



Republic of the Philippines
Department of Education
REGION I



REGIONAL MEMORANDUM
No. 853, s. 2026

**RECONSTITUTION OF THE REGIONAL PROVIDENT FUND
BOARD OF TRUSTEES AND SECRETARIAT**

To: All Schools Division Superintendents
DepEd RO I Chiefs of Functional Divisions
DepEd RO I Heads of Units/Sections
All Others Concerned

1. In compliance to DepEd Orders No. 12, s. 2004 and No. 37, s. 2018, DepEd Region I Provident Fund Board of Trustees and Secretariat is reconstituted with the following members:

BOARD OF TRUSTEES:

Chairperson: **ESTELA P. LEON-CARIÑO, EdD, CESO III**
Director IV

Vice-Chairperson: **ATTY. DONATO D. BALDERAS, JR.**
PASS President
Division of Ilocos Norte

Executive Officer/: **ATTY. RHEA JOY L. CARBONELL**
Head Secretariat Chief Administrative Officer
Administrative Division

Administrative Group **ATTY. ROSEMARIE M. WAILAN**
Representative: Attorney IV
Legal Unit

Teacher's **MR. REMENIO KAWIS**
Association: Officer, Teachers Dignity Coalition
La Union Chapter

Members: **MR. ARNOLD I. VINO**
Chief Administrative Officer
Finance Division

MR. OSCAR P. FLORES
Chief Education Supervisor
Quality Assurance Division





Republic of the Philippines
Department of Education
REGION I

SECRETARIAT:

MR. RAMON O. CANIEZO
Supervising Administrative Officer
Administrative Division

MS. MAY G. CACANINDIN
Accountant III
Finance Division

MS. LEAH M. PAET
Administrative Officer V, Cash Unit

MS. ANGELICA G. AMANO
Accountant I, Finance Division

2. The Regional Board of Trustees shall serve a term of one (1) year from the issuance of this Memorandum and shall perform the functions and responsibilities provided in V, Number 2 of DepEd Order 12, s. 2004. Furthermore, the functions and responsibilities of the Secretariat are stipulated under VII of the said DepEd Order.
3. For information and guidance of all concerned.

ESTELA P. LEON-CARIÑO, EdD, CESO III
Director IV/Regional Director

Encl.: As Stated

Reference: As Stated
To be indicated in the Perpetual Index
Under the following subjects:

GUIDELINES OFFICERS OFFICIALS PERSONNEL TRAVELS

AD-PS/hfa/RM_ReconstitutionRegionalProvidentFundBoardTrustees&Secretariat

July 7, 2026



REPUBLIKA NG PILIPINAS
REPUBLIC OF THE PHILIPPINES
KAGAWARAN NG EDUKASYON
DEPARTMENT OF EDUCATION
DepEd Complex, Meralco Avenue, Pasig City



Tanggapan ng Kalihim
Office of the Secretary

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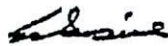
FEB 24 2004

DepED ORDER
No. **12**, s. 2004

REVISED IMPLEMENTING GUIDELINES FOR THE DEPED PROVIDENT FUND

To: Undersecretaries
Assistant Secretaries
Bureau Directors
Regional Directors
Directors of Services/Centers and Heads of Units
All Others Concerned

1. In order to make the DepED Provident Fund more relevant in addressing the needs and demands of DepED officials and employees, this Office issues the enclosed revised implementing guidelines pursuant to Resolution No. 5, s. 2003 approved by the Provident Fund National Board of Trustees.
2. The revised implementing guidelines are based on the recommendations of the participants in the program's orientation workshops conducted in CY 2003 in the different regional chapters where they were given the flexibility in interpreting the guidelines and implementing the program in the most effective and suitable manner applicable to the region.
3. Immediate and wide dissemination of this Order to all concerned is desired.


