



**PAMBANSANG PUNONGHIMPILAN TANOD BAYBAYIN NG PILIPINAS**  
(National Headquarters Philippine Coast Guard)  
139 25<sup>th</sup> St., Port Area  
1018 Manila

NHQ-PCG/CGFS

29 August 2024

**CIRCULAR  
NUMBER 20-24**

**REVISED GUIDELINES ON THE STANDARD LOAN APPLICATION FOR  
PHILIPPINE COAST GUARD PERSONNEL**

**1. REFERENCES**

- A. Article 1156 to Article 1178, Article 1933 and Article 2176 of Republic Act No. 386, entitled "An Act to Ordain and Institute the Civil Code of the Philippines" dated 18 June 1949;
- B. Section 56 of Republic Act No. 11936, entitled, "Act Providing for the Operation of the Government of the Republic of the Philippines from January 1 to December 31, 2023" dated 26 December 2022;
- C. CGFC Memorandum Circular Number 05-14, entitled "Policies, Guidelines and Procedure in the Application and Processing of Loans" dated 26 August 2014;
- D. NHQ-PCG/CGFS Memorandum Circular Number 03-23, entitled "Guidelines on the Standard Loan Application for Philippine Coast Guard Personnel" dated 19 April 2023
- E. Amendment 01-23 of NHQ-PCG/CGFS Memorandum Circular Number 03-23, entitled "Amending Section III and Section VI of NHQ-PCG/CGFS Memorandum Circular Nr 03-23" dated 10 August 2023;
- F. Amendment 01-24 of NHQ-PCG/CGFS Memorandum Circular Number 03-23, entitled "Amending Section VI. b of NHQ-PCG/CGFS Memorandum Circular Nr 03-23" dated 31 January 2024;
- G. Memorandum of Agreement (MOA) between the PCG and the Different Financial Institutions (FIs).

**2. PURPOSE**

This Circular shall prescribe and follow the principles and standards observed

in the grant of loans and other credit accommodations for Philippine Coast Guard (PCG) personnel.

### 3. SCOPE

This Circular shall apply to all PCG personnel, either uniformed or non-uniformed.

### 4. OBJECTIVE

This Circular aims to enjoin policies, rules and procedures relative to the standard loan applications of all PCG personnel in accordance with existing laws, rules and regulations.

### 5. DEFINITION OF TERMS

For the purpose of this Circular, following terminologies are hereby defined:

- A. **Authorized Deductions** – those deductions from salaries and other benefits accruing to any government employee, chargeable against the appropriations for Personnel Services, may be allowed for the payment of an individual employee's contributions or obligations as stated in the Government Appropriations Act of the current year.
- B. **Borrower/Debtor** – a person who receives a sum of money from Financial Institutions and Associations with an agreement to pay it back within a specified period of time.
- C. **Co-Borrower or Co-Maker** – a person who, through a contract, pledges to pay the principal borrower's debt if he or she fails to do so. He/she does not get the loan proceeds but he/she is equally liable for payment of the obligation in the event of default.
- D. **Collateral Allowances** – are monetary benefits given apart from the regular pay and allowances such as but not limited to Hazardous Duty Pay, Flying Pay, Sea Duty Pay, Instructor's Duty Pay, Lawyers Incentive Pay and Magna Carta.
- E. **Commanding Officer/Chief of Office** – immediate superior officer duly designated and appointed as head of office authorized to sign and endorse application for loan.
- F. **Commissionship** – is the appointment of an Officer to the rank/grade of ENSIGN (O-1) or LIEUTENANT (O-3) in the PCG service by the Secretary of the Department of Transportation as recommended by the Commandant, PCG. This shall be the start of an Officer's Time-in-Grade for purposes of promotion.
- G. **Enlistment** – is the appointment of a PCG Non-Officer to the rank/grade of

Apprentice Seaman / Seawoman (NO-1) in the PCG service by the Commandant, PCG. Enlistment in the PCG Service is three (3) years and shall be re-applied by a PCG Non-Officer if he/she intends to extend his/her service in the PCG.

