



Republic of the Philippines
Department of Education
Region XI
SCHOOLS DIVISION OF DIGOS CITY
Digos City



DIVISION MEMORANDUM
No. 139, s. 2019

February 14, 2019

AMENDMENTS AND ADDITIONAL PROVISIONS TO THE DEPED ORDER
Nos. 12, s. 2004; 36, s. 2007; and, 52, s. 2017

To: ALL PERSONNEL OF THE DIVISION OF DIGOS CITY

1. Pursuant to the Memorandum dated February 1, 2019 entitled: ***"Amendments and Additional Provisions to DepEd Order Nos. 12, 2004; 36, s. 2007; and, 52, s. 2017"*** you are hereby directed to strictly follow and conform with the rules and regulations provided in the Revised Implementing Guidelines for the DepEd Provident Fund.
2. For strict compliance and immediate dissemination.


WINNIE E. BATON, Ed. D.

Officer-in-Charge
Office of the Schools Division Superintendent

DepEd Schools Division of Digos City
RECORDS SECTION
RELEASED 28608
DATE: FEB 14 2019 TIME: 3:23
BY: 



Republic of the Philippines
DEPARTMENT OF EDUCATION
REGION XI
Davao City



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DepEd Schools Division of Digos City
RECORDS SECTION



RECEIVED 28608

DATE: FEB 13 2019

BY: [Signature]

MEMORANDUM

TO : All Schools Division Superintendents
This Region

FROM : ATTY. ALBERTO T. ESCOBARTE, CESO IV
Regional Director

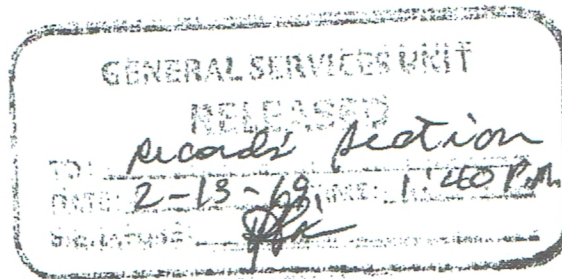
SUBJECT : Amendments and Additional Provisions to DepED Order Nos. 12, s.
2004; 36, s. 2007; and 52, s. 2017

DATE : February 1, 2019

1. Attached are copies of DepED Order No. 037, s. 2018 entitled "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.
2. Immediate dissemination and strict compliance with this Order is directed.

Incls: As stated.

/ROA7



DEPARTMENT OF EDUCATION ROXI
RECORDS SECTION
RELEASED

Empowerment Adaptability Goal-oriented Leadership Excellence

By: [Signature]
02/13/19 Time: 2:30
1902-7589

Page 1 of 1

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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.
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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:

AMENDMENT
BENEFITS
CHANGE
EMPLOYEES
FUNDS
OFFICIALS
POLICY
SALARY
TEACHERS

Borrower's Information		Co-Maker's Information	
Republic of the Philippines Department of Education Provident Fund			
Date Submitted: _____		Loan Application No. _____	
Loan Amount: <u>PhP</u> _____		Purpose: ☐ Educational ☐ Hospitalization/Medical ☐ Long Medication/Rehabilitation ☐ House Arrears/Equity ☐ House Repair - Major ☐ House Repair - Minor ☐ Payment of Loans from Private Institution ☐ Calamity ☐ Others (specify): _____	
Type of Loan: ☐ Multi-purpose ☐ New ☐ Renewal ☐ Additional		Term: _____ year/s	
(Surname) (First Name) (M.I.) Home Address: _____ Position: _____ Employee No.: _____ Employment Status: _____ Office: _____ Date of Birth: _____ Age: _____ Monthly Salary: PhP _____ Office tel. no. _____ Years in Service: _____ Mobile no. _____ DepEd E-mail address: _____ Specimen Signatures: _____		(Surname) (First Name) (M.I.) Home Address: _____ Position: _____ Employee No.: _____ Employment Status: _____ Office: _____ Date of Birth: _____ Age: _____ Monthly Salary: PhP _____ Office tel. no. _____ Years in Service: _____ Mobile no. _____ Specimen Signatures: _____	
LOAN AGREEMENT			
I hereby apply for a Provident Fund Loan in the amount of PESOS: _____ (P _____). In consideration of the grant thereof, I promise to pay all installments due based on the attached amortization schedule and bind myself with the terms and conditions of the loan as stipulated in the applicable guidelines of the DepEd Provident Fund. This document also serves as the Promissory Note upon approval of this loan. Accordingly, I hereby authorize the deductions of the monthly amortization from my salary. Should I be separated from the service, I also hereby agree to settle my outstanding loan balance before the date of my retirement/separation from the service, either through full payment in cash or through the execution of a notarized Promissory Note. _____ Signature of Borrower over Printed Name _____ Date		I hereby agree to assume all the outstanding obligations for the grant of this loan should the principal borrower be separated from the service, and either retirement or separation benefits due to him/her is not received or is insufficient to settle the borrower's outstanding loan, and upon proper notification by the Provident Fund Secretariat. Accordingly, I hereby authorize the monthly deduction from my salary of the amortizations for the outstanding obligation of the principal borrower until his/her loan is fully paid. _____ Signature of Co-Maker over Printed Name _____ Date	
CERTIFICATE OF EMPLOYMENT AND CREDIBILITY			
Personnel Division/Unit: This is to certify that the above loan applicant/borrower: (1) is a _____ permanent/_____ co-terminus employee of this Office and is not on leave of absence without pay; (2) has net pay of PhP _____ for the payroll month & year of _____; and (3) has given the true and correct information on the Loan Application Form. _____ Signature over Printed Name Designation: _____ Date: _____		Legal Service/Unit: This is to certify that the above loan applicant/borrower has no pending administrative nor civil case charge against him/her based on records on file with DepEd. _____ Signature over Printed Name Designation: _____ Date: _____	

SECRETARIAT'S ASSESSMENT/EVALUATION

A. Documents Submitted: (Two copies of each)

- ☐ Loan Application Form (LAF)
☐ Authorization to Deduct
☐ Latest copy of pay slip
☐ Photocopy of DepEd ID
☐ Approved Appointment (for FIRST TIME borrowers and Co-terminus employees only)
☐ Document showing proof that the co-terminus employee has rendered at least 2 years service in DepEd, e.g. Notarized Contract of Service
☐ Others (specify): _____
- ☐ Additional documents for Additional Loan:
☐ Letter request
☐ Hospitalization/Medical Expenses
☐ Medical Abstract/Certificate/Prescription/Diagnosis
☐ Barangay/LGU certificate/resolution declaring the borrower's place under State of Calamity

Reviewed by: _____

Date: _____

B. Completeness and Veracity of Submitted Documents:

- ☐ Signed and completely filled out LAF
☐ Complete supporting documents for type of loan applied for
☐ Signatures on LAF are by authorized signatories

Reviewed by: _____

Date: _____

C. Eligibility of the Borrower and Co-Maker

- ☐ Borrower will not reach the mandatory age retirement on or before the maturity of his/her loan. Age: _____
☐ Co-Maker will not reach the mandatory age retirement on or before the maturity of his/her loan. Age: _____
☐ Borrower has Outstanding PF Loan Balance:

☐ Current Loan Balance

Amount: PhP _____

☐ Past-Due Loans

Amount: PhP _____

☐ No. of Years/Months Past-Due:

Year/s: _____

Month/s: _____

- ☐ Borrower's Net Take-Home Pay after deduction of monthly amortization of the loan being applied for is equal to or higher than the required threshold for the current year.

- ☐ For renewal of loans: Borrower has paid at least 30% of the principal of the existing loan.

Percentage of principal paid: _____ %

Verified by: _____

Date: _____

D. Computation of Loan:

Principal Amount of Loan PhP _____

Less: Outstanding Balance of Loan to be Renewed

Principal PhP _____

Interest _____

Net Proceeds PhP _____

Net Take Home Pay after Deduction PhP _____

Monthly Amortization PhP _____

Period of Loan (mm/yy - mm/yy) _____

Date Processed: _____

Processed by: _____

 Signature over Printed Name
 (PF Secretariat)

Reviewed by: _____

 Signature over Printed Name
 (Head, PF Secretariat)

Remarks:

ACTION TAKEN:

Recommending Approval:

- ☐ Approved
☐ Disapproved

Head, PF Secretariat

Signature over Printed Name

Date: _____

Chairperson of the Board

Signature over Printed Name

Date: _____



Authorization for Salary Deduction

Personnel Division
DepED , Meralco Ave., Pasig City

I hereby authorize the deduction of _____ PESOS
(P _____) from my salary for _____ months, starting in _____, 20____ to
_____, 20____ or until my total outstanding loan of _____ PESOS
(P _____) has been fully paid. Amount deducted shall be credited to the account of the DepED Provident Fund as
receivables on the said loans.