EDILBERTO C. DE JESUS
Secretary

Encl.: As stated
Reference: DECS Order: No. 50, s. 2001
Allotment: 1- -(D.O. 50-97)
To be indicated in the Perpetual Index
under the following subjects:

CHANGE
EMPLOYEES
FUNDS

Reformatted by: maricar/dm-revised provident fund
02-13-04

"Educating for a Strong Republic"

(Enclosure to DepED Order No. 12, s. 2004)

REVISED IMPLEMENTING GUIDELINES FOR THE DepED PROVIDENT FUND

I. General Objectives

The Fund aims to provide DepED officials and employees with benefits and loans for emergency needs; for their education and that of their children; for their hospitalization and that of their immediate dependents; for minor but immediately needed repair of their houses; and for other similar purposes to be determined by the National Board of Trustees.

II. Beneficiaries

The beneficiaries of the Fund are the teachers as defined in the Magna Carta for Public School Teachers and the administrative support staff (non-teaching) of the Central, regional, division and other field offices of the Department of Education who have permanent/regular status of employment and who incur official payroll deductions. Casual employees who have been in the service with the Department for at least two (2) years and/or who have incurred more than one hundred (100) days of leave credits are also entitled to the benefits of the Fund, but on a limited basis only.

III. Governance

1. The over-all administration and management of the DepED Provident Fund shall be entrusted to the National Board of Trustees, henceforth to be known as the Board.
2. The National Board of Trustees shall be composed of the Undersecretary for Finance as Chairman; the Assistant Secretary for Human Resource Development Service, or equivalent, as Vice-Chairman and Chief Executive Officer; a representative from the Department of Budget and Management; a Regional Director elected by his/her peers; a Bureau/Center/Service Director elected by his/her peers; a teacher representative appointed by the Department Secretary from among nominees of duly recognized teachers' organizations; and a representative of the administrative group who is also appointed by the Secretary from among nominees of non-teaching organizations.
3. A Regional Board of Trustees shall be created to manage and administer the operations of the Fund at the regional level. It shall be accountable and responsible to the National Board for the over-all status and financial condition

of the Fund in the regional level. The Regional Director shall serve as Chairman of the Board, and a Superintendent elected by his/her peers as Vice-Chairman. The Regional Board shall be composed of:

- a. The Chief of the Administrative Division as Executive Officer and Head of the Secretariat;
- b. The Chief of the Regional Budget and Finance Division;
- c. A Chief of any of the Regional Elementary/Secondary/Non-Formal Education Division;
- d. A teacher representative appointed by the Regional Director from among nominees of duly recognized teachers' organizations in the region; and
- e. A representative of the administrative group who is also appointed by the Regional Director from among nominees of duly recognized non-teaching organizations in the region.

IV. Term of Office

All appointive and elected positions in the National/Regional Board of Trustees shall have a term of one (1) year, except for ex-officio members including the Regional Directors in the Regional Boards, after which new sets of officers shall be elected/appointed to the Board. There is no prohibition, however, against the re-appointment of officers in the Board for another term of one (1) year.

V. Functions and Responsibilities of the Board

1. National Board of Trustees

- a. Promulgate, apply and enforce policies, rules and regulations related to the use and operation of the Fund.
- b. Determine the type, use and amount of loans and other benefits that may be granted to DepED employees and prescribe the applicable repayment schedules and interest rates.
- c. Prescribe the eligibility requirements of applicants, claimants and grantees.
- d. Designate and appoint other officers and staff of the Board as may be necessary from among the regular personnel of the Central Office and prescribe their duties, functions, and responsibilities.

- e. Create, constitute and delegate authority to and supervise the Regional Boards which shall undertake the implementation of policies, rules and regulations governing the Fund.
- f. Approve all loans, other benefits and other payments from the Fund.
- g. Perform such other functions as may be necessary to realize the objectives and purpose of the DepED Provident Fund.

