

FAQ ON THE ENHANCED GSIS CONSO-LOAN PLUS PROGRAM

QUESTION	RESPONSE
LOAN FEATURES:	
1) What are the salient features / changes of the New Consoloan (vs the Old Consoloan)?	The new (or enhanced) Conso-Loan program of the GSIS has the following features: (a) extended maximum term from 6 years to 10 years for members with at least 10 years of period with paid premiums (PPP) and (b) increased maximum loanable amount for members with at least 15 years of PPP.
2) Will the New Consoloan still consolidate the Salary Loan, Restructured Salary Loan, Enhanced Salary Loan, Emergency Loan Assistance and Summer One Month Salary Loan and waive the penalties and surcharges incurred for these loans?	<p>Yes. Availment of the Enhanced Conso-Loan Plus Program will result in the consolidation of the following salary loans:</p> <ol style="list-style-type: none"> a. Salary Loan b. Restructured Salary Loan c. Enhanced Salary Loan d. Emergency Loan Assistance, and e. Summer One-Month Salary <p>The consolidation of the loan shall result in the full liquidation of the outstanding balances of the abovementioned loans, less the penalties and surcharges (if any), which are automatically waived under the Conso-Loan program.</p>
3) I have an outstanding Stock Purchase Loan account with the GSIS that I want to settle already. Can I request that this overdue account be included among the loans to be consolidated under the Conso-Loan Program.	<p>No. The Conso-Loan Program of the GSIS is a loan package aimed at consolidating all existing <u>salary loans</u> of the member.</p> <p>All other loans (housing, emergency loan, stock purchase, Fly PAL, Pay Later) and other one-time loan packages of the GSIS are not part of the loans that may be consolidated under the Conso-Loan Program.</p>
4) What is the new maximum loanable amount of the New Consoloan? Who are qualified for the new loanable amounts?	<p>GSIS members with PPP of at least 15 years will enjoy increased maximum loanable amount from 10x to 12x their Basic Monthly Salary (BMS). Members with at least 25 years of service, on the other hand, may borrow up to 14 times their basic monthly salary.</p> <p>Below is the table on the maximum loanable amount for the Enhanced GSIS Conso-Loan Plus:</p>

	<table border="1"> <thead> <tr> <th>PPP</th> <th>Maximum Loanable Amount</th> </tr> </thead> <tbody> <tr> <td>≥20 months</td> <td>3 x BMS</td> </tr> <tr> <td>≥40 months</td> <td>4 x BMS</td> </tr> <tr> <td>≥5 years</td> <td>7 x BMS</td> </tr> <tr> <td>≥10 years</td> <td>10 x BMS</td> </tr> <tr> <td>≥15 years</td> <td>12 x BMS</td> </tr> <tr> <td>≥25 years</td> <td>14 x BMS</td> </tr> </tbody> </table>	PPP	Maximum Loanable Amount	≥20 months	3 x BMS	≥40 months	4 x BMS	≥5 years	7 x BMS	≥10 years	10 x BMS	≥15 years	12 x BMS	≥25 years	14 x BMS
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<p>5) What is the new maximum term of the New ConsoLoan? Who are qualified for the new maximum term?</p>	<p>The maximum loan term under the Enhanced Conso-Loan Program is now 10 years (previously 6 years).</p> <p>However, this extension is applicable only to regular active members with PPP of at least 10 years. Regular active members with PPP of less than 10 years will continue to have the maximum 6-year loan term.</p> <p>For non-permanent members, the maximum loan term is 2 years (if PPP is less than 10 years) and 6 years (if PPP is at least 10 years).</p> <p>For special members, maximum loan term is 10 years, regardless of the PPP.</p>														
<p>6) Why did GSIS remove the 3 months grace period before the first amortization of the loan becomes due?</p>	<p>The three-month (3-month) grace period was implemented under the old Conso-Loan program to accommodate the remittance system of agencies which prepare their payroll in advance, and therefore cannot immediately effect the deduction of loan amortizations from the salaries of their personnel.</p> <p>At present, most (if not all) agencies are preparing their payrolls on time (i.e., no longer in advance) thus, there is no more reason for the GSIS to continue to implement a longer grace period.</p> <p>Under the Enhanced Conso-Loan Plus Program, loans granted from 1st to 23rd day of the month shall have a 1-month grace period (the first amortization shall be due on the month following the granting of the loan), while loans granted after the 23rd of the month shall have 2-months grace period.</p>														
<p>7) Will the members benefit with the</p>	<p>With the removal of the 3-months grace</p>														

