



Republic of the Philippines
Department of Education

10 SEP 2018

DepEd O R D E R
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
<p>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:</p> <p>i. Hospitalization and/or medical expenses resulting from an accident/illness;</p> <p>ii. Death of immediate and/or other members of his/her family up to the fourth degree of consanguinity or affinity;</p> <p>iii. Educational loans;</p> <p>iv. Minor but immediately needed repair of the house of the teacher/employee; and</p> <p>v. Other emergency expenses to be specified by the teacher/employee-applicant.</p>	<p>The following are the types of PF loans that may be applied for by a DepEd personnel:</p> <p>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</p> <p>b. Additional Loan, which shall be for extreme emergency cases only.</p>

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

Existing Provision	Amendment
<p>Examples of extreme emergency cases are:</p> <ol style="list-style-type: none"> (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.; <p>The loan requirements are as follows:</p> <ol style="list-style-type: none"> 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. 	<p>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.</p> <p>Additional loans shall be justified by the DepEd borrower by citing extreme emergency cases, such as:</p> <ol style="list-style-type: none"> 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. <p>The documentary requirements are as follows:</p> <ol style="list-style-type: none"> 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
<p>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.</p>	<p>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.</p>

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

Existing Provision	Amendment
<p>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.</p>	<p>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.</p> <p>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.</p>

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

Existing Provision	Amendment
<p>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</p>	<p>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</p>

<p>loan at the beginning of each installment period.</p> <p>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.</p>	<p>interest per installment period is calculated based on the outstanding balance of the PF loan at the beginning of each installment period.</p> <p>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.</p> <p>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.</p> <p>For guidance, refer to Illustrations 1 to 5, for terms of loan of 1 to 5 years, respectively.</p>
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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:

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