2. Regional Board of Trustees

- a. Implement the policies, rules and regulations promulgated by the National Board of Trustees in the best and most suitable manner to efficiently and effectively address the needs and concerns of the teachers and employees in the region.
- b. Administer, supervise and monitor the operations of the Fund at the regional level.
- c. As the need arises, designate and appoint other staff and officers of the Regional Board from among the regular staff of the regional office.
- d. Render periodic reports to the National Board of Trustees on the status of operations and financial condition of the Fund.
- e. Create Division Secretariats to be headed by the Division Superintendent to administer the operations of the Fund in the division level under the supervision of the Regional Board. When necessary and applicable, delegate authority to approve loans to the Division Superintendent but only up to a maximum amount that shall be hereinafter set forth. The Division Secretariat shall render monthly/quarterly reports to the Regional Board on the status of operations and financial condition of the Fund.
- f. Perform such other functions as may be necessary to effectively carry out the implementation of the policies, rules and regulations promulgated by the National Board of Trustees.

VI. Secretariat of the Board

- 1. The Employees Welfare and Benefits Division shall serve as the Secretariat of the National Board of Trustees. The Division Chief, as Head of the Secretariat, shall recommend to the Board the functions, organization, and compensation for overtime services of the staff for approval of the Board.

2. The Secretariat of the National Board of Trustees shall monitor the activities all regional chapters.
3. The Regional Board shall create its own respective Secretariat, determine specific functions, organization and compensation for overtime services rendered by its clerical staff. It shall also create Secretariats in the divisional offices to administer the operations of the Fund in the division level.
4. The Secretariat shall be the implementing arm of the Fund. It shall design officers from among the present employees of the Accounting, Cash and Administrative Divisions/Units in coordination with their respective Chiefs who shall attend to matters related to the disbursement of the Fund.

VII. Functions of the Secretariat

1. Implement the policies, rules and regulations promulgated by the Board.
2. Approve loans as delegated by the Board.
3. Serve as "think tank" of the Board, conceptualizing and developing projects to be funded by the Fund for approval by the Board.
4. Supervise the lending operations of the Fund with authority to suspend the privileges granted by the Fund in accordance with the rules and regulations promulgated by the Board.
5. The Secretariat of the National Board of Trustees shall recommend the release of fund allocation to the regional chapters based on an approved set of evaluation criteria established for this purpose. Similarly, the regional secretariats shall recommend the release of fund allocation to the different division chapters.
6. Subject to the resolution of the Board of Trustees, to execute all contractual agreements, deeds, bonds, mortgage, and other obligations in the name of the Fund.
7. Prepare and submit a budget for the administration of the Fund, as well as a list of the necessary personnel and the equivalent compensation.
8. Coordinate and keep records of the remittances, collections and financial transactions of the Fund.
9. Authorize the receipts and disbursements of funds pursuant to the resolutions and orders of the Board and to require receipts, vouchers, invoices and other documents necessary for proper accounting.

3. Expenses for the overtime pay of clerical staff and for the proper maintenance and operations of the Fund's assets may be charged against twenty percent (20%) of the retained earnings of the Fund's operations, subject to the usual government accounting and auditing rules and regulations.

