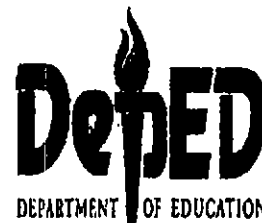




REPUBLIKA NG PILIPINAS
REPUBLIC OF THE PHILIPPINES
KAGAWARAN NG EDUKASYON
DEPARTMENT OF EDUCATION
DepEd Complex, Meralco Avenue, Pasig City



Tanggapan ng Kalihim
Office of the Secretary

Direct Line: 633-7208 / 7228
Fax: 636-4076
DETx: 0919-4560027
E-Mail Address: ossec@deped.gov.ph
Website: <http://www.deped.gov.ph>

DepED ORDER
No. 40, s. 2004

JUN 11 2004

**AUTHORITY GRANTED TO REGION VII AND ATTACHED DIVISIONS
TO USE BANKING SERVICES OF THE
NATIONAL TEACHERS AND EDUCATORS COOPERATIVE BANK (NTECB)**

To: Undersecretaries
Assistant Secretaries
Bureau Directors
Directors of Services, Centers and Heads of Units
Regional Directors
Schools Division Superintendents
District Supervisors
Heads, Public Elementary and Secondary Schools


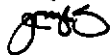
1. The Department of Education, upon review of NTECB papers submitted and upon confirmation of the same by the Bangko Sentral ng Pilipinas (BSP), recognizes Monetary Board (MB) Resolution No. 1493 dated 1 September 2000, particularly the provision:

"To approve the request (of NTECB) to accept government deposits only from the Department of Education (Culture and Sports [DECS]) and subject to the following conditions:

- a. that the aggregate amount of government funds which the Bank can hold at any given time shall not exceed 200% of its net worth;
- b. that NTECB shall comply with the requirements for the grant of authority to accept government deposits as enumerated in Annex "A", even after the authority to accept said deposits has been granted and during the period the bank actually holds government deposits; and
- c. that the amount so deposited will be invested solely in government securities."

2. In this regard, DepED Region VII and any of its attached divisions are authorized to bank with NTECB subject to the requirements for the grant of authority to accept deposits from the Department as outlined by the BSP (Annex A).

3. The authority is currently limited to Region VII, the site of the NTECB head office. As NTECB branches expand to other parts of the country, other regions may avail of this authority subject to the limits placed on NTECB by the BSP.
4. For immediate dissemination.


EDILBERTO C. DE JESUS
Secretary 

Encl.:
As stated

Reference:
None

Allotment: 1—(D.O. 50-97)

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

AUTHORITY
FUNDS
TEACHERS

(Annex A to DepED Order No. 40. s. 2004)

**REQUIREMENTS FOR THE GRANT OF AUTHORITY TO ACCEPT
DEPOSITS FROM THE DEPARTMENT OF EDUCATION
(Monetary Board Resolution No. 1493, 1 September 2000)**

1. The bank must have complied with the minimum capital requirements.
2. It must be a member of the PDIC in good standing.
3. The bank must have met the prescribed net worth to risk asset ratio.
4. The bank must not have incurred net weekly reserve deficiencies.
5. The bank has generally complied with banking laws, rules, regulations, orders or instructions of the Monetary Board and/or BSP Management, more particularly:
 - (a) On the ceilings on credit accommodations to DOSRI
 - (b) Loans-to-deposit ratio; and
 - (c) Liquidity floor requirements for government deposits.
6. The bank's past due loans do not exceed twenty percent (20%) of its total loan portfolio.
7. The bank has corrected the major violations noted in its latest examination particularly relating to (a) single borrower's loan limit, and (b) investment in bank premises and other fixed assets.
8. The bank's accounting records, systems and procedures and internal systems are satisfactorily maintained.
9. The bank does not have float items outstanding for more than sixty (60) calendar days in the "due From/To Head Offices/Branches/Offices" accounts and the "Due from Bangko Sentral" account exceeding one percent (1%) of the total resources.
10. The bank has no past due obligations with the BDP or with any government financial institutions; and
11. The bank's facilities are adequate.