



MAR 11 2009

DepED MEMORANDUM
 No. 94, s. 2009

**REVISED MANNER OF LOAN COMPUTATION UNDER THE AUTOMATIC
 PAYROLL DEDUCTION SYSTEM**

To: Undersecretaries
 Assistant Secretaries
 Bureau Directors
 Directors of Services/Centers and Heads of Units
 Regional Directors
 Schools Division/City Superintendents
 All Others Concerned

1. In view of the clamor of the accredited private lending institutions (PLIs) under the Department's Automatic Payroll Deduction System (APDS) and after thorough review by the APDS Task Force, the manner of loan computation of other charges, as specified in Item 8 of DepED Memorandum No. 118, s. 2008, is hereby revised to upfront deduction from the principal amount of loan to be borrowed by DepED members.

2. For more clarity, below are the manner of loan computation and the maximum percentage of interest and non-interest rates that can be charged by accredited PLIs:

Particulars	Manner of Computation/Ceiling	
	From	To
Nominal Interest Rates per annum		
1 year	12%, added on loan	10.97%, added on loan
2 years	12%, added on loan	12%, added on loan
One-time Other Charges	6%, added on loan	6%, deducted upfront
Effective Interest Rate per annum	24%	24%
Grace period on start of payment of loan amortization	Two (2) months	Two (2) months

3. It is worthwhile to mention that only the manner of computation of one-time other charges is revised the reason being that PLIs are also paying direct costs such as documentary stamps, notarial fees, etc.

4. The revised manner of loan computation shall be uniform for all accredited PLIs, but does not preclude them to offer lower interest and non-interest rates. The new rates to be offered by these PLIs will be announced soon through the issuance of another DepED Memorandum for the purpose.

5. Immediate dissemination of this Memorandum is desired.



JESLI A. LAPUS
Secretary

Reference:

DepED Memorandum: (No. 118, s. 2008)

Allotment: 1- -(D.O. 50-97)

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

RULES & REGULATIONS
SALARY
TEACHERS

Maricar/DM-Loan Computation
02-20-09