



Republic of the Philippines
Department of Education
NATIONAL CAPITAL REGION

SCHOOLS DIVISION OFFICE OF MUNTINLUPA CITY

Office of the Schools Division
Superintendent

AUG 29 2024

MEMORANDUM

No. 249, s. 2024

**RESTATEMENT OF THE GUIDELINES ON THE GRANT OF PROVIDENT FUND
LOANS TO DEPED PERSONNEL**

To: Assistant Schools Division Superintendent
Chief Education Supervisor, Curriculum Implementation Division
OIC-Chief Education Supervisor, School Governance and Operations Division
Public Elementary and Secondary School Heads / OICs
Administrative Officer V
All Others Concerned

1. This Memorandum is issued to restate to the field the guidelines on the grant of Provident Fund (PF) Loan to DepEd personnel pursuant to DepEd Order No. 12, s.2004, DepEd Order No. 36, s.2007, DepEd Order No. 20, s.2012, DepEd Order No. 52, s.2017, DepEd Order No. 37, s.2018 and DepEd Order Nos. 3 & 8, s. 2022.

2. There are **two (2) types of Provident Fund (PF) Loans** that may be applied for by a DepEd employee as per DepEd Order No. 37, s.2018 (*Revised Implementing Guidelines for the DepEd Provident Fund*), amending pertinent provisions of DepEd Order No. 12, s.2004, DepEd Order No. 36, s.2007 and DepEd Order No. 52, s.2017.

2.1. **Multi-Purpose Loan (MPL)**, whether for the needs of teacher/employee, or the immediate and other members of his/her family for:

- 2.1.1. Educational
- 2.1.2. Medical
- 2.1.3. Emergency
- 2.1.4. Major house repairs/improvements
- 2.1.5. Minor house repairs/improvements
- 2.1.6. Payment of loans from other private lending institutions (PLI) and/or government financial institutions (GFI)
- 2.1.7. Livelihood
- 2.1.8. Other legal purposes

2.2. **Additional Loan**, which shall be for extreme emergency cases only, such as:

2.2.1. Payment of hospital bills of DepEd employee or member of his/her family within the 3rd civil degree of consanguinity or affinity.

2.2.2. Death of a member of the borrower's family within the 3rd civil degree of consanguinity or affinity.



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2.2.3. Borrower is a direct victim of a natural or man-made calamity, such as typhoon, fire, robbery, armed conflict and others.

2.3. All types of loans shall have a contractual interest rate of SIX PERCENT (6%) per annum, with NO GRACE PERIOD on the start of payment of loan, computed using the diminishing/declining balance method, wherein the interest per installment period is calculated based on the outstanding balance of the PF loan at the beginning of each installment period.

2.4. Total amount due, inclusive of principal and interest, will be payable in equal monthly amortizations. The borrower may opt for a repayment period from 12 months up to 60 months, subject to the borrower's capacity to pay and in all cases, repayment shall be through automatic payroll deductions and over-the-counter payment, in case of dislodged PF deductions in the payroll.

2.5. Newly hired teachers are allowed to avail of PF loan with a maximum loanable amount equivalent to one (1) month basic salary, payable in six (6) months, subject to six percent (6%) per annum or 0.50% per month, computed using the diminishing balance method.

2.6. Renewal of loan may be allowed, provided that:

2.6.1. at least thirty percent (30%) of the existing loan has been paid,

2.6.2. there are no pending applications for new loans and

2.6.3. the balance of the principal amount shall be deducted from the new loan.

3. The increased ceiling for each type of PF loans to assist DepEd personnel on their financial needs is based on DepEd Order No. 3, s.2022 (*Prescribing the Maximum Loanable Amount and Delegation of Approving Authorities under DepEd Provident Fund Program*), as amendments to paragraphs 1.b and 2.iv of DepEd Order No. 36, s.2007 and additional provisions to DepEd Order No. 37, s.2018.

TYPE	CEILING	
	FROM	TO
Multi-Purpose Loan	100,000.00	100,000.00
Additional Loan (for extreme cases)	100,000.00	200,000.00

The contractual interest rate for both types of PF loans shall be 6% per annum and may be paid from one year to five years, depending on the capacity to pay by DepEd borrower which is subject to the net take-home pay requirement set under the Authorized Deductions, General Provisions of the Annual General Appropriations Act.



