

**[ OWWA MEMORANDUM OF INSTRUCTIONS 007,  
S. OF 2008, October 14, 2008 ]**

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

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;