



Republic of the Philippines
Department of Education
CARAGA REGION

DEPARTMENT OF EDUCATION
RECORDS UNIT, REGIONAL OFFICE-CARAGA

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REGIONAL MEMORANDUM

No. 407, s. 2025

APR 24 2025

To: Assistant Regional
School Division Superintendent
Assistant School Division Superintendent
Chiefs of Functional Divisions
All Others Concerned
This Region

POLICY GUIDELINES ON THE PROVIDENT FUND LOANING OPERATION

1. The Commission on Audit has issued Audit Observation Memorandum (AOM) citing among others the laxity on the application and processing of Provident Loan which resulted to non-collection of monthly amortizations. In case of transfer or retirement, the transferee or retiree cannot be compelled to pay, exposing Provident Funds to the risk of non-collection.
2. In compliance with the AOM as well as with its recommendation, and to ensure that Provident Funds are released only to eligible employees; and can be collected without issue-including from transferees and or retirees, this Office issues the foregoing policy guidelines on Provident Fund loaning operations, to wit:
 - a. PF loan applications must be in the prescribed form and must bear a co-maker who is eligible and at least of equal rank with that of the applicant, except in the case of the Regional Director (RD), Assistant Regional Director (ARD), Schools Division Superintendents (SDSs) and Assistant Schools Division Superintendents (ASDSs), whose co-maker may be a Chief, for purpose of eligibility;
 - b. Each application must comply with the required Net Take Home Pay (NTHP) as stipulated in the General Appropriations Act (GAA) which is at least P5,000.00;
 - c. The co-maker shall understand that by affixing his/her signature, he or she is equally liable with the principal borrower in the event the later fails or is incapacitated to pay the loan, and that the loan shall be considered as due and demandable;
 - d. No additional Provident Loan shall be granted unless the principal borrower has paid at least 30% of the existing loan. The maximum loanable amount shall adhere to the currently allowable limits for regular and emergency loans,
3. DepEd Employee both in the Regional Office (RO) and Schools Division Offices (SDO) who is about to transfer, resign, or retire shall execute and submit a duly signed and accomplished Division Clearance (for SDO employees) and Regional Clearance (for RO employees). Any Official who fails to enforce this requirement, or who allows an employee to transfer, resign, or retire without clearance, shall be held personally liable for employee's outstanding Provident Loan.



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4. To be responsive to the needs of our employees, Provident Fund loans shall be **processed, completed, approved and released within three (3) working days in adherence with Republic Act 11032 otherwise known as Ease of Doing Business and Efficient Delivery of Government Services**

5. SDOs shall qualify for the additional Provident Fund downloading if they comply with the following requirements:

- a. Submission of PF loaning operations report every 15th of the month, and
- b. Remittance of monthly loan collection of at least 90%.

Non-compliance with these two requirements shall automatically disqualify the SDO concerned of additional provident fund downloading and shall only be qualified of in the succeeding month if they met the foregoing requirements.

6. Each SDOs shall observe equal opportunity of availment of Provident Loan by teaching and non-teaching personnel, and shall avoid any act of discrimination.

7. For information, guidance and strict compliance.


MARIA INES C. ASUNCION
Director IV
Regional Director 

Encl.: NONE

Reference: AOM No.: 2025-001 (2024)

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

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ASD/jbr
04/21/2025



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