Employee No. _____
Division: _____

Status: _____
Code: _____

Signature over Printer Name _____
Designation: _____
Service: _____

Notes to Illustrations 1 to 5

DEFINITION OF TERMS (For the purpose of this Issuance only):

1. **Principal Amount** - The gross amount of the loan.
2. **Loan Term** - The number of years over which a loan should be repaid, reckoned from the month when the first installment becomes due. For the purposes of this DepEd Order, loan term is exclusive of the grace period.
3. **No. of Installments** - The total number of payments to be made to fully pay the total amount due (expressed in number of months).
4. **Grace Period** - The number of months before the first payment for the loan, reckoned from the month of loan release.
5. **Monthly Installment** - The total amount due every month, inclusive of principal and interest.
6. **Contractual Interest Rate (CIR)** - The advertised or stated interest rate on a loan, without taking into account any fees or compounding of interest.
7. **Nominal Interest Rate (NIR)** - The yearly cost of borrowing over the term of a loan. Also known as "annual percentage rate."
8. **Effective Interest Rate (EIR)** - The rate that exactly discounts estimated future cash flows through the life of the loan to the net amount of loan proceeds. Also the rate paid due to the result of compounding over a given time period.

FORMULAS:

a. Monthly Installment

$$= \frac{(\text{Principal Amount} \times \text{NIR} \times \text{Loan Term}) + \text{Principal Amount}}{\text{No. of Installments}}$$

Using the Microsoft Excel function, PMT:

$$= \text{PMT}(\text{CIR per month}, \text{No. of Installments}, -\text{Principal Amount})$$

b. CIR per Month = CIR ÷ 12 months

$$\text{c. NIR} = \frac{\text{Total Interest} \div \text{Principal Amount}}{\text{Loan Term}}$$

To check: Total Interest = NIR x Principal Amount x Loan Term

d. EIR per Month

Using the Microsoft Excel function, IRR:

$$= \text{IRR}(\text{Cash flows from the first to the last installment period})$$

For Illustration 1: =IRR(F10:F22)

$$\text{e. EIR per Annum} = ((1 + \text{EIR per Month})^{12}) - 1$$

Illustration 1

EFFECTIVE INTEREST CALCULATION MODEL FOR A ONE (1)-YEAR LOAN
DECLINING/DIMINISHING BALANCE METHOD

	A	B	C	D	E	F	G
1	Principal Amount (in PhP)		100,000.00		Contractual Interest Rate		
2	Loan Term (in years)		1		Per Annum = 6.000%		
3	No. of installments (in months)		12		Per Month = 0.500%		
4	Grace period (in months)		2		Nominal Interest Rate = 3.280%		
5	No. of periods (in months)		14		Effective Interest Rate (EIR)		
6	Other Charges		0.000%		Per Annum = 6.168%		
7	Monthly Installment		PhP 8,606.65		Per Month = 0.500%		
8							
9	<u>Installment</u> <u>Period</u>	<u>Gross Loan</u>	<u>Principal</u>	<u>Interest</u>	<u>Other</u> <u>Charges</u>	<u>NET PROCEEDS</u> <u>Cash Flows</u>	<u>Outstanding</u> <u>Balance</u>
10	0	100,000.00				100,000.00	100,000.00
11	1		8,106.65	500.00		(8,606.65)	91,893.35
12	2		8,147.18	459.47		(8,606.65)	83,746.17
13	3		8,187.92	418.73		(8,606.65)	75,558.25
14	4		8,228.86	377.79		(8,606.65)	67,329.39
15	5		8,270.00	336.65		(8,606.65)	59,059.39
16	6		8,311.35	295.30		(8,606.65)	50,748.04
17	7		8,352.91	253.74		(8,606.65)	42,395.13
18	8		8,394.67	211.98		(8,606.65)	34,000.46
19	9		8,436.65	170.00		(8,606.65)	25,563.81
20	10		8,478.83	127.82		(8,606.65)	17,084.98
21	11		8,521.23	85.42		(8,606.65)	8,563.75
22	12		8,563.75	42.82		(8,606.57)	0.00
23	Total		100,000.00	3,279.72	-		

