

## GOVERNMENT SERVICE INSURANCE SYSTEM

Financial Center, Roxas Blvd.,  
Pasay City

GSIS Memorandum Circular No. 2 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: GRANT OF A NINE-MONTH MORATORIUM ON LOAN AMORTIZATIONS OF GSIS MEMBERS AND PENSIONERS RESIDING AND/OR WORKING IN CAGAYAN DE ORO AND ILIGAN CITY AS A RESULT OF TYPHOON *SENDONG*

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GSIS members and pensioners who are still recovering from the adverse effects of the Typhoon *Sendong*, specifically due to death of a family member, damage to residence and properties, loss of livelihood or source of income, should be given a respite from the pressing financial obligations that need to be settled.

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 as a result of Typhoon *Sendong*** (see attached list of Areas where GSIS granted emergency loans).
- (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 severely affected cities of Cagayan de Oro and Iligan; subject to filing of an application form.

### POLICY GUIDELINES FOR THE 9-MONTH MORATORIUM:

#### A. Filing of Application

As opposed to the first stage of the moratorium program where qualified members were automatically granted a 3-month moratorium, members/pensioners who are interested to avail of the benefits of this program shall be required to file an application for moratorium (*Annex A*), not later than February 29, 2012.

#### B. Qualified Applicants

The following may file an application for moratorium under this program:

1. Active Members **residing** and/or **working** in the cities of Cagayan de Oro and Iligan, who applied for and were granted emergency loans due to Typhoon *Sendong*; and
2. Pensioners **residing** in the cities of Cagayan de Oro and Iligan.

#### C. Moratorium Benefit

The moratorium shall mean deferment on the payment of loan amortizations **due** for the months April to December 2012, without interest and penalties, on all outstanding loans as of December 31, 2011 of the qualified applicants, and classified under Section D below.



#### D. 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, Policy Loans, Pension Loans** and all **loans** covered by the Choice of Loan Amortization Schedule for Pensioners (**CLASP**) 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*.

#### E. Loan Accounts NOT Covered

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

#### F. Where to File the Application for Moratorium

The application shall be filed at the Cagayan de Oro and Iligan Field Offices not later than February 29, 2012.

Any application for moratorium filed through the GSIS website, email or snail mail shall not be honored.

#### G. 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.

#### H. Application of Payments Received during the Moratorium Period

Monthly amortizations on qualified loan accounts that are due and paid within the moratorium period 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 <sup>st</sup>	Penalties/Surcharges
2 <sup>nd</sup>	Loan Redemption Insurance (SLRI/HLRI)
3 <sup>rd</sup>	Interest
4 <sup>th</sup>	Principal

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

**I. 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.

**J. Resumption of Deduction/Payment**

The AAO, without need of Notice from the GSIS, shall resume the deduction of the monthly loan amortizations beginning January 31, 2013.

Housing loan borrowers who are paying "over-the-counter" shall likewise resume paying the required monthly amortization without need of notice or demand not later than January 31, 2013.

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

**K. Renewal and Availment of Loans during the Moratorium Period**

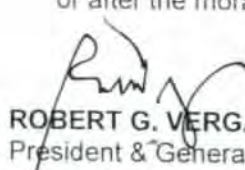
Any renewal or availment of loan during the moratorium period shall result to the lifting of the moratorium benefits effective upon the date of availment/renewal. The remaining balance of the loans subject of moratorium shall be deducted from the proceeds of the new loan.

**L. 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.

**M. 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





Republic of the Philippines  
**GOVERNMENT SERVICE INSURANCE SYSTEM**  
**APPLICATION FOR LOAN REPAYMENT MORATORIUM**

**“Annex A”**

(BEFORE ACCOMPLISHING THIS FORM, PLEASE READ  
 INSTRUCTIONS AND TERMS AND CONDITIONS PRINTED AT THE BACK HEREOF)

APPLICANT'S INFORMATION				
Surname	Given Name	Middle Name		
BUSINESS PARTNER NUMBER		DATE OF BIRTH (MM/DD/YYYY):		
APPLICANT'S RESIDENTIAL ADDRESS				
Number & Street	Barangay	Town/District	Province	Postal Code
CONTACT DETAILS				
Mobile Number	Landline Number	Email Address		
EMPLOYER/AGENCY NAME:				
EMPLOYER'S ADDRESS				
Number & Street	Barangay	Town/District	Province	Postal Code

