



**GSIS MEMORANDUM CIRCULAR NO. 019, SERIES OF 2020**

**TO : HEADS OF CONSTITUTIONAL BODIES; BUREAUS AND AGENCIES OF THE NATIONAL GOVERNMENT; LOCAL GOVERNMENT UNITS; GOVERNMENT OWNED OR CONTROLLED CORPORATIONS; STATE UNIVERSITIES AND COLLEGES; AND ALL OTHERS CONCERNED**

**SUBJECT : BAYANIHAN 2 LOAN MORATORIUM PROGRAM ON ALL LOAN PAYMENTS OF GSIS MEMBERS AND PENSIONERS AFFECTED BY CORONA VIRUS DISEASE (COVID-19)**

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Pursuant to the passage of Republic Act No. 11494 entitled "*Bayanihan to Recover as One Act*" last 11 September 2020 and BSP Memorandum No. M-2020-068 dated 18 September 2020, the following guidelines on "*Bayanihan 2 Loan Moratorium Program on All Loan Payments of GSIS Members and Pensioners Affected by COVID-19*" are hereby issued:

**A. Definition of Moratorium**

The new loan moratorium shall mean deferment of payment of loan amortization for another sixty (60) days or for due months **November and December 2020**. The payment/deduction of loan amortization (principal, interest and fire/redemption insurance) shall resume on 01 January 2021 and the same shall be remitted on or before 10 February 2021. Accordingly, the term of the loan is extended by another two (2) months.

Further, no interest on the loan amortization (i.e., interest on interest) shall be charged during the period of moratorium, or shall be added to the monthly amortization payable over the remaining term of the loan. However, the regular interest that is part of the loan amortizations deferred for collection during the period of moratorium shall still accrue, and shall be collected following the guidelines enumerated herein.

**B. Eligibility**

The following are eligible to avail of the Bayanihan 2 loan moratorium program:

1. GSIS active members with loan accounts whether up-to-date, in arrears or in default as of 30 September 2020, subject to the conditions in Items D and E below.
2. Pensioners who availed of the Pension Loan, Pensioner's Emergency Loan or Pensioner's Restructured Loan that are active or within the payment term.
3. Inactive GSIS members who availed of the GSIS Program for Restructuring and Repayment of Debts (PRRD) and whose accounts are active, whether up-to-date, in arrears or in default (outstanding) as of 30 September 2020.
4. Housing loan borrowers with loan accounts that are active, whether up-to-date, in arrears or in default as of 30 September 2020.

As a general rule, an account is considered in default when it has incurred more than six (6) unpaid monthly amortizations.

**C. Period of New Loan Moratorium**

The Bayanihan 2 loan moratorium program shall cover loan amortizations due for the months of **November and December 2020**.

**D. Accounts Covered**

The following are covered under this new loan moratorium program:

1. All loan accounts as of 30 September 2020, whether up-to-date, in arrears or in default are covered by this new moratorium, to wit:
  - 1.1 Consolidated Loan / Multi-Purpose Loan
  - 1.2 GSIS Financial Assistance Loan (GFAL)
  - 1.3 Educational Assistance Loan II (EAL II)
  - 1.4 Emergency Loan
  - 1.5 Regular Policy Loan
  - 1.6 Optional Policy Loan
  - 1.7 Home Emergency Loan Program (HELP)
  - 1.8 Deed of Conditional Sale (DCS) / Real Estate Loan (REL)
  - 1.9 Pension Loan
  - 1.10 Pensioner's Emergency Loan
  - 1.11 Pensioner's Restructured Loan
  - 1.12 Program for Restructuring and Repayment of Debt (PRRD)
  - 1.13 GSIS Computer Loan
  - 1.14 GFAL Educational Loan
  - 1.15 Other loan programs that are no longer actively offered by GSIS [i.e., Educational Assistance Loan (EAL), Stock Purchase Loan (SPL), Study Now, Pay Later (SNPL), etc.]
2. Due and demandable loan accounts which are already beyond the payment term as of 30 September 2020, but only with respect to suspension of collection activities as provided in Item I.3 below.
3. New Loans and Loan Renewals from 01 October to 23 November 2020.

All loans granted or renewed from 01 October to 23 November 2020 shall also be covered under this program. However, the payment of the first amortization shall be deferred up to 31 December 2020, and the corresponding amortization will start on 01 January 2021 which shall be due on or before 10 February 2021.

**E. Exclusions from the New Loan Moratorium Program**

Loans granted after 23 November 2020 (wherein the first due month will start in January 2021) shall not be covered by the moratorium.

## **F. Conditions for Availment**

1. Qualified borrowers shall be electronically identified by Technical Services Department, Operations Groups and ITSG, based on the parameters prescribed above. They are automatically covered by the moratorium and need not file a request or application to GSIS.
2. For qualified borrowers and pensioners who do not intend to avail of the moratorium program, they shall have the option to continue the regular payment of their loans through over-the-counter payment or other payment facilities.
3. The post-dated checks (PDCs) of housing loan borrowers dated November and December 2020 shall not be deposited, unless otherwise requested by the borrower for deposit (as regular payments) which must be communicated to GSIS through submission of written request or through e-mail not later than October 15, 2020.

