



Republic of the Philippines
Department of Education
REGION VII - CENTRAL VISAYAS
DIVISION OF CITY SCHOOLS – TAGBILARAN CITY

**Office of the Schools Division
Superintendent**

February 23, 2023

DIVISION MEMORANDUM
No. 026, s. 2023

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

To: Assistant Schools Division Superintendent
Chief, CID and SGOD
Public Elementary and Secondary School Heads
Teaching and Non-teaching Personnel
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, 2022, 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**



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Savings and Loan Association Act of 1997, for willful violation of the said law and other corresponding BSP regulations; and

- 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 (TCCA) 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 terminate by the BSP, among others.
6. The BSP MB's revocation of MTSLAI's license to operate as 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 MTSLAI'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, MTSLAI lost its privileges to do business as an NSSLA under RA 8367. By virtue thereof, and under the APDS Program, **the MTSLAI 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 MTSLAI or any salary deduction on behalf of MTSLAI 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 MTSLAI 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 MTSLAI, and its attending consequences in relation to the existing loan contracts and the terms and conditions in connection with its payment. The pre-existing



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contractual obligations to pay a sum of money existing between the borrower/DepEd personnel and MTSLAI, despite the supervening events, are separate matters, with DepEd not being a party to the loans or contracts between MTSLAI and its DepEd employee borrowers. Thus, MTSLAI may still continue to enforce its loans or contracts with and collect directly from DepEd employee borrowers/debtors, outside of APDS.

9. Immediate dissemination of said Memorandum is desired.

For: Joseph Irwin A. Lagura
JOSEPH IRWIN A. LAGURA PhD
Schools Division Superintendent
o/c 2/23/23

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