



August 20, 2019



REGIONAL MEMORANDUM

No. 471, s. 2019


APPROVAL ON APPLICATION OF LOANS FOR GSIS, PAG-IBIG AND PROVIDENT FUND

TO: Schools Division Superintendents
Division AAO'S/Verifiers
This Region

1. Department Order No. 55, s. 2017 dated October 26, 2017 mandates all DepEd Authorized Approving Officers (AAO's) to exercise due diligence in certifying the Net Take Home Pay of DepEd Personnel (NTHP). Loans that are beyond the capacity to pay by DepEd borrowers may result in imposition of penalties and accrued interests by creditors.
2. On August 14, 2018, the Office of the Undersecretary for Finance issued DM-OUFDA-2018-0011, **RE: Directives on Certain Issues and Concerns Regarding GSIS Loans of DepEd Personnel** which directs all AAO's to inform (for applications that include GFAL) or course through (for applications for other GSIS loans) all applications for GSIS loans to the DepEd Verifiers for tagging and/or assessment purposes, respectively, of the DepEd personnel's resulting Net Take Home Pay.
3. It has been noted in our current payroll preparation that some of the Schools Division Offices in Caraga had approved GSIS, Pag-ibig, Provident loan applications without coursing them through DepEd Regional Payroll Verifiers. Under DepEd Order 55, s. 2017, these financial institutions enjoy first preference in terms of loan deductions, therefore, existing deductions to Private Lending Institutions (PLI's) were accordingly affected and undeducted as a result of the new loan approved.
4. To protect our DepEd Employees from suffering the imposition of interests and penalties due to undeducted loan amortization, as a matter of policy, all Schools Division Superintendents and Division AAO's/Verifiers are directed not to approve loan applications of RPSU paid employees for GSIS, Pag-Ibig and Provident without awaiting verification from the Regional Payroll Verifiers confirmation to ensure that they have the capacity to pay the new loan applied.
5. Immediate dissemination of this memorandum is desired.



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ASD/jbr
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