CREATION OF A MARITIME EDUCATIONAL DEVELOPMENT LOAN PROGRAM (MEDLOP) FOR PROSPECTIVE MARINE OFFICERS AND ENGINEERS WITH GUARANTEED INTERNATIONAL ONBOARD EMPLOYMENT (A STUDY NOW-...

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In the interest of the service, and in pursuance of the Board of Trustees' resolve to fully support and heed the maritime industry's call for the Philippine Government to address the present shortage of quality Filipino Marine Officers and Engineers onboard ocean-going vessels, a Maritime Educational Development Loan Program (MEDLOP) is hereby created subject to the following guidelines:

1.0 Nature of the Program

The MEDLOP is an interest-free financial assistance to defray the costs of tertiary education of prospective Marine Officers and Engineers who, through a Company guaranteed international onboard employment, are enrolled in either a Bachelor of Science in Marine Transport (BSMT) or in a Bachelor of Science in Marine Engineering (BSMarE).

The Program is a modified Education for Development Scholarship Program (EDSP) which caters exclusively to maritime degree courses on a Study Now-Pay Later scheme.

2.0 Objectives

> 2.1 The Program aims to sustain quality graduates and the supply of highly competent Marine Officers and Engineers to fill-up the short and long term requirements of said Officers to ensure the Philippines' dominance in the international seafaring market.
>
> Other Program Objectives are:
>
> 2.1.1 To promote courses in maritime education as a viable career option;
>
> 2.1.2 To enhance students' interest in taking up maritime courses through a "Study Now-Pay Later" scheme of the MEDLOP;
>
> 2.1.3 To provide support system to would-be OWWA member-contributors to pursue a degree in BSMT or BSMarE;

3.0 Coverage/Courses Offered

The Program is open to all qualified Manning Companies who guarantee onboard training and shipboard employment to the following category of students:

> 3.1 All qualified high school graduates who prefer to pursue higher education in either BSMT or BSMarE; or
>
> 3.2 Those currently enrolled students in BSMT or BSMarE and who meet the eligibility requirements of the Program.

4.0 Amount of Loan

4.1 The total principal amount of loan shall not exceed FOUR HUNDRED NINETY NINE THOUSAND TWO HUNDRED PESOS (P499,200.00) ONLY per student.

4.2 The said loan shall cover the actual amount of tuition fee, board and lodging, and other attendant academic expenses for a maximum of three (3) consecutive school years (SY) plus four percent (4%) administrative charges extended to qualified applicants to the MEDLOP.

4.3 The said loan shall be released annually at a maximum of ONE HUNDRED SIXTY SIX THOUSAND FOUR HUNDRED PESOS (P166,400.00), inclusive of the 4% administrative charges, for the duration of the Student's course or remaining school term but not to exceed three (3) consecutive school years.

5.0 Terms and Conditions of the Loan

5.1 The Company is the applicant for the availment of the loan under the MEDLOP. Note: "Company" as used herein shall refer to Manning Agencies with foreign Principals/ Shipowners, duly registered and accredited by the Philippine Overseas Employment Administration (POEA);

5.2 The Company shall select the Student whom it will extend the loan and enroll the Student in any Commission on Higher Education recognized maritime school of its choice.

5.3 The Company must guarantee the Student's onboard training and employment on- board ocean-going ships within one year after graduation;

5.4 The Company shall utilize the loan for the sole purpose of paying for the actual amount of the Student 's tuition fee, board and lodging, and other attendant academic expenses in accordance with the schedule of payment under the MEDLOP for a maximum of three (3) consecutive school years (SY);

5.5 Administrative charges equivalent to four percent (4%) of the principal amount of loan shall be deducted automatically at the time the loan was granted;

5.6 The Company must pay the full amount of the loan within three (3) years from the Student's graduation, provided that 20% of the loan must be paid during the on-board training. The balance of 80% shall be paid in 36 equal installments starting 30 days after graduation. "Graduation" shall mean the date when the school issues the certificate of completion of the academic requirements and/or diploma to the student;

5.7 A penalty charge of one per cent (1%) monthly shall be imposed on the amortization that was not paid on schedule. Failure to pay six (6) consecutive monthly installments shall render the entire obligation due and demandable/payable;