- H. **Financial Institutions and Associations (FIAs)** – any partnership, company, corporation, association (incorporated or unincorporated), institution, estate, cooperative organization or other entity that engages in any financial activity, which is accredited by the PCG for authorized payroll deductions.
- I. **Net Take Home Pay (NTHP)** – is the sum total of all earnings excluding subsistence allowance and collateral allowances less authorized load deductions and mandatory deductions.
- J. **Subsistence Allowance** – intended to defray the cost of daily regular meals by each PCG personnel, which may vary from Four Thousand Two Hundred Pesos Only (Php 4,200.00) to Four Thousand Six Hundred and Fifty Pesos (Php 4,650.00) depending on the calendar days in a month.

## 6. POLICIES

- A. Collateral Allowances and Subsistence Allowances shall be excluded from the computation of the loan.
- B. The required monthly NTHP of PCG Uniformed Personnel shall be Nine Thousand Five Hundred Pesos (Php 9,500.00) including the Subsistence Allowance. Moreover, for the Non-Uniformed Personnel, the NTHP shall remain at Five Thousand Pesos (Php 5,000.00) per month.
- C. Co-Borrower or Co-Maker who voluntarily signs the loan application is precluded to demand the Coast Guard Finance Service (CGFS) to cease his solidary obligation.
- D. In any case when the principal borrower is separated or retired from the service, an Affidavit of Undertaking shall be complied with for loan obligations to be deducted from his/her separation pay or retirement benefits.
- E. PCG personnel with ranks of PROBATIONARY ENSIGN (P/ENS) and Candidate Coast Guard Non-Officer (CCGNO) are eligible to apply for a loan upon their graduation in adherence with the monthly NTHP requirement.
- F. Any violation or fraud committed in the process of the loan application shall be strictly dealt with.

## 7. GUIDELINES

- A. PCG personnel applying for a loan shall ensure that all documents required

by accredited financial institutions and associations are properly complied with and submitted.

- B. PCG Personnel shall submit the following to CGFS:
  - i. Authenticated copy of CAD or Appointment Order for Officer, Enlistment Order for Non-Officer, Appointment Order for Non-Uniformed Personnel;
  - ii. Certification of Non-Pending Case from Coast Guard Inspector General and Internal Affairs Service (CGIG-IAS);
  - iii. Printed ePayslip of the Borrower and Co-Borrower/Co-Maker;
  - iv. Certification of No Intention to Retire/Separate (For Officers); and
  - v. Certification of Willing to Re-Enlist (For Non-Officers)
- C. Computation of loan shall be attached to the application form duly assigned by concerned FIAs reflecting the monthly deduction and the remaining NTHP as stated in item VI (b) of this Circular.
- D. A Loan Application Form (LAF) shall be submitted by the principal borrower/debtor which shall include an Authorization for Payroll Deduction and in accordance with the requirements set forth by the FIs.
- E. Reconstruction of Loan shall be required when deemed necessary.

## 8. PROCEDURES

- A. The principal borrower/debtor's Commanding Officer/Head of Office shall determine the completeness of the documentary requirements needed in the loan application and borrower/debtor capability to avail of loan before signing the application. Incomplete requirements shall not be endorsed by the Commanding Officer.
- B. The CGFS shall review the accomplished LAF and other supporting requirements to ensure that the borrower has complied with the required monthly NTHP before signing for the approval of the application.
- C. Based on the documents submitted by the FIAs, the CGFS shall deduct the loan's monthly amortization from the borrower's salary and shall likewise terminate the same upon completion of payment.

## 9. DISSEMINATION

Headquarters CGFS shall be responsible for the proper dissemination of this Circular by conducting a series of seminars/workshops for all PCG personnel.

## 10. RESCISSION

All circulars, policies and provisions of existing regulations inconsistent with this circular's provision are hereby amended or rescinded as the case may.

## 11. EFFECTIVITY

This Circular shall take effect upon publication.

**BY COMMAND OF ADMIRAL GAVAN PCG:**

OFFICIAL:

**HOSTILLO ARTURO E CORNELIO**  
**RADM** **PCG**  
Chief of Coast Guard Staff

  
**JAYSIEBELL B FERRER**  
**CDR** **PCG**   
Coast Guard Adjutant