



Republic of the Philippines  
Department of Education  
Region V (Bicol)  
DIVISION OF CATANDUANES  
Virac



October 5, 2015

**RELEASED**  
DepEd-Division of Catanduanes  
RECORDS SECTION  
Date: OCT 13 2015  
Time: 2:15 pm  
By: [Signature]

MEMORANDUM

TO: CID/SGOD Staff  
SDO Section Chiefs  
Public Schools District Supervisor  
Elementary and Secondary School Heads

FROM: NYMPHA D. GUEMO  
Asst. Schools Division Superintendent  
Officer In-Charge

SUBJECT: DepEd PROVIDENT FUND

Pursuant to DepEd Order 97, s. 1992 relative to establishment of DECS Provident Fund provides that the fund aims to provide DepEd officials and employees with benefits and loans for emergency needs of the teacher/employee, for their children; for hospitalization and that of their immediate dependencies, for educational loans; for minor but immediately needed repair of their houses; and for other purposes to be determined by the National Board of Trustees.

In this connection, the following are the policies and guidelines to avail such loan:

Regular Loan: (5,000.00 to 10,000.00)

1. Accomplished application form stating among others, the specific purpose for which the loan will be used, including the appropriate supporting documents;
2. Latest pay slip indicating monthly salary deductions

Special Loan:

1. Accomplished application form
2. Letter of Intent (60,000.00 to 100,000.00) addressed to the Regional Director for approval, stating the purpose for which the loan will be used including supporting documents
3. Application to avail 20,000.00 to 50,000.00, with appropriate supporting document.
4. Latest pay slip

Per DepEd Order No. 20, s. 2012, the DepEd Provident Fund shall grant additional loan up to the maximum amount of One Hundred Thousand Pesos (P100,000.00). The loan shall be granted by the Secretary at his discretion, for humanitarian reasons, to teachers and non-teaching employees, suffering from extreme financial difficulty because of an immediate need for financial assistance and whose final recourse is the DepEd Provident Fund. Examples of such need are for medical purposes, such as surgery, chemotherapy, dialysis and such other procedures needs to be undertaken by the borrower's immediate member of the family.

The request shall be made in writing and addressed to the Regional/Division Secretariat which shall include such requests and recommend approval. If the Regional/Division Secretariat or the Regional Board finds that the purpose of the additional loan does not meet the conditions for this loan, it shall immediately disapproved the loan request and notify the concerned teacher/employee-borrower.

Other limitations set forth in the implementing guidelines, such as the automatic salary deduction scheme re-payments, the monthly net take home pay, term of loan re-payment and rate of interest, among others, shall be considered and applied in the evaluation of the application of the additional loan.

The Provident Fund Loan shall have an interest rate of six percent (6%) per annum, add-on and straight computation. Repayment period shall be at the option of the borrower, subject to his/her capacity to pay and the computation of his/her net take home pay which shall not be reduced to less than Three Thousand Pesos (Php3,000.00) after all deductions including the provident fund loan amortization. The borrower may opt for a repayment schedule of twelve (12, one year) up to a maximum period of sixty (60, five years) equally monthly installments. In all cases, repayments of loan shall be through automatic deductions from the borrower's salary, either by agency payroll or PSD-IBM deductions.

The National/Regional Boards may allow renewal of loan provided that fifty percent (50%) of the previous loan has been paid, there are no pending applications for new loans and the balance of the principal amount shall be deducted from the new loan.

Loan applicants shall be required to have a co-maker who is a permanent employee of the Department and not due for retirement during the pendency of the loan.

Per Unnumbered Regional Memorandum dated October 2, 2012, the Division Provident/Secondary Schools with Fiscal Autonomy are hereby discouraged to submit the applications with undeducted obligations. The DepEd Regional Provident Fund Board may automatically disapproved said applications.

Outstanding loan balances of borrowers who are due for retirement during the pendency of the loan shall only cover the principal amount of the loan. Retiring teachers/employees shall be requested to either pay the outstanding loan balance in full or issue a notarized promissory note stating, among others, that the outstanding loan balance shall be paid in full upon the receipt of his/her retirement/terminal leave benefits.

Qualified casual employees, including contractual employees with appointment and co-terminus employees, who have been in the service with the Department for at least two (2) years of continuous services, may avail Provident fund loan up to a maximum of twenty thousand pesos (P20,000,00) only and shall be payable up to maximum of two years.

With the aforementioned policies and guidelines, all those qualified applicants are encouraged to avail the loan, subject to the availability of fund, instead of going to private lenders.