5.8 The Company shall be required to post a surety bond to OWWA as guarantee of OWWA's exposure.

6.0 Eligibility and Documentary Requirements

The applicant Company must submit to OWWA Regional Welfare Office (RWO) the following requirements:

6.1 Copy of its POEA Manning License attesting that it is a duly licensed manning company under the POEA rules and regulations;

6.2 Notarized Guarantee Letter indicating its commitment for the Student's onboard training;

6.3 Notarized Guarantee Letter indicating its commitment for the Student's employment onboard ocean-going ships within one year from graduation:

6.4 Company Certificate indicating that its foreign Principals and/or Shipowners are willing to employ the Student in their ocean-going ships;

6.5 Company Certificate indicating that Company has been existing for not less than five (5) years in good

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standing; and

6.6 Duly certified copy of the Loan Agreement by and between the Student and the Company indicating therein the terms and conditions in accordance with the MEDLOP policy.

7.0 Implementing Strategies

To ensure the attainment of the Program ’s objectives, the following strategies must be strictly pursued:

7.1 OWWA shall enter into a Memorandum of Agreement (MOA) with prospective Companies who are committed to sponsor Students under the MEDLOP;

7.2 The Company, as a party to the MOA, must guarantee the Student’s onboard training and employment onboard ocean-going ships;

7.3 The Company, as the Sponsor and the user of the loan, shall be given all the rights to choose its preferred CHED-registered maritime school which can comply with its Principals requirements;

7.4 The Company must guarantee the payment of the loan in accordance with the requirements under the MEDLOP;

7.5 OWWA to keep and maintain a list of Companies and Students who have availed of the MEDLOP as well as list of OWWA-approved participating maritime schools; and

7.6 A three-man Committee composed of representatives from OWWA, maritime schools, and manning companies shall be established to ensure the smooth, proper, fair and equitable implementation of the MEDLOP, taking into consideration the regional distribution of the MEDLOP Fund.

8.0 Definition of Roles of MEDLOP Participants

8.1 The COMPANY MUST

8.1.1 Undertake a systematic procedure to select the most qualified Student/s who shall avail of the loan under the MEDLOP;

8.1.2 Choose its preferred participating maritime schools where to enroll its selected Student;

8.1.3 Submit to RWO all the documents as indicated in item 6.0 (Eligibility and Documentary Requirements) above;

8.1.4 Duly receive and acknowledge in writing the loan proceeds and immediately pay the same to the concerned maritime school where the selected student is enrolled;

8.1.5 Submit to RWO a certified copy of the Registration Card and Official Receipt from the concerned maritime school as proof of enrollment and payment of tuition fees, board and lodging, and other attendant school fees;

8.1.6 Submit to RWO every semester the academic credentials of the Student to determine his continued eligibility under the MEDLOP; and

8.1.7 Regularly pay and remit to RWO the required monthly amortization as agreed in the MOA by and between the Company and the RWO.

8.2 The REGIONAL WELFARE OFFICE (RWO) MUST:

8.2.1 Conscientiously process the application of the Company for loan availment under the MEDLOP;

8.2.2 Immediately notify the Company of the status of its application;

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8.2.3 Directly request Funding from the OWWA Home Office;

8.2.4 Prepare and release, on an annual basis, the check payment under the name of the Company indicating therein the amount and detailed purpose of the said transaction;

8.2.5 Regularly ensure that the Company has submitted every end of the semester the Student's academic credentials to determine his continued eligibility under the MEDLOP as well as basis for the release of subsequent loans; and

8.2.6 Periodically monitor students; update and monitor the list of Companies, and maritime schools who are participating under the MEDLOP.

9.0 Funding Requirements

9.1 An initial funding in the maximum amount of TWENTY-NINE MILLION SIX HUNDRED THOUSAND PESOS (P29,600,000.00) ONLY shall be made available by OWWA beginning January 2008; and

9.2 A subsequent funding shall likewise be made available every year by OWWA, subject to a review of the Program and approval by the OWWA Board of Trustees.

10.0 Loan and Collection Guidelines

To effectively and efficiently implement this Program, the Administrative and Financial Management Office (AFMO) shall prepare a separate Loan and Collection Guidelines thirty (30) days upon the issuance of this Memorandum of Instructions.

11.0 Effectivity

This Memorandum of Instruction takes effect retroactive 10 April 2008.

Adopted: 14 Oct. 2008

(SGD.) CARMELITA S. DIMZON
Administrator

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