



Republic of the Philippines
Department of Education
REGION X
SCHOOLS DIVISION OF LANA DEL NORTE



DIVISION MEMORANDUM

No. 192, s. 2023

DISSEMINATION OF REGIONAL ADVISORY NO. 67, s. 2023 ENTITLED STATUS OF ACCREDITATION OF THE MANILA TEACHER'S SAVINGS AND LOAN ASSOCIATION, INC. (MTSLAI) UNDER THE DEPARTMENT'S AUTOMATIC PAYROLL DEDUCTION SYSTEM (APDS) PROGRAM

To: Assistant Schools Division Superintendent
Chief ES, Curriculum Implementation Division
Chief ES, Schools Governance and Operations Division
Public Elementary and Secondary School Heads
All Others Concerned

1. For the information of all concerned, enclosed is a copy of Regional Memorandum No. 67, s. 2023, dated April 11, 2023, entitled "**Status of Accreditation of the Manila Teacher's Savings and Loan Association, Inc. (MTSLAI) under the Department's Automatic Payroll Deduction System (APDS) Program**" which is self-explanatory.
2. For queries and other concerns, please contact MARIAM A. MAPANDI, Division Cashier, at 09276155777.
3. Immediate and wide dissemination of this Memorandum is desired.

EDWIN R. MARIBOJOC, EdD, CESO V
Schools Division Superintendent

Encl: As stated
Reference: Regional Memorandum No. 67, s. 2023
To be indicated in the Perpetual Index
under the following subjects:

MTSLAI APDS PROGRAM

JMP/DM-STATUS OF ACCREDITATION OF MTSLAI
April 24, 2023



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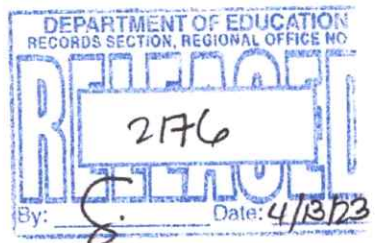


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Republic of the Philippines
Department of Education
REGION X - NORTHERN MINDANAO



Regional Advisory No. 67, s. 2023

April 11, 2023

Complying with DepEd Order No. 8, s. 2013,
this Office issues this Advisory, not for endorsement per DO 23, s. 2001,
but for the information of DepEd officials,
personnel/staff, and the concerned public.
(Visit deped10.com)

**STATUS OF ACCREDITATION OF THE MANILA TEACHERS' SAVINGS AND
LOAN ASSOCIATION, INC. (MTSLAI) UNDER THE DEPARTMENT'S
AUTOMATIC PAYROLL DEDUCATION SYSTEM (APDS) PROGRAM**

This is to inform all employees relative to the revocation of MTSLAI license to operate as Non-Stock Savings and Loan Association (NSSLA) pursuant to the Bangko Sentral ng Pilipinas (BSP) Monetary Board Resolution No. 735 dated May 26, 2022. Consequently, DepEd Order No. 005, s. 2023 has been issued for ready reference and guidance of all DepEd personnel.

MTSLAI may continue to enforce its loans or contracts with and collect directly from borrowers/DepEd personnel/debtor, outside APDS. For the savings or membership contributions with MTSLAI, all concerned are advised to directly communicate with MTSLAI branch for any queries/claims or request for refund, if any.

Attached is a copy of DepEd Order No. 005, s. 2023 and the DepEd Advisory relative to this matter to serve as reference.

This Office directs the immediate and wide dissemination of this Advisory.

ATCH: As stated
To be indicated in the Perpetual Index
under the following subjects:

DEDUCTIONS

AD/PS- amma



Address DepEd Regional Office X, Zone 1, Upper Balulang, Cagayan de Oro City
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Republic of the Philippines
Department of Education

FEB 20 2023

DepEd ORDER
No. **005**, s. 2023

**STATUS ON THE ACCREDITATION OF THE MANILA TEACHERS' SAVINGS
AND LOAN ASSOCIATION, INC. UNDER THE AUTOMATIC
PAYROLL DEDUCTION SYSTEM PROGRAM**

To: Undersecretaries
Assistant Secretaries
Bureau and Service Directors
Regional Directors
Schools Division Superintendents
Public Elementary and Secondary School Heads
All Others Concerned

1. Pursuant to DepEd Order No. (DO) 020, 2021 titled **Enhanced Guidelines on Accreditation/Re-Accreditation of Private Entities Under the Automatic Payroll Deduction System Program** dated May 27, 2021, the Department of Education (DepEd) shall regulate the use of its Automatic Payroll Deduction System (APDS) Program in order to facilitate and ensure the orderly implementation of salary deductions, and for the protection and promotion of the welfare of all teachers and employees by addressing the concerns and issues from the internal and external stakeholders and by limiting the disputes regarding the issues related to salary deductions.