X. Limitations and Restrictions on the Use of the Fund

1. All policies, rules and regulations governing the Fund must provide for the widest and most equitable dispersal of benefits; and preserve the integrity of the Fund and maintain its viability.
2. The principal of the Fund may be utilized to extend guaranteed loans. Expenses and other payments shall be charged against income from operations and any surplus shall accrue to the principal at the end of the fiscal year.
3. To ensure the widest and most equitable distribution of benefits, the Fund shall be distributed to the seventeen (17) regional chapters, with the Central Office as one regional chapter, pro-rated to the number of plantilla positions for public school teachers and administrative support staff in each region. Similarly, the regional chapters shall distribute its fund allocation to its division chapters pro-rated to the number of plantilla positions for public school teachers and administrative support staff in each division. However, the Board may come up with a mode of distributing allocations based on performance, i.e. efficiency and effectiveness of the regional chapters in implementing the program.
4. The loan shall be used for the following purposes:
 - a. Regular loans for emergency needs of the teacher/employee, or immediate and other members of his/her family up to the fourth degree of consanguinity or affinity.
 - i. Accident/Illness experienced by the teacher/employee, or immediate and/or other members of his/her family up to the fourth degree of consanguinity or affinity
 - ii. Death of immediate and/or other members of his/her family up to the fourth degree of consanguinity or affinity
 - iii. Educational loans for the teacher/employee, or immediate and/or other members of his/her family up to the fourth degree of consanguinity or affinity

10. Prepare status reports of operations on a monthly/quarterly basis and coordinate with the Accounting Division for the preparation of the Fund's financial reports. The regional secretariats shall also prepare consolidated annual report for submission to the National Secretariat which shall in turn consolidate all regional reports and prepare the over-all annual report.
11. Provide support staff/clerical staff to the Board of Trustees.
12. Perform other functions as may be assigned by the Board.

VIII. Disbursement and Processing Procedure

1. All loan applications shall be processed by the Secretariat, and may approve such loans as delegated by the Board, after which the processing of approved loan applications shall go through the normal procedures presently employed by the DepED Central/Regional/ Division Offices in the processing of vouchers/payrolls and disbursement of funds.
2. Purchase of assets of the Fund and other payments for approved expenses shall follow the usual procurement, accounting and auditing procedures and rules and regulations. Assets of the Fund shall refer to office equipment intended to improve operations, such as computers for the exclusive use of the Secretariats, and such other properties that will be utilized for the benefit of DepED teachers and employees. Provided, however that, expenses for the purchase of assets and for approved expenses such as payment of overtime services and purchase of supplies, shall not exceed two percent (2%) and twenty percent (20%) respectively, of the retained earnings on operations of the Provident Fund.
3. All financial transactions pertinent to the Fund, including asset purchases, shall be recorded in accordance with the standard charts of accounts.

IX. Compensation of Staff and Operational Expenses

1. The members, officers, and staff of the National/Regional Boards shall serve without compensation, except for payment of actual overtime services rendered by the clerical staff.
2. Reasonable expenses incurred by the members of the National/Regional Boards in connection with Board activities will be reimbursed chargeable against the retained earnings on operations, provided such expenses are properly supported by receipts and other pertinent documents and subject to the usual accounting and auditing rules and regulations.

- ii. Latest pay slip/payroll indicating monthly salary deductions.
 - iii. Casual employee-borrowers shall also submit a copy of his/her latest appointment in addition to the above requirements.
8. The granting of loans shall be determined by the monthly/annual income of the applicants and on a first come first served basis. Applicants with lower salaries and those who are not entitled to receive service fees shall be given priority in the granting of loans.
 9. Applicants whose net take home pay is less than Three Thousand Pesos (P3,000.00) are not eligible to borrow from the Fund. Net take home pay shall be computed as follows:

	Monthly Basic Salary
Add :	<u>Monthly Allowances (ACA and PERA)</u>
	Gross Salary
Less :	<u>Total Monthly Deductions (inclusive of deduction for the Provident Fund loan applied for)</u>
	<u>Monthly Net Take Home Pay¹</u>

10. All types of loans shall have an interest rate of six percent (6%) per annum, add-on and straight computation. The regular loan shall be paid in twenty four (24) equal monthly installments (two [2] years), while the special loan may be paid in either twenty-four (24, two [2] years), thirty-six (three [3] years) or sixty (60, five [5] years) equal monthly installments, depending on the borrower's capacity to pay and with his/her consent. The teacher/employee-borrower may opt for a shorter repayment term for his/her loan. In all cases, re-payment of loans shall be through automatic deduction from the borrower's salary, either by agency payroll or PSD-IBM deduction.
11. The National/Regional Board may allow renewal of the regular and special calamity loans as long as sixty percent (60%) of the previous loan has been paid and the balance of the principal amount shall be deducted from the new loan, provided, however that, there are no pending applications for new loans.
12. All borrowers must have a co-maker who is a permanent employee of the Department and not due for retirement during the pendency of the loan.

