



Republic of the Philippines
SOCIAL SECURITY SYSTEM

East Ave., Diliman, Quezon City
Tel. Nos. (632) 920-6401 • (632) 920-6446
E-mail: member_relations@sss.gov.ph • Web site: <http://www.sss.gov.ph>

CIRCULAR NO. 2017-005

TO : ALL SSS MEMBERS

SUBJECT : REVISED IMPLEMENTING GUIDELINES FOR THE EDUCATIONAL ASSISTANCE LOAN PROGRAM (EALP)

Pursuant to Social Security Commission Resolution No. 683-s.2016 dated 05 October 2016, the consolidated and revised implementing guidelines for the Educational Assistance Loan Program are hereby issued. The revised guidelines shall apply to new/initial applicants on wait-list status, and to the existing EALP member-borrowers unless otherwise stated.

I. Eligible Borrowers

A. Initial Applicants

1. Member-borrowers who are below sixty (60) years old.
2. Member-borrowers whose actual monthly basic salary or income is P 25,000.00 or below.
3. Member-borrowers with at least thirty-six (36) posted monthly contributions, six (6) of which are posted within the last twelve (12) months prior to the month of filing the EALP Application.
4. Member-borrowers who are up-to-date in the payment of salary/housing and other member loan amortization. Those with overdue accounts are not entitled to the EALP.

Initial EALP Applications shall be continuously received but shall be on a queue system. Loan release of which shall be subject to funds availability.

B. Existing EALP member-borrowers (Subsequent Applications)

1. Member-borrowers with six (6) posted monthly contributions within the last twelve (12) months prior to the month of filing the subsequent EALP Application.
2. Member-borrowers who are up-to-date in the payment of salary/housing and other member loan amortization, including EALP. Those with overdue accounts are not eligible to the subsequent EALP.

II. Covered Beneficiaries

- A. Member-borrower
- B. Legal Spouse of member-borrower
- C. Child of member-borrower (legitimate, illegitimate or legally adopted)
- D. Sibling of member-borrower, if civil status is single (including half-brother/sister)

No substitution of beneficiary shall be allowed.

Full scholars with zero tuition/miscellaneous fees/assessment balance shall be exempt under the EALP.

Each eligible member-borrower shall be allowed to avail for one beneficiary. Upon full payment of the EAL and subject to availability of the EALP fund, he/she may again avail for another/new covered beneficiary.

III. Eligible Courses and Schools

Undergraduate courses offered by universities and colleges recognized by the following:

- A. Commission on Higher Education (CHED) for degree courses
- B. Technical Education and Skills Development Authority (TESDA) for vocational/ technical course
- C. Civil Aviation Authority of the Philippines (CAAP) for aviation-related courses
- D. Institutions duly recognized by the Government of the Philippines

IV. Amount of Loan

The aggregate allocation shall be computed starting on the beneficiary's current year and term at the time of the initial EALP Application, but not to exceed the maximum limit as provided below.

A. Degree Course

Maximum of P 20,000 per semester/trimester/quarter or net tuition/miscellaneous fees/assessment balance on cash basis, whichever is lower.

For a 4-year degree program or its equivalent, the maximum number of availments shall be 8 semesters/12 trimesters/16 quarters or a maximum of P 160,000 full allocation.

For a 5-year degree program or its equivalent, the maximum number of availments shall be 10 semesters/15 trimesters/20 quarters or a maximum of P 200,000 full allocation.

B. Vocational/Technical Course (2-year course)

Maximum of P 10,000 per semester/trimester or net tuition/miscellaneous fees/assessment balance on cash basis, whichever is lower.

For a semester program, the maximum number of availments shall be 4 semesters or a maximum of P 40,000 full allocation.

For a trimester program, the maximum number of availments shall be 6 trimesters or a maximum of P 60,000 full allocation.

The loan amount shall be funded on 50:50 basis by the National Government (NG) and SSS.

Once the EAL is due for repayment, all semester/trimester/quarter releases shall be consolidated including the accrued interests from the actual date of release up to the date of consolidation. The consolidated loan plus the herein imposed maintenance charge shall be the principal loan to be amortized over the repayment term.



V. Interest Rate and Other Charges

- A. NG portion – zero interest.
- B. SSS portion - 6% interest per annum based on diminishing principal balance until fully paid.
- C. Consolidated loan (composed of all releases plus accrued interests) – SSS portion shall bear 6% interest per annum based on the diminishing principal balance until fully paid.
- D. Maintenance charge - 2% of the consolidated loan balance (SSS & NG), which shall also be amortized. Exempted from this provision are the existing EALP member-borrowers without approved subsequent EAL under these revised guidelines.
- E. Penalty - 1% per month for any unpaid amortization.
- F. A P 300 service fee shall be charged for any request for replacement of EALP check.