<p>removal of the 3-months grace period?</p>	<p>period, the member-borrower effectively enjoys shorter period in which to fully pay the loan.</p> <p>Also, with shorter grace period, interest charged in advance is effectively reduced.</p> <p>Under the Enhanced Conso-Loan Plus Program, interest deducted in advance shall be computed from the date of loan granting up to the month prior to the 1st due month only.</p>
<p>8) You said that for members with PPP equal to 20 months (or less than 40 months), the loanable amount is 3x the basic monthly salary. My PPP is equal to 20 months and my BMS is P4,500, how come I did not qualify for Conso-Loan?</p>	<p>A member should have a computed loanable amount of <u>at least Php15,000</u> to be able to qualify under the Enhanced Conso-Loan Plus Program.</p> <p>In your case, P4,500 x 3 months is only P13,500.00. The minimum computed loanable amount should be P15,000.00 for you to be able to qualify.</p>
<p>9) Can I choose a shorter payment term, or is it fixed depending on the loan amount?</p>	<p>The maximum payment term or loan term is determined based on your PPP, and not on the loan amount being applied for.</p> <p>Regular active members will benefit from longer payment term of 10 years, if their PPP is at least 10 years. If less than 10 years, the maximum loan term is 6 years.</p> <p>For non-permanent members, the maximum loan term is 2 years (if PPP is less than 10 years) and 6 years (if PPP is at least 10 years).</p> <p>The member is given the option to choose a shorter term in increment of 1 year or 12 months.</p>
<p>ELIGIBILITY CONDITIONS:</p>	
<p>10) You said that the minimum PPP requirement to be able to qualify for the New Consoloan is twenty (20) months. How do you compute the PPP?</p>	<p>The periods with paid premiums (PPP) refer to the service periods with corresponding premium contributions paid and remitted to the GSIS.</p> <p>To qualify for Conso-Loan, GSIS members must have at least 20 months of service periods with corresponding premium</p>

	contributions paid and remitted to the GSIS.
11) A new GSIS member who is in service for only 3 months but has already remitted 3 monthly contributions for personal share (PS) and government share (GS) would like to avail of the Enhanced Conso-Loan Plus. Will he be qualified?	No. Since PPP (3 months) is less than the minimum PPP requirement of 20 months to be able to qualify for Conso-Loan, the member is not qualified.
12) If a new GSIS member has been in the service for 24 months but has remitted only 3 monthly contributions within the last 6 months prior to loan application, will he be qualified?	No. Since PPP (3 months) is less than the minimum PPP requirement of 20 months to be able to qualify for Conso-Loan, the member is not qualified.
13) Will a non-permanent government employee enjoy the same loan privileges of a permanent employee under the Enhanced Conso-Loan Plus Program?	<p>Permanent and non-permanent government employees are subjected to the same terms and conditions under the Enhanced Conso-Loan Plus program, except with respect to the maximum payment term (or loan term).</p> <p>Regular active members will benefit from longer payment term of 10 years, if their PPP is at least 10 years. If less than 10 years, the maximum loan term is 6 years.</p> <p>For non-permanent members, the maximum loan term is 2 years (if PPP is less than 10 years) and 6 years (if PPP is at least 10 years).</p>
SPECIAL MEMBERS:	
14) I am a GSIS special member but how come I cannot avail of your Conso-Loan program?	<p>Special members shall be allowed to avail of Conso-Loan only after their agency/ies has/have executed a special agreement with the GSIS.</p> <p>However, members of the Judiciary (Judge and Justices) may avail of the loan without need of a special agreement with the GSIS.</p>
15) My agency already has a MOA executed with the GSIS, but I am still not qualified to avail of the Conso-Loan.	<i>[Coordinate with the Membership Department concerned, through your AAO, to check on the special member's MSP tag. If requiring updating, the Membership Department will immediately coordinate with the AAO concerned.]</i>
16) How much can I loan as a special member and for how long can I pay it?	Members of the Judiciary and Special members whose agencies have executed a

	<p>special agreement (or MOA) with the GSIS shall have loanable amount of 10x their computed basic monthly salary.</p> <p>The salary basis shall be the amount of salary derived from their posted life insurance premium payments.</p> <p>Special members may pay for their Conso-Loan for a maximum period of 10 years.</p> <p>The special member has the option to choose a lower loan amount provided that the proceeds of the loan will be sufficient to cover the aggregate balance of the existing loan accounts to be consolidated, plus fee charges.</p>
LOAN AMOUNT	
17) Can I choose an amount lower than what is given during the tentative computation of the loan?	Yes. A member has the option to choose a lower loan amount provided that the proceeds of the loan will be sufficient to cover the aggregate balance of the existing loan accounts to be consolidated, plus fee charges, and shall not be less than the minimum loanable amount of PhP15,000.
18) Can I still change the loan amount I have applied for after it has already been approved and credited in my eCard account?	No. The member shall not have the option to cancel the loan but may pre-terminate the same by paying in full the balance of the loan, without any right to demand for reimbursement of the fees.
INTEREST RATE:	
19) Do we have a lower interest rate for the New Consoloan?	The interest rate under the Enhanced Conso-Loan Program will continue to be 12% per annum compounded annually based on a diminishing balance.
20) Can you explain what pro-rata charging of interest mean?	<p>Under the old Conso-Loan program of the GSIS, a full month's interest is already charged on the loan even if it was granted in the middle or end of the month. This is because a fraction of a month is already considered one month.</p> <p>The new GSIS management reviewed this present interest computation and under the Enhanced Conso-Loan Plus Program, adopted a "pro-rata" approach which is more</p>