2. The Manila Teachers' Savings and Loan Association, Inc. (MTSLAI) was one of the non-stock savings and loan associations (NSSLAs) that has been granted the privilege of accreditation under the DepEd APDS Program for the period of August 6, 2021, until December 31, 2025, predicated upon compliance of certain conditions under existing DepEd issuances.

3. To be eligible for the APDS accreditation, DO 020, s. 2021 requires the applicant to be legally organized and duly registered with government regulatory agencies, such as the Bangko Sentral ng Pilipinas (BSP), and that it is operating and in good standing for the current year as certified by the BSP, among others. In addition, for BSP-registered entities, the applicant must have a valid Certificate of Authority (license to operate).

4. The BSP, through a letter dated November 23, 2022¹, informed DepEd that after proceedings and by virtue of the Monetary Board, (MB) Resolution No. 735 dated May 26, 2022, the BSP enforced the following supervisory actions on MTSLAI:

- a. Revocation of license to operate as a NSSLA pursuant to Section 22 of Republic Act (RA) No. 8367, otherwise known as **The Revised Non-Stock Savings and Loan Association Act of 1997**, for willful violation of the said law and other corresponding BSP regulations; and

¹ This letter, addressed to Vice President and Secretary of Education Sara Z. Duterte from Deputy Governor Chuchi G. Fonacier, was received by DepEd, through the Office of the Secretary on November 25, 2022. Herein attached as Annex "A"

- b. Imposition of monetary penalties, pursuant to Section 37 of RA 7653, otherwise known as **The New Central Bank Act**, as amended and Memorandum to all NSSLAs dated March 30, 2006.

5. DO 020, s. 2021 and the Terms and Conditions of the APDS Accreditation (TCAA) provided that: **The accreditation shall be revoked upon commission of grounds classified as serious.** One of the serious grounds is when the Certificate of Authority (license to operate) of the entity is cancelled or terminated by the BSP, among others.

6. The BSP MB's revocation of MTS Lai's license to operate as an NSSLA, which attained finality pursuant to MB Resolution No. 1676, s. 2022, and its enforcement thereof, all produce a binding effect upon the DepEd, necessarily resulting in the revocation of MTS Lai's accreditation, as it renders the latter ineligible to participate in the APDS.

7. As a result of the revocation of its BSP license as an NSSLA, MTS Lai lost all its privileges to do business as an NSSLA under RA 8367.² By virtue thereof, and under the APDS Program, **the MTS Lai is not allowed to grant new business, e.g., mutual aid system membership and new loans beginning November 25, 2022, and in relation to this:**

- a. **For the mutual aid system membership dues and/or contributions, collection of deductions already incorporated in the APDS as of the date of revocation shall continue for the next three months or until requested for stoppage by the concerned employees, whichever comes earlier. Thereafter, the corresponding APDS Codes and Sub-Codes, if any, are automatically cancelled.**
- b. **For loans granted before November 25, 2022, the collection of deductions for these existing loans in the APDS for MTS Lai or any salary deduction on behalf of MTS Lai shall continue up to the termination dates reflected in the pay slip and until fully paid. Thereafter, the corresponding APDS Codes and Sub-Codes, if any, are automatically cancelled.**

8. The Finance Service and the APDS Task Force are directed to perform the following:

- a. Ensure that no DepEd employee shall be allowed to apply for mutual aid system membership and/or contributions or loan with MTS Lai beginning November 25, 2022; and
- b. Issue an advisory to all teaching and nonteaching personnel of DepEd, who availed of the APDS Program, informing them of the BSP's enforcement of its adjudication to revoke the Certificate of Authority of the MTS Lai, and its attending consequences in relation to the existing loan contracts and the terms and conditions in connection with its payment. The pre-existing contractual obligations to pay a sum of money existing between the borrower/DepEd personnel and MTS Lai, despite the

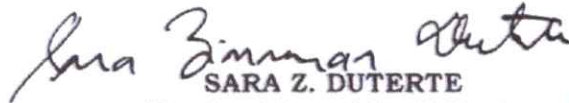
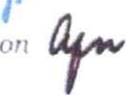
² Last par. Section 4, R.A. No. 8367, to wit: "No person, association, partnership or corporation shall do business, or hold itself out as doing business, as an Association, or shall use the term 'Savings and Loan Association' or any other title or name tending to give the public the impression that it is engaged in the operations and activities of an Association, unless so authorized under this Act."

supervening events, are separate matters, with DepEd not being a party to the loans or contracts between MTSIAI and its DepEd-employee borrowers. Thus, MTSIAI may still continue to enforce its loans or contracts with and collect directly from DepEd-employee borrowers/debtors, outside of APDS.

9. For more information, please contact the **Employee Account Management Division**, 2nd Floor, Teodoro Alonzo Building, Department of Education Central Office, DepEd Complex, Meralco Avenue, Pasig City, through email at fs.eamd@deped.gov.ph or at telephone number (02) 8633-7248.