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4. DepEd Order No. 8, s.2022 (*Amendment to DepEd Order No. 3, s.2022*) was issued to inform about the Revised Signing Authorities on Provident Fund Loans per Provident Fund (PF) Chapter in Item3 of DepEd Order No. 3, s.2022, particularly in the Schools Division Office Chapter.

PROVIDENT FUND (PF) CHAPTER	MULTI-PURPOSE LOAN		ADDITIONAL LOAN	
	Recommending Approval	Approval	Recommending Approval	Approval
Schools Division Office	Head, Schools Division Board Secretariat	Schools Division Superintendent	Head, Schools Division Board Secretariat	Schools Division Superintendent

5. All PF loan applications in the SDO Muntinlupa shall be evaluated by the Schools Division Provident Fund Board Secretariat, whose members are designated in the Regional Memorandum No. 26, s.2019 dated February 4, 2019, composed of:

UNIT	NAME	DESIGNATION
Administrative	Ms. NOEMI A. VALDEZ	Administrative Officer V
Accounting	Ms. KARINA E. MEDINA	Accountant III
Legal	Atty. ERNESS FAITH REGACHO-ESPANTO	Legal Officer III

The employees-in-charge in the processing of PF loan applications are:

UNIT	NAME	DESIGNATION
Personnel	Ms. NATHALEE D. ESTILLER	Administrative Assistant III- Loan Verifier
Accounting	Mr. MICHAEL M. NAVIA	Provident Fund Clerk – Loan Processor

6. The Borrower shall be required to have one Co-Maker with the following qualifications pursuant to DepEd Order No. 52, s. 2017 (*Revised Implementing Guidelines for the DepEd Provident Fund*).

- 6.1. With permanent status of employment,
- 6.2. Has been in the service with the Department for at least one year, inclusive of services rendered as COS with the last five years, if any,
- 6.3. Has a monthly basic salary of greater than or equal to that of the borrower's monthly basic salary and



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6.4. Not a co-maker for at least three PF loans with outstanding balances.

7. The checklist of requirements for each type of PF loan is enumerated and to be submitted in duplicate copies:

TYPE OF PF LOAN	REQUIREMENTS	
	BORROWER	CO-MAKER
1. Multi-Purpose Loan	1. Duly accomplished Loan Application Form (LAF) using the revised format	Latest pay slip
	2. Latest pay slip	Valid government ID
	3. Authorization to deduct	
	4. Valid government ID	
2. Additional Loan - for extreme cases (on top of the Multi-Purpose Loan per DepEd Order No.20, s. 2012)	5. Certification of NO PENDING CASE, 5.1. For teaching personnel, request is through bit.ly/depednrcrncpc 5.2. For non-teaching personnel, request is coursed through the Division Legal Office.	
	6. School / Hospital Billing, Doctor's Prescription, Quotation for house repair with pictures, Statement of Account (whichever is applicable)	
Additional Documentation for <u>ADDITIONAL LOAN</u> (Regional Memorandum No. NCR 45, s.2019)		
	1. Letter request	
	2. Hospitalization / Medical Expenses	
	3. Medical Abstract / Certificate / Prescription / Diagnosis	
	4. Baranggay / LGU Certificate / Resolution declaring the borrower's place under State of Calamity	





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8. Immediate dissemination of this Memorandum is desired.

VIOLETA M. GONZALES

Assistant Schools Division Superintendent
Officer-In-Charge
Office of the Schools Division Superintendent

Enclosure: PF Loan Application Form
Reference: As stated
To be indicated in the Perpetual Index
under the following subjects:

PROVIDENT FUND LOANS

KEM/ RESTATEMENT OF THE GUIDELINES ON THE GRANT OF PROVIDENT FUND LOANS TO DEPED
PERSONNEL
249 / 08/27/2024

NUM-2024-249



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Schools Division Office of Muntinlupa City
Provident Fund**