	<p>equitable and fair on the part of the members. Under this new method, interest deducted in advance will now be computed from the <u>date of loan granting</u> up to the end of the month prior to the 1st due month, instead of the previous method wherein advance interest is computed from the <u>month of loan granting</u> (thus, a fraction of a month is considered 1 month).</p>
<p>21) When will my redemption insurance coverage take effect? Is it upon payment of the 1st monthly amortization?</p>	<p>You are covered with redemption insurance (RI) from the date the loan is granted. The corresponding RI premiums (for the month/s prior to the first payment of the loan) are automatically deducted from your loan proceeds. Thereafter, RI premium shall form part of your monthly amortization.</p> <p>If something happens to the member and the loan is up-to-date, the loan is deemed fully paid by virtue of the RI coverage.</p>
<p>22) I have an existing Conso-Loan with the GSIS. If I want to avail of the Enhanced Conso-Loan program, should I apply for it separately and still maintain my existing Conso-Loan account?</p>	<p>If you already have an existing Conso-Loan with the GSIS, you can avail of the Enhanced Conso-Loan through loan renewal.</p> <p>Renewal (of the existing Conso-Loan) may be done anytime as long as there are net proceeds, after deducting the outstanding balance of your previous Conso-Loan and other loans. Once you renew your existing Conso-Loan, your renewed loan shall be processed in accordance with the erms and conditions of the Enhanced Conso-Loan Plus Program.</p>
<p>OTHERS:</p>	
<p>23) When is the best day of the month to apply for the New Conso-Loan?</p>	<p>There is really no best or preferred day to speak of; however, here are what you should know when you apply for the Enhanced Conso-Loan Plus at a chosen date:</p> <p><u>If loan is granted between 1st and 23rd day of the month:</u></p> <ul style="list-style-type: none"> • The 1st due month (of the monthly amortization) shall be the calendar month <u>immediately</u> following the granting of the loan. <p>For example:</p>

Date of Loan Granting	08 January 2015
First Due Month	February 2015
Remittance Due Date (Deadline for Remittance to GSIS)	10 March 2015

If loan is granted after 23rd day of the month:

- The 1st due month (of the monthly amortization) shall be the 2nd calendar month following the granting of the loan.

For example:

Date of Loan Granting	26 January 2015
First Due Month	March 2015
Remittance Due Date (Deadline for Remittance to GSIS)	10 April 2015

A shorter grace period will result in lower amount of advance interest to be deducted from the proceeds of the loan. This is because pro-rated interest is applied, and interest (to be deducted in advance) is computed from the date of loan granting up to the end of the month prior to the first due month only.

24) Can I apply for Conso-Loan over-the-counter even if I have my GSIS eCard with me?

Application for the Enhanced Conso-Loan Plus should be done personally through the GW@PS kiosk. Over-the-counter application in any GSIS office shall be allowed only in case the application through kiosk is not possible.

In case of over-the-counter application, only properly accomplished application form for the Enhanced Conso-Loan Plus duly filed by the member-borrower shall be accepted, together with a copy of the eCard or UMID eCard.

25) Can I pay for the monthly installments (or amortizations) through direct payment?

No. The payment of monthly amortization shall be implemented through payroll deduction and the same shall not be stopped until the loan is fully paid.

26) I'd like to make additional payments to my Conso-Loan account on top of the monthly deductions being made by my office. Will GSIS accept these payments if done over-the-counter?

Yes. Any payment made in excess of the required monthly amortization will be applied as advance payment to the principal balance of the loan. This is on the assumption that payments on the loan are up-to-date.

<p>27) The amount I confirmed during tentative computation of my loan differed from the actual amount granted to me. Why is this so?</p>	<p>The actual net loan proceeds may differ from the tentative computation especially if the granting date crossed over the next billing month, in which case a due month is added in the computation of outstanding balance of your previous loan/s (that will be deducted from the loan proceeds).</p> <p>In case the actual net loan proceeds do not match the tentative computation, the GSIS will inform the AAO and the member of such adjustment, through email.</p>
<p>28) Why was my Emergency Loan deducted from my loan proceeds?</p>	<p>All loan* arrearages, except housing loan, are deducted from the proceeds of the Enhanced Conso-Loan Plus.</p> <p>* To include the following:</p> <ul style="list-style-type: none"> a. Emergency Loan b. Cash Advance Loans (MCA, ECP and ECP Plus) <p>Deduction of arrearages from the proceeds of the Conso-Loan is in accordance with the terms and conditions of the abovementioned loans.</p>