Illustration 2

EFFECTIVE INTEREST CALCULATION MODEL FOR A TWO (2)-YEAR LOAN
DECLINING/DIMINISHING BALANCE METHOD

	A	B	C	D	E	F	G
1	Principal Amount (in PhP)		100,000.00		Contractual Interest Rate		
2	Loan Term (in years)		2		Per Annum	= 6.000%	
3	No. of installments (in months)		24		Per Month	= 0.500%	
4	Grace period (in months)		2		Nominal Interest Rate	= 3.185%	
5	No. of periods (in months)		26		Effective Interest Rate (EIR)		
6	Other Charges		0.000%		Per Annum	= 6.168%	
7	Monthly Installment		PhP 4,432.07		Per Month	= 0.500%	
8							
9	<u>Installment</u> <u>Period</u>	<u>Gross Loan</u>	<u>Principal</u>	<u>Interest</u>	<u>Other</u> <u>Charges</u>	<u>NET PROCEEDS</u> <u>Cash Flows</u>	<u>Outstanding</u> <u>Balance</u>
10	0	100,000.00				100,000.00	100,000.00
11	1		3,932.07	500.00		(4,432.07)	96,067.93
12	2		3,951.73	480.34		(4,432.07)	92,116.20
13	3		3,971.49	460.58		(4,432.07)	88,144.71
14	4		3,991.35	440.72		(4,432.07)	84,153.36
15	5		4,011.30	420.77		(4,432.07)	80,142.06
16	6		4,031.36	400.71		(4,432.07)	76,110.70
17	7		4,051.52	380.55		(4,432.07)	72,059.18
18	8		4,071.77	360.30		(4,432.07)	67,987.41
19	9		4,092.13	339.94		(4,432.07)	63,895.28
20	10		4,112.59	319.48		(4,432.07)	59,782.69
21	11		4,133.16	298.91		(4,432.07)	55,649.53
22	12		4,153.82	278.25		(4,432.07)	51,495.71
23	13		4,174.59	257.48		(4,432.07)	47,321.12
24	14		4,195.46	236.61		(4,432.07)	43,125.66
25	15		4,216.44	215.63		(4,432.07)	38,909.22
26	16		4,237.52	194.55		(4,432.07)	34,671.70
27	17		4,258.71	173.36		(4,432.07)	30,412.99
28	18		4,280.01	152.06		(4,432.07)	26,132.98
29	19		4,301.41	130.66		(4,432.07)	21,831.57
30	20		4,322.91	109.16		(4,432.07)	17,508.66
31	21		4,344.53	87.54		(4,432.07)	13,164.13
32	22		4,366.25	65.82		(4,432.07)	8,797.88
33	23		4,388.08	43.99		(4,432.07)	4,409.80
34	24		4,409.80	22.05		(4,431.85)	(0.00)
35	Total		100,000.00	6,369.46	-		