¹ Amends DepED Order No. 27, s. 2003

b. Special Loans

- i. Hospitalization/Medical expenses of teacher/employee or immediate and/or other members of his/her family up to the fourth degree of consanguinity or affinity
 - ii. Educational expenses of teacher/employee or immediate and/or other members of his/her family up to the fourth degree of consanguinity or affinity
 - iii. Other emergency expenses to be specified by the teacher/employee-applicant
5. The amount of the regular loan shall either be Five Thousand Pesos (P5,000.00) or Ten Thousand Pesos (P10,000.00). The special Provident Fund loan in the amount of Twenty Thousand Pesos (P20,000.00) up to a maximum limit of Fifty Thousand Pesos (P50,000.00) may be extended to the teachers/employees upon approval by the Board Chairman, subject to the availability of funds, the actual need of the teacher/employee-applicant, and to other pertinent limitations set forth, without prejudice to other pending loan applications for the regular loan. Qualified casual employees, specifically those with one hundred (100) days of leave credits, may avail of the special Provident Fund loan up to a maximum amount of Twenty Thousand Pesos (P20,000.00) only.
6. A borrower may avail of the regular loan and the special loan simultaneously.
7. The requirements for the different types of loans are as follows:
- a. Regular Loan
 - i. Accomplished application form
 - ii. Latest pay slip/payroll indicating monthly salary deductions
 - b. Special Loan
 - i. Accomplished loan application form stating, among others, specific purpose for which the loan will be used, including appropriate supporting documents, for approval of the Board Chairman.

In the regional chapters, the Regional Board Chairman may delegate authority to approve special loans of up to Twenty Thousand Pesos (P20,000.00) to the Division Superintendents. However, special loans in the amount of more than Twenty Thousand Pesos (P20,000.00) shall be approved by the Regional Board Chairman.

13. 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.
14. Request to purchase assets for the regional/division chapters shall be made in writing in the form of a Board Resolution submitted to the National Board, through the Secretariat, for approval.
15. Any unutilized portion of the Fund after a substantial period of time may be invested exclusively in Treasury Bills or other government securities. Income earned from such investments shall accrue to the Provident Fund.
16. Whatever balance remaining in the Fund shall revert to the National Treasury in the event of termination of the Fund.

XI. Audit of the Fund

1. The Fund and its operations shall be audited by the Commission on Audit, through its representative, annually or as the need arises.
2. The National Board of Trustees, through its Secretariat, may request the Commission on Audit to assess the operations and financial status of any Regional/Division Chapter's Fund as may be necessary.

XII. Annual Report

1. The National Board of Trustees shall prepare and submit an annual report on the over-all operations of the Fund and its financial condition and status on or before the end of the first quarter of the following year to the Office of the President, the Department of Budget and Management, and to the Secretary of Education.
2. The Regional Boards shall prepare and submit a similar consolidated annual report (including the division offices it) on or before the end of the first month of the following year to the National Board. The Regional Boards shall also submit monthly/quarterly reports of the financial condition of the Fund to the National Board, through its Secretariat, using the format hereto attached as Annex "A."
3. Failure to submit said requirements will warrant the suspension of all new transactions on the Fund until such time that the report is submitted.