VI. Requirements

A. Initial EALP Application

- 1. Valid Identification card/s or Document/s
- 2. Accomplished EALP Application form
- 3. Current school's assessment/billing statement
- 4. Proof of monthly salary/income of member-borrower
- 5. Proof of relationship to beneficiary

B. Subsequent EALP Application

- 1. Valid Identification card/s or Document/s
- 2. Accomplished EALP Application form
- 3. Assessment/billing statement issued by the school of member/beneficiary

VII. Manner of Releases

- A. The check shall be payable to the school and shall be for personal pick-up by the member-borrower or his/her authorized representative at the SSS Branch Office where the EALP Application was filed/processed.
- B. Subsequent releases shall be made upon submission of another accomplished EALP Application every school term until course completion or until allocation is exhausted, whichever comes first.

VIII. Repayment Terms

- A. Repayment shall start on the month following the consolidation of the EAL, which is after 18 months for semestral programs, 15 months for trimestral or 14 months and 15 days for quarter programs from the month of last release.
- B. The payment term is up to five years for Degree Course and three years for Vocational/Technical course.
- C. The repayment term shall be determined upon consolidation of the account in accordance with the following whichever is shorter:
 - 1. Preferred term of member-borrower as per Initial EALP Application.



2. Scheduled term based on the principal loan, as follows:

| Principal Loan | Term |
|-----------------------|---------|
| P 20,000 or below | 1 year |
| P 20,001 to P 40, 000 | 2 years |
| P 40,001 to P 60,000 | 3 years |
| P 60,001 to P 80,000 | 4 years |
| More than P 80,000 | 5 years |

3. Adjusted term, where member must not be 65 years old and above at the end of the installment term or if not applicable, the maximum repayment term shall be 1 year.

This provision shall not apply to the existing EALP member-borrowers without approved subsequent EAL under these revised guidelines. Their repayment term shall be based on their preferred term as per Initial EALP Application.

D. Any unpaid EAL balance shall be deducted from the future benefit of the member.

IX. Billing and Payment

- A. Billing statement shall be issued on the month following the consolidation of the EAL to be sent through mail or electronic means.
- B. Deadline of payment shall be in accordance with SSS Circular No. 2011-003.
- C. Member-borrower shall use SS Form ML-1 (Member Loan Payment Return) upon payment with his/her name, SS number and the Payment Type as "Educational" indicated on the form.
- D. Payment may be through SSS Branch with Teller facility or SSS accredited banks. A separate advisory shall be issued once payment thru SSS accredited non-bank remittance agents shall be allowed.
- E. Payment may also be through salary deduction by employer. On the Loans Collection List (LCL or ML-2), employer shall use "E" for the Loan Type and the initial EAL date or the consolidation date, whichever is applicable, for the Loan Date. This shall be the loan information until such time when the Loan Account Number (LAN) has been assigned by SSS to all outstanding EAL accounts.
- F. The beneficiary who is of legal age shall likewise be billed through his employer, should there be any, if the EAL account becomes past due for six (6) months.

X. Others

- A. The beneficiary of legal age (18 years and above) shall sign on the EALP Application to bind him/her as co-borrower to the EALP. Henceforth, he/she shall be held jointly and severally liable to pay all outstanding EALP obligation.
- B. The school's certification shall have a validity of one calendar month from issuance date, except for EALP check replacement transactions, where the corresponding EALP Application may be used for the reprocessing of the loan.
- C. Replacement of sponsor shall be allowed if the original sponsor has been granted final benefit and the EAL has been fully paid.
- D. Notify SSS of any updates or changes on the contact information by accomplishing the SS Form E-4 (Member Data Change Request).



The P 7.0 Billion EALP fund is a revolving fund. Principal collections shall be plowed back to the fund to serve new batch of beneficiaries.

This consolidates and revises Circular Nos. 2012-010, 2012-017, 2013-004, 2014-002 and 2014-011. All other guidelines, terms and conditions of the above stated Circulars that are not inconsistent herewith shall remain effective.

This Circular shall take effect upon availability of the revised systems and EALP Application form which shall be not later than June 15, 2017.

Please be guided accordingly.



EMMANUEL F. DOOC
President and CEO

25 MAY 2017

Date

(Policy – Loans)