Illustration 3

EFFECTIVE INTEREST CALCULATION MODEL FOR A THREE (3)-YEAR LOAN
DECLINING/DIMINISHING BALANCE METHOD

	A	B	C	D	E	F	G
1	Principal Amount (in PhP)		100,000.00		Contractual Interest Rate		
2	Loan Term (in years)		3		Per Annum	= 6.000%	
3	No. of installments (in months)		36		Per Month	= 0.500%	
4	Grace period (in months)		2		Nominal Interest Rate	= 3.173%	
5	No. of periods (in months)		38		Effective Interest Rate (EIR)		
6	Other Charges		0.000%		Per Annum	= 6.168%	
7	Monthly Installment		PhP 3,042.20		Per Month	= 0.500%	
8							
9	<u>Installment</u> <u>Period</u>	<u>Gross Loan</u>	<u>Principal</u>	<u>Interest</u>	<u>Other</u> <u>Charges</u>	<u>NET PROCEEDS</u> <u>Cash Flows</u>	<u>Outstanding</u> <u>Balance</u>
10	0	100,000.00				100,000.00	100,000.00
11	1		2,542.20	500.00		(3,042.20)	97,457.80
12	2		2,554.91	487.29		(3,042.20)	94,902.89
13	3		2,567.69	474.51		(3,042.20)	92,335.20
14	4		2,580.52	461.68		(3,042.20)	89,754.68
15	5		2,593.43	448.77		(3,042.20)	87,161.25
16	6		2,606.39	435.81		(3,042.20)	84,554.86
17	7		2,619.43	422.77		(3,042.20)	81,935.43
18	8		2,632.52	409.68		(3,042.20)	79,302.91
19	9		2,645.69	396.51		(3,042.20)	76,657.22
20	10		2,658.91	383.29		(3,042.20)	73,998.31
21	11		2,672.21	369.99		(3,042.20)	71,326.10
22	12		2,685.57	356.63		(3,042.20)	68,640.53
23	13		2,699.00	343.20		(3,042.20)	65,941.53
24	14		2,712.49	329.71		(3,042.20)	63,229.04
25	15		2,726.05	316.15		(3,042.20)	60,502.99
26	16		2,739.69	302.51		(3,042.20)	57,763.30
27	17		2,753.38	288.82		(3,042.20)	55,009.92
28	18		2,767.15	275.05		(3,042.20)	52,242.77
29	19		2,780.99	261.21		(3,042.20)	49,461.78
30	20		2,794.89	247.31		(3,042.20)	46,666.89
31	21		2,808.87	233.33		(3,042.20)	43,858.02
32	22		2,822.91	219.29		(3,042.20)	41,035.11
33	23		2,837.02	205.18		(3,042.20)	38,198.09
34	24		2,851.21	190.99		(3,042.20)	35,346.88
35	25		2,865.47	176.73		(3,042.20)	32,481.41
36	26		2,879.79	162.41		(3,042.20)	29,601.62
37	27		2,894.19	148.01		(3,042.20)	26,707.43
38	28		2,908.66	133.54		(3,042.20)	23,798.77
39	29		2,923.21	118.99		(3,042.20)	20,875.56
40	30		2,937.82	104.38		(3,042.20)	17,937.74
41	31		2,952.51	89.69		(3,042.20)	14,985.23
42	32		2,967.27	74.93		(3,042.20)	12,017.96
43	33		2,982.11	60.09		(3,042.20)	9,035.85
44	34		2,997.02	45.18		(3,042.20)	6,038.83
45	35		3,012.01	30.19		(3,042.20)	3,026.82
46	36		3,026.82	15.13		(3,041.95)	0.00
47	Total		100,000.00	9,518.95	-		

