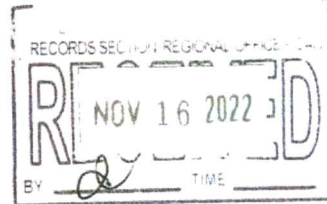




Republic of the Philippines
Department of Education
 OFFICE OF THE UNDERSECRETARY FOR FINANCE

CAR

October 20, 2022



ALBERTO EMILIO V. RAMOS
 President and COO
 Malayan Savings Bank Inc. (MSBI)
 GF 104 Majalco Building
 Trasierra cor. Benavidez Streets
 Legazpi Village, Makati City

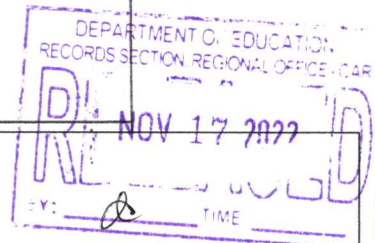
Dear **Mr. Ramos:**

Greetings from the Department of Education (DepEd)!

This pertains to the attached letter of Mr. Jhody D. Generoso II, Assistant Vice President, Teacher's Loan Head, informing this office of the adjustment of interest rates on loans to be offered to DepEd personnel effective November 1, 2022, for reasons stated therein.

This office interposes no objection on the adjustment of interest rates considering that based on the submitted sample computations, the resulting Effective Interest Rates (EIR) of loans are still within the EIR ceilings provided in DepEd Order No. 004, s. 2022 entitled "*Extension of Loan Terms of Payment Under the Department's Automatic Payroll Deduction System (APDS) Program*" as shown below. This shall form part as amendment of Annexes D-1 to D-5 of the MSBI's Terms and Conditions for APDS Accreditation for loans.

Particulars	DepEd Ceilings per Annum	MSBI Proposed Rates
Contractual Interest Rates per annum (based on diminishing/ declining principal balance)	1 year - 7.500%	1 year - 7.000%
	2 years - 9.000%	2 years - 7.250%
	3 years - 9.660%	3 years - 7.500%
	4 years - 9.660%	4 years - 7.500%
	5 years - 9.660%	5 years - 7.500%
One-time Other (Must be itemized Disclosure Statement)		
Effective Interest Rate (EIR) per annum		



Republic of the Philippines
Department of Education
 CORDILLERA ADMINISTRATIVE REGION

November 17, 2022

To: **Schools Division Superintendents
 Division of Baguio and Benguet**

For information, guidance, and immediate compliance.

ESTELA P. LEON- CARIÑO EdD, CESO III
 Director IV/ Regional Director

For the Regional Director:

FLORANTE E. VERGARA
 Director III/ Assistant Regional Director

CAP



Republic of the Philippines
Department of Education
 OFFICE OF THE UNDERSECRETARY FOR FINANCE

October 20, 2022



ALBERTO EMILIO V. RAMOS

President and COO
 Malayan Savings Bank Inc. (MSBI)
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 Legazpi Village, Makati City

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Contractual Interest Rates per annum (based on diminishing/declining principal balance)	1 year - 7.500% 2 years - 9.000% 3 years - 9.660% 4 years - 9.660% 5 years - 9.660%	1 year - 7.000% 2 years - 7.250% 3 years - 7.500% 4 years - 7.500% 5 years - 7.500%
One-time Other Charges (Must be itemized in the Disclosure Statement)	6.000% of principal amount, regardless of term, deducted upfront from the loan proceeds	6.000% of principal amount, regardless of term, deducted upfront from the loan proceeds
Effective Interest Rates (EIR) per annum	1 year - 21.091% 2 years - 16.351% 3 years - 14.886% 4 years - 13.759% 5 years - 13.082%	1 year - 20.479% 2 years - 14.306% 3 years - 12.396% 4 years - 11.294% 5 years - 10.627%

It is understood that all loans to be approved by MSBI shall be subject to the verification process by the designated DepEd verifier on the resulting Net Take Home Pay (NTHP) of the borrowers and other conditions stipulated in MSBI's TCAA.

Thank you.

Sincerely yours,



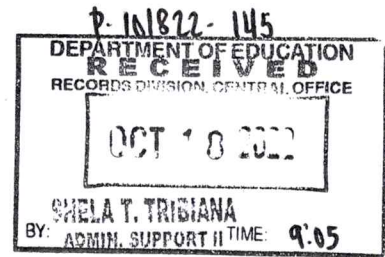
ANNALYN M. SEVILLA
Undersecretary

eamd/mig

Copy Furnished:

12069 *Regional Directors, Chiefs of Administrative and Finance Divisions and
Heads of Payroll Services Units, DepEd Regions I, III, IV-A, VI, VII, XI, NCR and CAR*

M Malayan Savings Bank



October 14, 2022

Annalyn M. Sevilla
Undersecretary or Finance
Department of Education

10/17
ETMO
pls acknowledge
appropriate action

473 988
Office of the Undersecretary
Finance
Received by: Tm
Date: 18 Oct Time: 10:00

Dear Usec. Sevilla,

Good day.

Last August 18, 2022, the Bangko Sentral ng Pilipinas (BSP) decided to raise the key policy interest rate to 3.75%. The key policy rate increased by 50 basis points (bps) to 3.75% last 19 August 2022. This further action is meant to anchor inflation expectations and avoid a breach in the inflation target range in 2023.

In this regard, after much deliberation, we at Malayan Savings Bank have deemed it necessary to adjust our rates in order to keep pace with the continuous increase in the interest rates of the Bangko Sentral ng Pilipinas. Beginning November 1, 2022, our 2-year loan term will now be at 7.25% and 3 to 5-year term to 7.5% from 7% respectively. Attached herewith are the effective interest rate calculation models for your reference.

This was a tough decision to make, and we understand how it affects our existing and future borrowers. However, we need to balance our clients versus our operating expense and latter outweighs the former.


Thank you.

Respectfully yours,

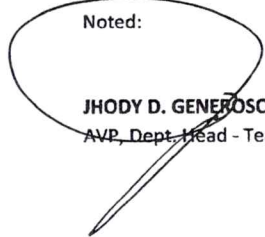
Jhody Generoso II
AVP, Teacher's Loan Head

Particulars	DepEd Ceilings		Actual Rates		Remarks	
Contractual Interest Rates per annum (based on diminishing/declining principal balance)	1 year	7.500%	1 year	7.000%	Below ceiling	-0.500%
	2 years	9.000%	2 years	7.250%	Below ceiling	-1.750%
	3 years	9.660%	3 years	7.500%	Below ceiling	-2.160%
	4 years	9.660%	4 years	7.500%	Below ceiling	-2.160%
	5 years	9.660%	5 years	7.500%	Below ceiling	-2.160%
One-Time Other Charges (Must be itemized in the Disclosure Statement)	6% of principal amount, regardless of term, deducted upfront from the loan proceeds		6% of principal amount, regardless of term, deducted upfront from the loan proceeds		Within ceiling	
Effective Interest Rates (EIR) per annum	1 year	21.091%	1 year	20.479%	Below ceiling	-0.612%
	2 years	16.351%	2 years	14.306%	Below ceiling	-2.045%
	3 years	14.886%	3 years	12.396%	Below ceiling	-2.490%
	4 years	13.759%	4 years	11.294%	Below ceiling	-2.465%
	5 years	13.082%	5 years	10.627%	Below ceiling	-2.455%

Prepared by:


VICENTE G. GAVILENO
 Loans Operations Head

Noted:


JHODY D. GENEROSO, II
 AVP, Dept. Head - Teacher's Loan