

GOVERNMENT SERVICE INSURANCE SYSTEM

Financial Center, Roxas Blvd.,
Pasay City

GSIS Memorandum Circular No. 1 Series of 2012

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: AUTOMATIC GRANT OF A THREE-MONTH MORATORIUM ON LOAN AMORTIZATIONS OF GSIS MEMBERS GRANTED EMERGENCY LOANS AS A RESULT OF TYPHOON *SENDONG*

To extend necessary support and alleviate the plight of the victims of Typhoon *Sendong*, GSIS immediately offered emergency loans to members in the affected areas to help them rebuild their homes and assist them in their financial needs.

Further, recognizing their plight and bound by its social obligation to help its members and pensioners in times of adversity, the GSIS has approved, under Resolution No. 2 dated January 12, 2012, the grant of moratorium to the typhoon victims in the severely affected calamity areas.

The Moratorium Program is divided in two (2) phases:

- (a) The first phase is the automatic deferment of loan repayments for the months of January, February, and March 2012 for **all active members** who were granted emergency loans due to typhoon *Sendong*.
- (b) The second phase is the grant of additional nine-month moratorium on the payment of loan amortizations, without interests and penalties, for members and pensioners **residing** and/or **working** in the areas in the severely affected cities of Cagayan de Oro and Iligan; subject to filing of an application form.

POLICY GUIDELINES FOR THE 3-MONTH MORATORIUM:

A. Qualified Borrowers

All Active Members who availed of and were granted emergency loans due to typhoon *Sendong*, shall be qualified under this program (see attached list of Areas where GSIS granted emergency loans).

B. Moratorium Benefit

The moratorium shall mean automatic deferment on the payment of loan amortizations **due** for the months of January, February and March 2012, without interest and penalties, on all outstanding loans under the account of qualified members as of December 31, 2011.

C. Loan Accounts Covered

The following loan accounts are covered by the program:

1. All active **housing loans** without record of unpaid amortization for more than six (6) months as of December 31, 2011.

2. All active **Consolidated, eCash Advance, and Policy Loans** are covered provided that:
 - i. The loan was granted on or prior to December 31, 2011.
 - ii. The account has no record of unpaid amortization for more than six (6) months as of December 31, 2011.
3. All emergency loans granted as a result of Typhoon *Sendong*.

D. Loan Accounts NOT Covered

Due and Demandable accounts as of December 31, 2011 shall not be qualified.

E. Stoppage of Deduction/Payment

1. For borrowers whose payment of monthly amortization is thru payroll deduction:

The Agency Finance Head/Disbursing or Payroll Officer shall immediately cause the temporary stoppage of deduction upon receipt of the advice from the GSIS regarding entitlement of a member to the program.

2. For borrowers of housing loan whose payment of monthly amortization is thru post dated checks (PDCs):

Housing loan borrowers with PDCs in the custody of GSIS who qualified under this program shall be:

- a. Notified by GSIS in writing to retrieve their PDCs that will fall due within the moratorium period; and
- b. Required to issue new set of PDCs effective upon the resumption of payment of amortization beginning April 2012.

F. Application of Payments Received during the Moratorium Period

Any remittance for loan amortizations due for the period January to March 2012 shall be directly applied as payment to the outstanding balance of the loans as of December 31, 2011, following the order of priority below:

- | | | |
|-----------------|---|---------------------------------------|
| 1 st | : | Penalties/Surcharges |
| 2 nd | : | Loan Redemption Insurance (SLRI/HLRI) |
| 3 rd | : | Interest |
| 4 th | : | Principal |

Likewise, direct payments received from qualified borrowers during the moratorium period shall also be applied to the outstanding balance of the loan as of December 31, 2011 in accordance with the order of priority above.

Requests for refund of payments or remittances already received and receipted by GSIS shall not be allowed.

G. Suspension of Billing and Collection Activities

The electronic generation of monthly billing for amortizations due on qualified accounts shall be suspended during the moratorium period.

Likewise, the sending of demand letters and collection notices for qualified accounts shall be suspended until the end of the moratorium period.

Accordingly, borrowers who have not qualified under the program shall be issued demand letters and collection notices, if necessary.

H. Resumption of Deduction/Payment

The AAO, without need of Notice from GSIS shall resume the deduction of the monthly loan amortization in accordance with the advice sent by GSIS as discussed under Section E above.

Housing loan borrowers who are paying "over-the-counter" shall likewise resume paying the required monthly amortization without need of notice or demand.

The existing policy on declaring accounts in default shall apply after the end of the moratorium period.

I. Renewal and Availment of Loans during the Moratorium Period


Any renewal or availment of loan during the moratorium period shall result to the lifting of the moratorium benefits effective upon the date of availment/renewal. The remaining balance of the loans subject of moratorium shall be deducted from the proceeds of the new loan.

J. Application of CLASP

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

K. Insurance Coverage during the Moratorium Period

The Fire Insurance and Service/Housing Loan Redemption Insurance shall continue to be enforced during the moratorium period. Premiums during the moratorium period shall accrue on a monthly basis as premium receivables from the member which the latter may pay during or after the moratorium period.


ROBERT G. VERGARA
President & General Manager

31 January 2012

Areas where GSIS Granted Emergency Loans
due to Typhoon *Sendong*

1.	Agusan del Sur	Talacogon
2.	Bukidnon	Entire Province
3.	Compostela Valley	Compostela
		Mawab
		Monkayo
		Montevista
		Nabunturan
		New Bataan
		Pantukan
4.	Davao del Norte	Asuncion
		Sto. Tomas
5.	Lanao del Norte	Iligan
		Matungao
		Tubod
6.	Lanao del Sur	Entire Province
7.	Misamis Occidental	Clarin
		Ozamis
8.	Misamis Oriental	Entire Province
9.	Negros Oriental	Entire Province
10.	Surigao del Sur	Barobo
		Bislig
		Hinatuan
		Lingig
		Tagbina
11.	Zamboanga del Norte	Dipolog
		Polanco