Illustration 4

EFFECTIVE INTEREST CALCULATION MODEL FOR A FOUR (4)-YEAR LOAN
DECLINING/DIMINISHING BALANCE METHOD

	A	B	C	D	E	F	G
1	Principal Amount (in Php)	100,000.00			Contractual Interest Rate		
2	Loan Term (in years)	4			Per Annum	= 6.000%	
3	No. of Installments (in months)	48			Per Month	= 0.500%	
4	Grace period (in months)	2			Nominal Interest Rate	= 3.182%	
5	No. of periods (in months)	50			Effective Interest Rate (EIR)		
6	Other Charges	0.000%			Per Annum	= 6.168%	
7	Monthly Installment	Php 2,348.51			Per Month	= 0.500%	
8							
9	<u>Installment</u> <u>Period</u>	<u>Gross Loan</u>	<u>Principal</u>	<u>Interest</u>	<u>Other</u> <u>Charges</u>	<u>NET PROCEEDS</u> <u>Cash Flows</u>	<u>Outstanding</u> <u>Balance</u>
10	0	100,000.00				100,000.00	100,000.00
11	1		1,848.51	500.00	(2,348.51)		98,151.49
12	2		1,857.75	490.76	(2,348.51)		96,293.74
13	3		1,867.04	481.47	(2,348.51)		94,426.70
14	4		1,876.38	472.13	(2,348.51)		92,550.32
15	5		1,885.76	462.75	(2,348.51)		90,664.56
16	6		1,895.19	453.32	(2,348.51)		88,769.37
17	7		1,904.66	443.85	(2,348.51)		86,864.71
18	8		1,914.19	434.32	(2,348.51)		84,950.52
19	9		1,923.76	424.75	(2,348.51)		83,026.76
20	10		1,933.38	415.13	(2,348.51)		81,093.38
21	11		1,943.04	405.47	(2,348.51)		79,150.34
22	12		1,952.76	395.75	(2,348.51)		77,197.58
23	13		1,962.52	385.99	(2,348.51)		75,235.06
24	14		1,972.33	376.18	(2,348.51)		73,262.73
25	15		1,982.20	366.31	(2,348.51)		71,280.53
26	16		1,992.11	356.40	(2,348.51)		69,288.42
27	17		2,002.07	346.44	(2,348.51)		67,286.35
28	18		2,012.08	336.43	(2,348.51)		65,274.27
29	19		2,022.14	326.37	(2,348.51)		63,252.13
30	20		2,032.25	316.26	(2,348.51)		61,219.88
31	21		2,042.41	306.10	(2,348.51)		59,177.47
32	22		2,052.62	295.89	(2,348.51)		57,124.85
33	23		2,062.89	285.62	(2,348.51)		55,061.96
34	24		2,073.20	275.31	(2,348.51)		52,988.76
35	25		2,083.57	264.94	(2,348.51)		50,905.19
36	26		2,093.98	254.53	(2,348.51)		48,811.21
37	27		2,104.45	244.06	(2,348.51)		46,706.76
38	28		2,114.98	233.53	(2,348.51)		44,591.78
39	29		2,125.55	222.96	(2,348.51)		42,466.23
40	30		2,136.18	212.33	(2,348.51)		40,330.05
41	31		2,146.86	201.65	(2,348.51)		38,183.19
42	32		2,157.59	190.92	(2,348.51)		36,025.60
43	33		2,168.38	180.13	(2,348.51)		33,857.22
44	34		2,179.22	169.29	(2,348.51)		31,678.00
45	35		2,190.12	158.39	(2,348.51)		29,487.88
46	36		2,201.07	147.44	(2,348.51)		27,286.81
47	37		2,212.08	136.43	(2,348.51)		25,074.73
48	38		2,223.14	125.37	(2,348.51)		22,851.59
49	39		2,234.25	114.26	(2,348.51)		20,617.34
50	40		2,245.42	103.09	(2,348.51)		18,371.92
51	41		2,256.65	91.86	(2,348.51)		16,115.27
52	42		2,267.93	80.58	(2,348.51)		13,847.34
53	43		2,279.27	69.24	(2,348.51)		11,568.07
54	44		2,290.67	57.84	(2,348.51)		9,277.40
55	45		2,302.12	46.39	(2,348.51)		6,975.28
56	46		2,313.63	34.88	(2,348.51)		4,661.65
57	47		2,325.20	23.31	(2,348.51)		2,336.45
58	48		2,336.45	11.68	(2,348.13)		(0.00)
59	Total!		100,000.00	12,728.10	-		

