

Date : 5 November 2008
To : ALL DLSCC Members
From : DLSCC General Manager
Re : New guidelines approved by the Board of Directors on October 24, 2008
Board Meeting and Manual of Rules and Regulations (MORR) for Credit
Cooperative Policy on Allowance for Probable Losses on Loans (APPL)

1. The following is MORR's policy on allowance for probable losses on loans (APPL): Based on portfolio at risk (PAR)* the following allowance for probable losses on loans (APPL) is to be provided:
 - Loans with below 12 months PAR - 35% APPL
 - Loans with more than 12 months PAR - 100% APPL

*Portfolio at Risk (PAR) – failure to receive payment one day after due date of amortization make the entire loan balance at risk.

2. Compliance with the above MORR's policy will seriously affect our cooperative operations unless we exert all efforts to lessen our uncollected loans receivable.
3. Below are some guidelines approved by the Board of Directors last October 24, 2008:
 - 3.1 New applicants to the Cooperative should attached to the membership application form a Certificate of Employment from their employer-school, indicating date of permanent employment, position and present salary.
 - 3.2 Members who have cases filed by their employer-school can only borrow up to the amount of their share capital and savings deposit.
 - 3.3 Emergency loans may be paid in cash only up to six months.
 - 3.4 Emergency loans may be paid in installments only up to ten months.
 - 3.5 Emergency loans that are three (3) months over due will be automatically charged to the members' savings deposits.

- 3.6 Members whose emergency loans are overdue can only borrow P15,000 emergency loan upon renewal.
 - 3.7 Only faculty members with permanent status are eligible to avail of the computer loan.
 - 3.8 Only non-teaching personnel who have been members of the Cooperative for at least three years are eligible to avail of the computer loan.
 - 3.9 Part-time faculty whose certification of term of contract is only one term, can borrow up to a maximum of six to eight months only.
 - 3.10 Part-time faculty whose certification of term of contract is two terms can borrow up to a maximum of twelve months.
 - 3.11 The maximum term for part-time faculty is twelve months.
4. We wish to re-iterate that amortizations of all loans are made through salary deductions every payday. Payments through post-dated checks are not allowed. Only emergency loans are allowed to be paid in cash instead of salary deductions.
 5. Please visit our website at www.dlsu.edu.ph/affiliates/dlsc/default.asp for our cooperative's general and specific policies on loan applications and various loans available to members, withdrawals from savings deposit and benefits of members.

Thank you.