Requests received after October 15, 2020 shall no longer be facilitated by the GSIS, and the borrower shall have the option to continue the regular payment of their loans through over-the-counter payment or other payment facilities.

## **G. Stoppage of Deduction/Payment**

1. The government agencies shall immediately cause the temporary stoppage of all covered loan accounts of qualified borrowers for due months November and December 2020.
2. Loan deductions which were already made but not yet remitted to the GSIS for due months November and December 2020 shall be refunded by the agencies to the concerned members without need of request or instruction from the GSIS.
3. Deduction of loan repayments from Basic Monthly Pension (BMP) shall be automatically stopped in November 2020 and until December 2020 only.

## **H. Application of Payments Made during the Moratorium Period**

Any payment received during the new loan moratorium period or for due months November and December 2020 shall not be refunded to the remitting agency or to individual members. Instead, the said payment/s shall be applied as follows:

1. For loan accounts with arrearages, any payment received during the new moratorium period shall be first applied as payment to arrearages of the loan/s in accordance with the order of priority in application of payments, as follows:
  - a. fire/redemption insurance;
  - b. penalties/surcharges;
  - c. interest; *and*
  - d. principal

The same applies to payments received by the GSIS for housing loan accounts (outside the automatic payroll deduction arrangement with the agency).

2. For due and demandable accounts, payments received during the new loan moratorium period shall be applied following this order of priority:
  - a. penalty surcharges;
  - b. penalty interest; *and*
  - c. principal balance of the loan.
3. For up-to-date accounts, payments received during the new loan moratorium period shall be applied following this order of priority:
  - a. fire/redemption insurance from the first moratorium (March to June 2020);
  - b. accrued interests due from the first moratorium (March to June 2020);
  - c. fire/redemption insurance from the new moratorium November to December 2020;
  - d. accrued interests due from the new moratorium (November to December 2020); *and*
  - e. principal balance of the loan.

**I. Suspension of Collection Activities**

1. The sending of collection notices to qualified availeds of the program shall be suspended for due months November and December 2020.
2. Likewise, the sending of Notices of Cancellation (for DCS accounts) and Final Demand Letters (for REL accounts) shall be put on hold during the period of moratorium.
3. In the case of due and demandable loan accounts which are already beyond the payment term or maturity date of the loan, the sending of demand letters, filing of cases and other collection activities shall be held in abeyance for 60 calendar days counting from 11 September 2020 or the implementation date of RA 11494.

**J. Resumption of Deduction**

1. After the end of the Bayanihan 2 loan moratorium program on 31 December 2020, the Administrative/Finance Officer/AAO, without need of notice from the GSIS, shall resume the deduction of the monthly loan amortization in January 2021 payroll for remittance on or before 10 February 2021.
2. In the case of pensioners, deduction of loan amortization/s from BMP shall commence immediately in January 2021.
3. Housing loan borrowers who are paying thru PDCs shall likewise resume paying the required monthly amortization without need of notice or demand, starting January 2021.

GSIS shall advise the borrowers regarding the replacement of the PDC checks that were no longer deposited as a result of this moratorium.

4. Other availeds of this program should resume payment of their monthly amortization starting January 2021 in order to avoid accumulation of arrearages and being declared in default in the event that it incurred more than six (6) unpaid monthly amortizations.

5. The existing policy on declaring accounts in default shall apply after the end of the moratorium period on 31 December 2020. For this purpose, the period of moratorium shall be excluded from the counting of months without payment.

**K. Effect of Renewal or Full Payment of Loans and Processing of Benefit Claim**

Renewal or restructuring of loans during and after the moratorium period shall be construed as an exercise of the right of the member or pensioner to pay the accrued interest in full on the new due date, pursuant to BSP Memorandum No. M-2020-068 or the *Implementation of Section 4(uu) of RA 11494 on the "Bayanihan to Recover as One Act"*.

Further, notwithstanding their qualification to avail of the program, all existing loans of members who will retire or separate, or members or pensioners who die during the period of moratorium shall be covered by the existing policies on processing of claims.

As such, the accrued interests as well as the RI and fire insurance premiums that were deferred during the period of moratorium shall be immediately collected from renewal or full payment of the loan or upon processing of claim benefit.


**L. Application of CLASP**

The Choice of Loan Amortization Schedule for Pensioners (CLASP) shall continue to be applied for qualified borrowers who retired / separated from the service within the new moratorium period.

**M. Insurance Cover During the Moratorium Period**

The Loan Redemption Insurance (LRI) coverage and Housing Loan Redemption Insurance (HLRI) of qualified avalees shall continue to be in force during the moratorium period, except for loan accounts already in default as of 30 September 2020 in which case the redemption insurance coverage is deemed lapsed.

The existing policies of the GSIS on redemption insurance shall be applied in case of contingency during moratorium.

  
**ROLANDO L. MACASAET**  
President and General Manager

Date Signed:   OCT 01 2020