Illustration 5

EFFECTIVE INTEREST CALCULATION MODEL FOR A FIVE (5)-YEAR LOAN
DECLINING/DIMINISHING BALANCE METHOD

	A	B	C	D	E	F	G
1	Principal Amount (in PhP)	100,000.00			Contractual Interest Rate		
2	Loan Term (in years)	5			Per Annum	= 6.000%	
3	No. of Installments (in months)	60			Per Month	= 0.500%	
4	Grace period (in months)	2			Nominal Interest Rate	= 3.199%	
5	No. of periods (in months)	62			Effective Interest Rate (EIR)		
6	Other Charges	0.000%			Per Annum	= 5.158%	
7	Monthly Installment	PhP 1,933.29			Per Month	= 0.300%	
8							
9	<u>Installment</u> <u>Period</u>	<u>Gross Loan</u>	<u>Principal</u>	<u>Interest</u>	<u>Other</u> <u>Charges</u>	<u>NET PROCEEDS</u> <u>Cash Flows</u>	<u>Outstanding</u> <u>Balance</u>
10	0	100,000.00				100,000.00	100,000.00
11	1		1,433.29	500.00		(1,933.29)	98,566.71
12	2		1,440.46	492.83		(1,933.29)	97,126.25
13	3		1,447.66	485.63		(1,933.29)	95,678.59
14	4		1,454.90	478.39		(1,933.29)	94,223.69
15	5		1,462.17	471.12		(1,933.29)	92,761.52
16	6		1,469.48	463.81		(1,933.29)	91,292.04
17	7		1,476.83	456.46		(1,933.29)	89,815.21
18	8		1,484.21	449.08		(1,933.29)	88,331.00
19	9		1,491.63	441.66		(1,933.29)	86,839.37
20	10		1,499.09	434.20		(1,933.29)	85,340.28
21	11		1,506.59	426.70		(1,933.29)	83,833.69
22	12		1,514.12	419.17		(1,933.29)	82,319.57
23	13		1,521.69	411.60		(1,933.29)	80,797.88
24	14		1,529.30	403.99		(1,933.29)	79,268.58
25	15		1,536.95	396.34		(1,933.29)	77,731.63
26	16		1,544.63	388.66		(1,933.29)	76,187.00
27	17		1,552.35	380.94		(1,933.29)	74,634.65
28	18		1,560.12	373.17		(1,933.29)	73,074.53
29	19		1,567.92	365.37		(1,933.29)	71,506.61
30	20		1,575.76	357.53		(1,933.29)	69,930.85
31	21		1,583.64	349.65		(1,933.29)	68,347.21
32	22		1,591.55	341.74		(1,933.29)	66,755.66
33	23		1,599.51	333.78		(1,933.29)	65,156.15
34	24		1,607.51	325.78		(1,933.29)	63,548.64
35	25		1,615.55	317.74		(1,933.29)	61,933.09
36	26		1,623.62	309.67		(1,933.29)	60,309.47
37	27		1,631.74	301.55		(1,933.29)	58,677.73
38	28		1,639.90	293.39		(1,933.29)	57,037.83
39	29		1,648.10	285.19		(1,933.29)	55,389.73
40	30		1,656.34	276.95		(1,933.29)	53,733.39
41	31		1,664.62	268.67		(1,933.29)	52,068.77
42	32		1,672.95	260.34		(1,933.29)	50,395.82
43	33		1,681.31	251.98		(1,933.29)	48,714.51
44	34		1,689.72	243.57		(1,933.29)	47,024.79
45	35		1,698.17	235.12		(1,933.29)	45,326.62
46	36		1,706.66	226.63		(1,933.29)	43,619.96
47	37		1,715.19	218.10		(1,933.29)	41,904.77
48	38		1,723.77	209.52		(1,933.29)	40,181.00
49	39		1,732.38	200.91		(1,933.29)	38,448.62
50	40		1,741.05	192.24		(1,933.29)	36,707.57
51	41		1,749.75	183.54		(1,933.29)	34,957.82
52	42		1,758.50	174.79		(1,933.29)	33,199.32
53	43		1,767.29	166.00		(1,933.29)	31,432.03
54	44		1,776.13	157.16		(1,933.29)	29,655.90
55	45		1,785.01	148.28		(1,933.29)	27,870.89
56	46		1,793.94	139.35		(1,933.29)	26,076.95
57	47		1,802.91	130.38		(1,933.29)	24,274.04
58	48		1,811.92	121.37		(1,933.29)	22,462.12
59	49		1,820.98	112.31		(1,933.29)	20,641.14
60	50		1,830.08	103.21		(1,933.29)	18,811.06
61	51		1,839.23	94.06		(1,933.29)	16,971.83
62	52		1,848.43	84.86		(1,933.29)	15,123.40
63	53		1,857.67	75.62		(1,933.29)	13,265.73
64	54		1,866.96	66.33		(1,933.29)	11,398.77
65	55		1,876.30	56.99		(1,933.29)	9,522.47
66	56		1,885.68	47.61		(1,933.29)	7,636.79
67	57		1,895.11	38.18		(1,933.29)	5,741.68
68	58		1,904.58	28.71		(1,933.29)	3,837.10
69	59		1,914.10	19.19		(1,933.29)	1,923.00
70	60		1,923.00	9.62		(1,932.62)	0.00
71	Total		100,000.00	15,996.73			