**DEPEDED PROVIDENT FUND
STATUS OF FUNDS**

As of _____
Region _____

Month	Number of		Amount Received		Collection/Rent/Interest		Total Funds (4+5+6+7+8)	Disbursements		Total Disbursements (9+10+11)	Total Funds Available For Loan (8-11+12)	Outstanding Loans Receivable (9-8+13)	Remarks
	Borrowers	Loans Granted	C.O.	R.O.	Principal	Interest		Loans	Other Disbursements				
1	2	3	4	5	6	7	8	9	10	11	12	13	14
Total Balance forwarded:													
1992													
1993													
1994													
1995													
1996													
1997													
1998													
1999													
2000													
2001													
2002													
2003													
Sub-total													
January													
February													
March													
April													
May													
June													
Sub-total													
Total													

Prepared by: _____

Certified Correct: _____

Approved: _____

Accountant: _____

Regional Director
Chairman, Regional Board of Trustees



Republic of the Philippines
Department of Education

10 SEP 2018

DepEd ORDER
No. **037** s. 2018

**AMENDMENTS AND ADDITIONAL PROVISIONS TO DEPED ORDER
NOS. 12, S. 2004; 36, S. 2007; AND 52, S. 2017**
(Revised Implementing Guidelines for the DepEd Provident Fund)

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

1. Pursuant to Resolution No. 1, s. 2018 of the Department of Education (DepEd) Provident Fund (PF) National Board of Trustees (NBT), the pertinent provisions of DepEd Order (DO) Nos. 12, s. 2004; 36, s. 2007; and 52, s. 2017 on the Revised Implementing Guidelines for the DepEd are amended as follows:

a. Item 1.a of DO 36, s. 2007 (Section X.4 of DO 12, s. 2014)

Existing Provision	Amendment
The loan shall be used for emergency needs of the teacher/employee, or immediate and other members of his/her family up to the fourth degree of civil consanguinity or affinity: i. Hospitalization and/or medical expenses resulting from an accident/illness; ii. Death of immediate and/or other members of his/her family up to the fourth degree of consanguinity or affinity; iii. Educational loans; iv. Minor but immediately needed repair of the house of the teacher/employee; and v. Other emergency expenses to be specified by the teacher/employee-applicant.	The following are the types of PF loans that may be applied for by a DepEd personnel: a. Multi-Purpose Loan (MPL), whether for educational, medical, or emergency needs of the teacher/employee, or the immediate and other members of his/her family, major and minor house repairs/improvements, payment of loans from other private lending institutions (PLIs) and/or government financial institutions (GFIs), livelihood, and for other legal purposes; and b. Additional Loan, which shall be for extreme emergency cases only.

b. Item 2.iii of DO 36, s. 2007

Existing Provision	Amendment
Examples of extreme emergency cases are: (1) Payment for hospital bills of the teacher/employee or member of his/her family within the third civil degree of consanguinity/affinity; (2) Death of a member of the borrower's family within the third degree of consanguinity/affinity; or (3) Borrower is a direct victim of a natural or man-made calamity, such as typhoons, fire, robbery, armed conflict, etc.; The loan requirements are as follows: i. Accomplished application form, stating among others, the specific purpose for which the loan will be used, including the appropriate supporting documents; ii. Latest pay slip/payroll indicating monthly salary deductions; iii. Casual employee-borrowers shall also submit a copy of his/her latest appointment, in addition to the above requirements.	Applications for Additional Loans at the Regional and Schools Division PF Chapters shall be approved by the DepEd PF Regional Board of Trustees, which will then be reported to the DepEd NBT for confirmation, while the DepEd Central Office Chapter shall be approved by the DepEd NBT. Additional loans shall be justified by the DepEd borrower by citing extreme emergency cases, such as: a. Payment of hospital bills of DepEd personnel or member of his/her family within the third civil degree of consanguinity/affinity; or b. Death of a member of the borrower's family within the third civil degree of consanguinity/affinity; or c. Borrower is a direct victim of a natural or man-made calamity, such as typhoons, fire, robbery, armed conflict, and others. The documentary requirements are as follows: i. Accomplished application form, stating among others, the specific purpose for which the loan will be used. Refer to the enclosure for the Revised Loan Application Form; and ii. Latest pay slip/payroll indicating monthly salary deductions.