Date Submitted: <input style="width:100%;" type="text"/> Loan Amount: <input style="width:100%;" type="text" value="PhP"/> Type of Loan: <input type="checkbox"/> Multi-purpose <input type="checkbox"/> New <input type="checkbox"/> Renewal <input type="checkbox"/> Additional Term: <input style="width:100%;" type="text" value="year/s"/>	Loan Application No. <input style="width:100%;" type="text"/> Purpose of Multi-Purpose Loan: <input type="checkbox"/> Educational <input type="checkbox"/> Others _____ <input type="checkbox"/> Medical/ Emergency (Pls. specify) <input type="checkbox"/> House Repair - Major/Minor <input type="checkbox"/> Payment of Loans (PLI/GFI) <input type="checkbox"/> Livelihood Purpose of Additional Loan (Extreme Cases): <input type="checkbox"/> Payment of Hospital Bills <input type="checkbox"/> Death of a member of the borrower's family <input type="checkbox"/> Direct victim of a natural or man-made calamity
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Borrower's Information	Co-Maker's Information
(Surname) _____ (First Name) _____ (M.I.) _____ Home Address: _____ Position: _____ Employee No.: _____ Employment Status: _____ Office: _____ Date of Birth: _____ Age: _____ Monthly Salary: PhP _____ Office tel. #: _____ Years in Service: _____ Mobile no. _____ DepEd E-mail address: _____ @deped.gov.ph Specimen Signatures: _____	(Surname) _____ (First Name) _____ (M.I.) _____ Home Address: _____ Position: _____ Employee No.: _____ Employment Status: _____ Office: _____ Date of Birth: _____ Age: _____ Monthly Salary: PhP _____ Office tel. #: _____ Years in Service: _____ Mobile no. _____ Specimen Signatures: _____

LOAN AGREEMENT	
<p>I hereby apply for a Provident Fund Loan in the amount of PESOS: _____ (P _____). In consideration of the grant thereof, I promise to pay all installments due based on the attached amortization schedule and bind myself with the terms and conditions of the loan as stipulated in the applicable guidelines of the DepEd Provident Fund. This document also serves as the Promissory Note upon approval of this loan.</p> <p>Accordingly, I hereby authorize the deductions of the monthly amortization from my salary. Should I be separated from the service, I also hereby agree to settle my outstanding loan balance before the date of my retirement/separation from the service, either through full payment in cash or through the execution of a notarized Promissory Note.</p> <p align="center">_____ Signature of Borrower over Printed Name Date</p>	<p>I hereby agree to assume all the outstanding obligations for the grant of this loan should the principal borrower be separated from the service, and either retirement or separation benefits due to him/her is not received or is insufficient to settle the borrower's outstanding loan, and upon proper notification by the Provident Fund Secretariat.</p> <p>Accordingly, I hereby authorize the monthly deduction from my salary of the amortizations for the outstanding obligation of the principal borrower until his/her loan is fully paid.</p> <p align="center">_____ Signature of Co-Maker over Printed Name Date</p>

CERTIFICATE OF EMPLOYMENT AND CREDIBILITY	
Personnel Division/Unit: This is to certify that the above loan applicant/borrower: (1) is a ___ permanent/___ co-terminus employee of this Office and is not on leave of absence without pay; (2) has net pay of PhP _____ for the payroll month & year of _____; and (3) has given the true and correct information on the Loan Application Form. <p align="center">NOEMI A. VALDEZ _____ Signature over Printed Name Designation <u>Head, Administrative Unit</u> Date: _____</p>	Legal Service/Unit: This is to certify that the above loan applicant/borrower has no pending administrative nor civil case charge against him/her based on records on file with DepEd. <p align="center">ATTY. ERNESS FAITH REGACHO-ESPANTO _____ Signature over Printed Name Designation: <u>Head, Legal Unit</u> Date: _____</p>

SECRETARIAT'S ASSESSMENT/EVALUATION

A. Documents Submitted: [Two (2) Copies of each]

- Loan Application Form (LAF)
- Authorization to Deduct
- Latest copy of pay slip
- Photocopy of Government ID
- Approved Appointment (for FIRST TIME borrowers and Co-terminus employees only)
- Copy of Notarized Contract of Service as proof of two (2) years continuous service (for Co-terminus only)
- Others (specify): CERTIFICATE OF NO PENDING CASE

- Additional documents for Additional Loan (Extreme Cases)
 - Hospitalization Bill
 - Medical Abstract/Certificate/Prescription/Diagnosis
 - Barangay/LGU certificate/resolution declaring the borrower's place under State of Calamity
 - Death Certificate of Family Member within 3rd civil degree

