POLICIES, GUIDELINES AND PROCEDURES ON THE PROCESSING OF LOANS CONTRACTED BY PNP UNIFORMED PERSONNEL

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I. REFERENCES:

- Section 19, Republic Act No. 8551, otherwise known as PNP Reform Act of 1998;

- Section V, NAPOLCOM Memorandum Circular No. 2003-009 dated October 7, 2003;

- Section VIII. NAPOLCOM Memorandum Circular No. 2003-010 dated October 14, 2004;

- Memo to Chief. RFSOs, PRO 1 - 3, 5 - 19, CALABARZON & MIMAROPA dated September 10, 2003;

- Memo from AD, FS dated January 10, 2007, re Reports of Compliance during ASDPC Meeting last December 14, 2006;

- Minutes of the Accreditation Salary Deduction Processing Committee (ASDPC) Conference held on February 27,2007; and

- Proposed Memorandum of Agreement (MOA) between PNP and Different Private Lending Institutions (PLIs)

II. SCOPE:

This Circular shall cover all the PNP personnel including the newly appointed ones (police Officer I and Lateral Entrants) whose appointments are in temporary status pending completion of their mandatory training.

III. OBJECTIVES:

1. To prescribe policies, rules and regulations on the application of loans of newly appointed PNP uniformed personnel in temporary status to include the responsibilities and sanctions of authorized PNP Personnel to sign/endorse loan application forms submitted by the different PNP accredited lending institutions; and

2. To strengthen existing procedures on the processing of loans of PNP personnel to protect the best interest of PNP members.

IV. DEFINITION OF TERMS:

a. Newly Appointed PNP Uniformed Personnel - refers to Police Officers I and Lateral Entrants appointed in the PNP Uniformed service in temporary status.

b. Temporary Appointment - an appointment issued to a person for a period of twelve (12) months pending completion of the required mandatory training pursuant to Section 19, RA 8551.

c. Loan -the act of borrowing money or in kind fora considerable interest

d. Private Lending Institutions (PLIs) - institutions accredited by the PNP Accreditation's and Salary Deduction Processing Committee (ASDPC) offering loans (cash or in kind) for a considerable interest.

e. Disbursing Officer- Police Commissioned Officer (PCO) assigned at the PNP Finance Service duly designated to sign and endorse applications for loan to different PNP accredited lending institutions or approved Bond fidelity from the Bureau of Treasury.

f. Chief of Office - Immediate Superior Officer duly designated and appointed as head of office under existing rules and regulations.

V. POLICIES/GUIDELINES:

1. The Accreditation and Salary Deduction Processing Committee (ASDPC) only extends the automatic salary deduction scheme to the PNP personnel with permanent appointment status and not to the newly appointed PNP uniformed personnel.

2. Newly appointed PNP uniformed personnel as defined under this Circular and those who have not completed the required field training program as stipulated under Section 19 RA 8551 and those who may have rendered at least one (1} year or more police service but have not completed the required training for permanency of appointment shall not be ac commodated in the automatic salary deduction scheme for payment of financial obligations/loans contracted with any of the PNP Accredited Private Lending Institutions.

3. Police Inspectors and Police Officers I applying for loans must submit an authenticated photocopy of his/her attested appointment in permanent status in addition to the basic documentary requirements. Likewise, clearances from the Directorate for Investigation and Detective Management (DIDM) and Internal Affairs Service (IAS) shall be included in the mandatory requirements to be submitted by PNP uniformed personnel applying for loans to ensure that the loan applicant has no pending administrative and/or criminal case.

4. The Disbursing Officers of the Finance Service/Regional Finance Service Offices and Chiefs of Office should refrain from signing of the applications for loan of the newly appointed PNP uniformed personnel (Police Officer I and Lateral Entrants) who are in temporary status even for the purpose of acquiring firearms.

VI. PROCEDURES:

1. The borrower's Head of Office shall determine the completeness of the documentary requirements submitted, such as: clearances from Directorate for investigation and Detective Management Internal Affairs Service, and applicant's Unit prior to the signature/certification on the accomplished Loan Application Form;

2. The Finance Service and Regional Finance Office Liaison Officer shall determine if the mandatory deductions (BIR, PAG-IBIG & PHILHEALTH) are being deducted correctly from the borrower's salary;

3. The Disbursing Officer of the Finance Service/Regional Finance Service Offices shall determine the correctness of the accomplished Loan Application Form to ensure that the borrower has complied with the required Net Take-Home Pay of Php 3,000.00 pesos;

4. The Finance Service/Regional Finance Service Officer/s, prior to the approval of the Loan Application is designated to check the Net Take-Home Pay, Date of Appointment of the Applicant, Authorization to Deduct signed by the Borrower and Co-maker and other pertinent documents submitted by the borrower;

5. The Data Encoder of the Remittance and Collection Division, Finance Service shall counter-check the Authorization to Deduct (ATD) submitted by the Private Lending Institutions (PLIs); and

6. The PNP Computer Service (CS) shall implement the borrower's salary deduction of the monthly amortization.

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VII. PENAL CLAUSE:

PNP officers who are responsible in the processing of applications for loan with any accredited private lending institutions who will be found remiss of their duties and responsibilities shall be sanctioned and held liable for violation of NAPOLCOM Memo Circular No. 2007-001 for irregularity in the performance of official duty.

VIII- REPEALING CLAUSE:

This PNP Circular accordingly repeals and modifies all of the publications and issuances in conflict or inconsistent with this Circular.

IX. EFFECTIVITY

This Circular shall take effect fifteen (15) days from the filing of a copy hereof at the University of the Philippines Law Center in consonance with Sections 3 & 4 of Chapter 2, Book VII of Executive Order No. 292, otherwise known as "The Revised Administrative Code of 1987", as amended.

(SGD.) AVELINO I RAZON JR
Police Director General
Chief, PNP

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