

Subject: Strengthening of Kaagapay Loan Program Controls

To: All Employees (Internals & Externals)	Date: 11-March-2026
From: Finance Team	Memo No: Finance-Kaagapay-0002

The Kaagapay Loan Program provides **short-term financial assistance** to employees with legitimate needs while ensuring proper control and protection of company funds. Loan approval is **not guaranteed** and remains subject to Management discretion.

1. Month-Based Loan Limit

Loan Application Period	Maximum Loan Amount	Conditions
January - March	Up to 20% of Monthly Basic salary	Emergency Loans Only
April - May	Up to 30% of Monthly Basic salary	Regular Processing
June - July	Up to 40% of Monthly Basic salary	Regular Processing
August - September	Up to 50% of Monthly Basic salary	Regular Processing
October - November	Up to 30% of Monthly Basic salary	Emergency Loans Only
December	NO Kaagapay Loans	Loan Freeze

Note: Basic salary excludes allowances, incentives, and overtime.

2. Repayment Terms

- Maximum of **3 months via payroll deduction**
- **No extensions, deferments, or restructuring allowed**
- Only **one active loan** per employee

3. Eligibility Requirements

Employees must meet all of the following:

- At least **6 months tenure**
- No existing unpaid loan
- No pending disciplinary or administrative case
- Not under resignation or separation
- No AWOL record within the last 12 months



4. Loan Purpose

- **Jan–Mar & Oct–Nov:** Emergency purposes only (with supporting documents)
- **Apr–Sep:** Emergency and personal purposes (subject to approval)

5. Key Policies

- **December:** Strict loan freeze (no exceptions)
- **November loans:** Must be fully repaid within 1 month
- All unpaid balances by December will be **automatically deducted from 13th month** pay.
- A **30-day cooling period** is required after full loan repayment before a new application may be submitted
- Employees may avail of a maximum of two **(2) Kaagapay loans** per calendar year

6. Application Category

- Kaagapay Application has two processes
 1. Standard Process - **April to September**
 2. Stricter Process - **January to March** and **October to November**

Note: The process may subject to change depending on the Kaagapay calendar




7. Exit and Non-Payment

- Outstanding balances will be **deducted from Last pay**
- Remaining unpaid amounts will be subject to **collection and possible legal action**
- Employees with unpaid balances will be **disqualified from future loan applications**

8. Compliance and Control

- Loan releases are subject to **fund availability (max 5% of monthly payroll)**
- All transactions are monitored and audited by Finance
- Any policy violation may result in **disciplinary action**

For any questions or clarifications, you may reach out to the Finance Team.

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