Reviewed by:	Date:
NOEMI A. VALDEZ	
Administrative Officer V	

B. Completeness and Veracity of Submitted Documents:

- Signed and completely filled out LAF
- Complete supporting documents for type of loan applied for
- Signatures on LAF are by authorized signatories

Reviewed by:	Date:
KARINA E. MEDINA	
Accountant III	

C. Eligibility of the Borrower and Co-Maker

- Borrower will not reach the mandatory age retirement on or before the maturity of his/her loan. Age:
- Co-Maker will not reach the mandatory age retirement on or before the maturity of the borrower's loan. Age:
- Borrower has Outstanding PF Loan Balance:
 - Current Loan Balance Amount: PhP
 - Past-Due Loans Amount: PhP
 - No. of Years/Months Past-Due: Year/s: Month/s:
- Borrower's Net Take-Home Pay after deduction of monthly amortization of the loan being applied for is equal to or higher than the required threshold for the current year.
- For renewal of loans: Borrower has paid at least 30% of the principal of the existing loan.

Percentage of principal paid: %

Verified by:	Date:
MICHAEL M. NAVIA	
Provident Fund Clerk	

D. Computation of Loan:

Principal Amount of Loan PhP
 Less: Outstanding Balance of Loan to be Renewed
 Principal PhP
 Interest
 Net Proceeds PhP -

Net Take Home Pay after Deduction PhP
 Monthly Amortization PhP
 Period of Loan (mm/yy - mm/yy)

Date Processed:

Processed by: MICHAEL M. NAVIA
 Signature over Printed Name
 Provident Fund Clerk

Remarks:

Reviewed by: KARINA E. MEDINA
 Signature over Printed Name
 Accountant III

ACTION TAKEN:

Recommending Approval:

- Approved
- Disapproved

KARINA E. MEDINA
 Accountant III

VIOLETA M. GONZALES, CESO VI
 Assistant Schools Division Superintendent
 OIC, Office of the Schools Division Superintendent

Date:

Date:

AMOUNT OF LOAN AMORTIZATION SCHEDULE

	12 mos.	24 mos.	36 mos.	48 mos.	60 mos.
P 10,000.00	860.67	443.21	304.22	234.86	193.33
P 20,000.00	1,721.33	886.42	608.44	469.71	386.66
P 30,000.00	2,582.00	1,329.62	912.66	704.56	579.99
P 50,000.00	4,303.33	2,216.04	1,521.10	1,174.26	966.65
P 100,000.00	8,606.67	4,432.07	3,042.20	2,348.51	1,933.29
P 200,000.00	17,213.29	8,864.13	6,084.39	4,697.01	3,866.57

Authorization for Salary Deduction

Personnel Division/Unit
(Address) _____

I hereby authorize the deduction of _____ PESOS (P_____) from my salary for _____ months, from _____, 20__ to _____, 20__, or until my total outstanding loan of _____ PESOS (P_____) plus interest has been fully paid. Amount deducted shall be **credited to the account** of the DepEd Provident Fund as receivables on the said loans.

Signature over Printer Name

Employee No.: _____ Status: _____ Designation: _____
Division: _____ Code: _____ Service: _____

RPSU Copy

AMOUNT OF LOAN AMORTIZATION SCHEDULE

	12 mos.	24 mos.	36 mos.	48 mos.	60 mos.
P 10,000.00	860.67	443.21	304.22	234.86	193.33
P 20,000.00	1,721.33	886.42	608.44	469.71	386.66
P 30,000.00	2,582.00	1,329.62	912.66	704.56	579.99
P 50,000.00	4,303.33	2,216.04	1,521.10	1,174.26	966.65
P 100,000.00	8,606.67	4,432.07	3,042.20	2,348.51	1,933.29
P 200,000.00	17,213.29	8,864.13	6,084.39	4,697.01	3,866.57

Authorization for Salary Deduction

Personnel Division/Unit
(Address) _____

I hereby authorize the deduction of _____ PESOS (P_____) from my salary for _____ months, from _____, 20__ to _____, 20__, or until my total outstanding loan of _____ PESOS (P_____) plus interest has been fully paid. Amount deducted shall be **credited to the account** of the DepEd Provident Fund as receivables on the said loans.

Signature over Printer Name

Employee No.: _____ Status: _____ Designation: _____
Division: _____ Code: _____ Service: _____