10. This Order shall take effect immediately upon posting on the DepEd website. Certified copies of this Order shall be registered with the Office of the National Administrative Register (ONAR) at the University of the Philippines Law Center (UP LC), UP Diliman, Quezon City.

11. Immediate dissemination of and strict compliance with this Order is directed.


SARA Z. DUTERTE
Vice President of the Philippines
Secretary of the Department of Education 

Reference:

DepEd Order (No. 020, s. 2021)

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

ACCREDITATION
AMENDMENT
LOAN
PAYMENT
POLICY
PROGRAMS
REVOCATION



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DEPED-OSEC-482953



Republic of the Philippines
Department of Education

OFFICE OF THE UNDERSECRETARY FOR FINANCE

February 20, 2023

ADVISORY

TO : ALL DEPED PERSONNEL

SUBJECT: STATUS OF ACCREDITATION OF THE MANILA TEACHERS' SAVINGS AND LOAN ASSOCIATION, INC. (MTSLAI) UNDER THE DEPARTMENT'S AUTOMATIC PAYROLL DEDUCTION SYSTEM (APDS) PROGRAM

The Department of Education (DepEd) received a letter from the Bangko Sentral ng Pilipinas (BSP) on the enforcement of the revocation of MTSLAI license to operate as Non-Stock Savings and Loan Association (NSSLA) pursuant to the BSP Monetary Board Resolution No. 735 dated May 26, 2022. This was then published by said agency through BSP Circular No. CL 2022-084.

Paragraph 11.3 of the two (2) Terms and Conditions of the APDS Accreditation (TCAA) for loans and mutual aid system (MAS) and membership contributions of MTSLAI under APDS Codes 085 and 0121 A to B, respectively, are quoted as follows:

a. For loans

"11.3 The Accreditation shall be revoked upon commission of grounds classified as "Serious". When the Accreditation is revoked, the Lender shall no longer be allowed to grant new business in the affected provinces/regions under the APDS. However, collection of deductions already incorporated in the APDS as of the date of revocation shall continue up to the termination dates reflected in the pay slip. Thereafter, the APDS Code is automatically cancelled.

b. For MAS and Contributions

"11.3 The Accreditation shall be revoked upon commission of grounds classified as "Serious". When the Accreditation is revoked, the Accredited Entity shall no longer be allowed to grant new business in the affected provinces/regions under the APDS. However, collection of deductions already incorporated in the APDS as of the date of revocation shall continue for the next three (3) months or until requested for stoppage by the concerned Employees, whichever comes earlier. Within sixty (60) calendar days from the said revocation, DepEd shall notify the concerned Employees of the stoppage of deductions, and the latter may transact and/or pay directly to the formerly accredited entity, or terminate their memberships therewith. Thereafter, the APDS Code and Sub-Codes, if any, are automatically cancelled.

Consequently, a DepEd Order No. 005, s. 2023 entitled "Status of the Accreditation of the Manila Teachers Savings and Loan Association, Inc. Under the Automatic Payroll Deduction System Program" has been issued for ready reference and guidance of all DepEd personnel. Particular attention is invited to paragraph 7 of said DO, quoted as follows:

- "7. As a result of the revocation of its BSP license as an NSSLA, MTS Lai lost all its privileges to do business as an NSSLA under RA 8367. By virtue thereof, and under the APDS Program, **the MTS Lai is not allowed to grant new business, e.g. mutual aid system membership and new loans beginning November 25, 2022 and in relation to this:**
- a. **For the mutual aid system membership dues and/or contributions, collection of deductions already incorporated in the APDS as of the date of revocation shall continue for the next three months or until requested for stoppage by the concerned employees, whichever comes earlier. Thereafter, the corresponding APDS Codes and Sub-Codes, if any, are automatically cancelled.**
 - b. **For loans granted before November 25, 2022, the collection of deductions for these existing loans in the APDS for MTS Lai or salary deduction on behalf of MTS Lai shall continue up to the termination dates reflected in the pay slip and until fully paid. Thereafter, the corresponding APDS Codes and Sub-Codes, if any, are automatically cancelled."**

However, the pre-existing contractual obligations to pay a sum of money between the borrower/DepEd personnel and MTS Lai, despite the supervening events are separate matters between them, and DepEd is not a party to said loans or contracts. Thus, MTS Lai may continue to enforce its loans or contracts with and collect directly from borrowers/DepEd personnel/debtor, outside APDS.

For the savings or membership contributions with MTS Lai, all concerned are hereby advised to directly communicate with MTS Lai branch for any queries/claims or request for refund, if any.

Please be guided accordingly.


ANNALYN M. SEVILLA
Undersecretary for Finance

Copy Furnished:

Mr. Rey David S. Lacson
President and CEO, MTS Lai
918 United Nations, Ermita, Manila

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