



Republic of the Philippines  
**Department of Education**

18 APR 2020

OFFICE MEMORANDUM  
OM-O S E C-2 0 2 0-006

**REMINDER TO REFRAIN FROM USING ATM PAYROLL CARDS AS COLLATERAL FOR  
LOANS OR ENGAGING IN THE ATM SANGLA SCHEME**

To: Undersecretaries  
Assistant Secretaries  
Bureau and Service Directors  
Regional Directors  
Schools Division Superintendents  
Public Elementary and Secondary School Heads  
All Others Concerned

1. Pursuant to Section 4 (aa) of the Republic Act No. 11469, otherwise known as the *Bayanihan to Heal as One Act*, and the Implementing Rules and Regulations issued by the Department of Finance effective April 2, 2020, several entities and institutions, both public and private, including the Government Service Insurance System (GSIS) and Pag-IBIG Fund, have issued their respective guidelines for the implementation of the mandatory grace period or the suspension of payment for loans.
2. The GSIS and the Pag-IBIG Fund even granted an expanded relief for a three-month moratorium on loan payments and an extension of the loan terms of their individual borrowers. The DepEd Provident Fund also granted a three-month relief for its borrowers by suspending the collection of payment from April 2020 to June 2020.
3. The Department of Education (DepEd) is set to refund the loan amortizations deducted from the April 2020 payroll and the suspension of deductions for loan payments from the May 2020 salary payroll.
4. Likewise, DepEd took initiatives for the early processing and release of the salaries of employees for the months of March and April. This is to ensure that employees have additional cash, while battling with the COVID-19 pandemic. These financial reliefs will be reflected in the payroll months of April, May, and June 2020.
5. With the additional cash credited to the ATM accounts of the employees, this Department reiterates its advice against the use of their individual ATM Payroll Card as collateral for loans or engaging in the **ATM Sangla** scheme.
6. The practice of surrendering ATM cards as collateral for loans is prohibited by the DepEd Terms and Conditions for Accreditation under the Automatic Payroll Deduction System.
7. ATM Card **pawning** has been noted by the Bangko Sentral ng Pilipinas (BSP) as a dangerous scheme, for it exposes borrowers to identity theft and unauthorized use of personal data possibly for unlawful activities. Also, BSP finds that this practice unduly promotes **over-indebtedness**.
8. For your information and guidance.

  
**LEONOR MAGTOLIS BRIONES**  
Secretary