspension.

- e. In case of suspension for failure to meet the grade requirement the grantee may be reinstated if he obtained a general weighted average of at least "2.50" or its equivalent, in any succeeding semester, within one year after suspension and passed the failed subjects to meet the required weighted average. (as amended on Feb. 21, 1978 and Jan. 30, 1979)

Suspension shall, however not exceed twice for degree course grantees, and only once for non-degree grantees. (as amended on Jan. 30, 1979)

Section 3. Assessment and Evaluation of Grades

- a. Within two weeks after the end of every semester, registrars from schools, colleges and universities where grantees are enrolled shall submit sealed official report of the grantees school rating with corresponding academic units taken by them directly to the National Educational Loan Assistance Center, MEC and furnishing certified copies thereof to the lending institution concerned. (as amended on Feb. 21, 1978 and Jan. 30, 1979)
- b. Assessment and evaluation of grade shall be determined by the National Educational Loan Assistance Center, MEC which shall certify to the lending institution concerned. (as amended on Feb. 21, 1978 and Jan. 30, 1979)
- c. Guidance services shall be provided by the National Educational Loan Assistance Center. (as amended on Feb. 21, 1978 and Jan. 30, 1979)
- d. Recommendation for continuance of loan, suspension and termination of loan privileges shall be sent by the National Educational Loan Assistance Center, MEC to the participating Lending institution concerned without prejudice to the proper action that said lending institution may take relative thereto. (as amended on Feb. 21, 1978 and Jan. 30, 1979)

Section 4. Financial assistance to any grantee under this Plan shall be determined in the event a grantee becomes an awardee of other government or private scholarships or grants. However, grantees who have been awarded any scholarship in the form of free tuition fees or book allowances, etc., may still continue to enjoy the assistance subject to the deduction of the corresponding or equivalent amount received as scholarship from the total amount of assistance to be given under this plan. (as amended on Feb. 9, 1977 and Feb. 21, 1978)

Section 5. Each applicant shall, prior to the grant of loan sign such loan documents on a form prescribed by the lending institution concerned. (as amended on Feb. 21, 1978)

RULE IX

REPAYMENT SCHEME

Section 1. The grantee shall pay the loan including accrued interest thereon and such other advances made by the lending institution immediately upon employment and under such terms and conditions as provided in his loan agreement with the lending institution concerned. To insure regular payments on his loan a payroll check-off system shall be established by the Council. (as amended on Feb. 21, 1978)

Section 2. The grantee shall be liable for repayment of the loan granted him including interest thereon in case of non-completion of the course or non-employment after graduation under such terms and conditions as agreed upon with the lending institution. (as amended on Feb. 21, 1978)

Section 3. Repayment shall be amortized in accordance with the agreement with the lending institution within a period not exceeding 10 years for loans on degree courses and not exceeding 5 years for non-degree technical/technician courses. (as amended on Feb. 21, 1978)

GUARANTEE LOAN FUND

Section 1. All lending institutions participating under this Plan shall be covered by the Educational Guarantee Loan Fund.

The Educational Loan Guarantee Fund, as provided under Section 2.2 of P.D. 932 including earning thereon, donations, legacies, grants-in-aid and other contributions accepted by the Council which form part of the said fund, shall be administered by the Council under such rules and regulations as it may promulgate. No portion of the fund shall be expended for administration purposes.

Section 2. The Council, upon the recommendation of the Secretariat shall promulgate the guidelines on the availment by lending institutions of the Guarantee Loan Fund.

RULE XI

SECRETARIAT

Section 1. There shall be an inter-agency secretariat to assist the Policy Council in the implementation of the Plan. It shall serve as the implementing arm of the Council.

Section 2. It shall be composed of representatives from the various agencies comprising the Policy Council, a representative each of the participating lending institution, and such other member as the Council may determine. The nominations of such representatives who compose the Secretariat shall be subject to approval of the Council. The members shall elect a Chairman to preside over its meeting.

Section 3. The Secretariat shall meet regularly at least twice a month or as often as may be necessary upon the request of the Chairman or any three members thereof or upon the call of the Council.

RULE XI - A

THE NATIONAL EDUCATIONAL LOAN ASSISTANCE

CENTER

Section 1. The National Educational Loan Assistance Center, under the Department of Education and Culture, shall implement and monitor all policies, measures, rules and regulations issued by the Educational Assistance Policy Council, in close coordination with the lending institutions. (as amended on Feb. 21, 1978)

Section 2. The administrative and operational expenses of the Center shall be provided from the annual appropriation of the Ministry of Education and Culture, pursuant to the provision of Section 6 of P.D. 932, (as amended on Feb. 21, 1978)

Section 3. It shall be the function of the National Educational Loan Assistance Center to coordinate with all government, private, and other agencies to monitor job openings and ensure placement of graduated grantees, (as amended on Feb. 21, 1978)

RULE XII

PLACEMENT

Section 1. The Bureau of Employment Services, of the Ministry of Labor and the National Educational Loan Assistance Center, Ministry of Education and Culture shall extend all available assistance for job placement of graduated grantees. (as amended on Feb. 21, 1978)

RULE XIII

TRANSITORY PROVISIONS

Section 1. To enable grantees to enroll in the first semester of school year 1976-1977, the GSIS and SSS shall each make immediately available 25.0% of their investible funds for lending to deserving applicants. The other funding institutions covered under Sec. 2.1 (b) & (c) of this Decree shall likewise make available loan funds for school year 1976-1977 in such amounts as their respective Government Boards may determine; Provided, however, that by school year 1977-78, all lending institutions shall make loan funds available in accordance with their commitments under this Decree.

Section 2. In view of the constraints of time in the implementation of the Plan, schools shall allow late enrolment of loan grantees for the first semester of school year 1976-77, but in no case beyond June 30, 1976.

RULE XIV

EFFECTIVITY

This Decree and its implementing rules and regulations shall take effect upon publication in two newspapers of general circulation in the Philippines.

~~At its regular session held on the 15th day of February, 1976, at the~~
~~official Board of the Philippine Educational Loan Assistance Center,~~
~~the City of Manila, Philippines.~~

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