c. Item 1.e of DO 36, s. 2007

Existing Provision	Amendment
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.	The National/Regional Boards may allow renewal of loan provided that at least thirty percent (30%) of the existing 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.

d. Part VI, Item 3 (Enclosure) of DO 12, s. 2004—Secretariat of the Board

Existing Provision	Amendment
The Regional Board shall create its own respective Secretariat, determine its specific functions, organization and compensation for overtime services rendered by its clerical staff. It shall also create secretariats in the division offices to administer the operations of the Fund in the division level.	The Regional Board shall create its own respective Secretariat composed of selected staff from the Administrative Services Division (focal office), Finance Division and Legal Section. The Secretariat shall determine its specific functions, organization and compensation for overtime services rendered by its clerical staff. It shall also create Secretariats in the schools division offices, with similar/parallel composition as in the Regional Board, to administer the operations of the Fund in the schools division level. The Regional Board shall regularly update the National Board through the National Board Secretariat with compositions of the Regional and Schools Division Boards Secretariats, for records and monitoring purposes.

e. Item 1.b of DO 52, s. 2017

Existing Provision	Amendment
All types of loans shall have a contractual interest rate of six percent (6%) per annum, computed using the diminishing/declining balance method, wherein the interest per installment period is calculated based on the outstanding balance of the PF	Effective November 2017, 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

loan at the beginning of each installment period.

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 up to 60 months, subject to his/her capacity to pay. In all cases, repayment of loans shall be through automatic payroll deductions. For guidance, refer to Illustrations 1 to 5, for terms of loan of 1 to 5 years, respectively and the corresponding notes.

interest per installment period is calculated based on the outstanding balance of the PF loan at the beginning of each installment period.

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 up to 60 months, subject to his/her capacity to pay. In all cases, repayment of loans shall be through automatic payroll deductions and over-the-counter payment in case of dislodged PF deductions in the payroll.

The amount of loan amortization of the borrowers with outstanding PF loan balance as of November 2017 shall be maintained in the payroll until full payment. The PF Secretariat shall make necessary adjustments in the posting of the borrowers' respective accounts in the Subsidiary Ledgers, and any excess payments for fully paid loans using the new method of loan computation shall be refunded to the concerned borrowers.

For guidance, refer to Illustrations 1 to 5, for terms of loan of 1 to 5 years, respectively.

2. The following are the additional provisions to DO 12, s. 2004:

- a. Newly hired teachers are allowed to avail of PF loan with the following terms:

Maximum Loanable Amount	One month basic salary
Term	Six months
Interest	6% per annum or 0.5% per month, computed using the diminishing balance method

b. The outstanding principal PF loan balance of a DepEd borrower who transferred from one station to another shall be transferred to the recipient station through proper recording in their books of accounts. The PF loan account transferred shall still be subject to imposition of interest.

c. Provision of bad debts for deceased borrowers shall be allowed at 1% of the total outstanding loans receivables for each PF chapter starting year 2018, subject to the usual accounting and auditing rules and regulations.

3. Provisions in the implementing guidelines as contained in DO 12, s. 2004; 36, s. 2007; and 52, s. 2017, which are inconsistent with the aforementioned amendments and additional provisions are rescinded while those that are not affected shall continue to be observed.

4. This Order shall take effect upon its approval.

5. Immediate dissemination of and strict compliance with this Order is directed.


LEONOR MAGTOLIS BRIONES
Secretary

Encl.:

As stated

References:

DepEd Order: (Nos. 12, s. 2004; 36, 2007; and 52, s. 2017)

To be indicated in the Perpetual Index
under the following subjects:

AMENDMENT
BENEFITS
CHANGE
EMPLOYEES
FUNDS
OFFICIALS
POLICY
SALARY
TEACHERS