REASONS FOR AVAILMENT				
<input type="checkbox"/> Death of a member of the family	<input type="checkbox"/> To Rebuild Damaged Home/Properties	<input type="checkbox"/> Loss of Livelihood/Income	<input type="checkbox"/> Relocation	<input type="checkbox"/> Others, please specify _____

APPLICANT'S AGREEMENT	
I hereby declare under pain of perjury that all the information contained herein are true and correct to the best of my own personal knowledge.	
_____	_____
(Signature Over Printed Name)	Date

FOR GSIS USE			
<b>VERIFIED BY</b> <input type="checkbox"/> Qualified <input type="checkbox"/> Not Qualified  _____ (Signature Over Printed Name) Staff Officer, FSU  _____ DATE	<b>RECOMMENDING</b> <input type="checkbox"/> Approval <input type="checkbox"/> Disapproval  _____ (Signature Over Printed Name) Division Chief/FSU  _____ DATE	<b>ACTION TAKEN</b> <input type="checkbox"/> Approved <input type="checkbox"/> Disapproved  _____ MA. LUZ I. BRIONES Regional Manager  _____ DATE	<b>TAGGED BY</b>   _____ (Signature Over Printed Name)  _____ DATE

----- PERFORATE HERE -----

<b>ACKNOWLEDGMENT RECEIPT</b> <b>APPLICATION FOR GSIS LOAN REPAYMENT MORATORIUM PROGRAM</b>	<b>RECEIVED BY</b>  _____ (Signature Over Printed Name)	
<b>BUSINESS PARTNER NUMBER</b>	<b>NAME OF MEMBER</b>	<b>DATE RECEIVED</b>

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.



## TERMS AND CONDITIONS

### 1. QUALIFIED APPLICANTS

The following may file an application for moratorium under this program:

1. Active Members **residing** and/or **working** in the cities of Cagayan de Oro and Iligan, who applied for and were granted emergency loan due to Typhoon Sendong; and
2. Pensioners **residing** in the cities of Cagayan de Oro and Iligan.

### 2. 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, Policy Loans, Pension Loans**, and all loans included in the Choice of Loan Amortization Schedule for Pensioners (CLASP) 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.

### 3. LOAN ACCOUNTS NOT COVERED

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

### 4. MORATORIUM BENEFITS

The moratorium shall mean deferment on the payment of loan amortizations **due** for the months April to December 2012, without interest and penalties, on all outstanding loans as of December 31, 2011 of the qualified applicants, and classified under Section 2.

### 5. WHERE TO FILE THE APPLICATION FOR MORATORIUM

The application shall be filed at the Cagayan de Oro and Iligan Field Offices not later than February 29, 2012.

Any application for moratorium filed through the GSIS website, email or snail mail shall **not** be honored.

### 6. NOTICE OF AVAILMENT OF MORATORIUM TO THE AGENCY AUTHORIZED OFFICER (AAO)

The GSIS shall advise the concerned AAO, in writing, of the following:

1. Temporary stoppage of loan amortization of qualified borrowers during the moratorium period; and
2. Resumption of deduction and remittance to GSIS of loan amortization of qualified borrowers and pensioners not later than January 31, 2013.

### 7. STOPPAGE OF DEDUCTION/PAYMENT

1. For members whose monthly amortization is being paid thru payroll deduction:

The Agency Finance Head/Disbursing or Payroll Officer shall immediately cause the temporary stoppage of deduction in accordance with the "Members and Loan Data" furnished by GSIS, as discussed above.

2. For housing loan borrowers 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 them to issue a new set of PDCs effective upon the resumption of payment of amortization.

### 8. APPLICATION OF PAYMENTS RECEIVED DURING THE MORATORIUM PERIOD

Since payroll of most agencies are prepared in advance by at least one (1) month, payment intended for loan amortizations due within the moratorium period shall be applied directly to the outstanding balance of the loans as of December 31, 2011.

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.

Application of payment shall follow the order of priority as follows:

- 1<sup>st</sup> : Penalties/Surcharges
- 2<sup>nd</sup> : Loan Redemption Insurance (LRI)
- 3<sup>rd</sup> : Interest
- 4<sup>th</sup> : Principal

### 9. 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.

### 10. RESUMPTION OF DEDUCTION/PAYMENT

The AAO, without need of Notice from the GSIS shall resume the deduction of the monthly loan amortizations beginning January 31, 2013.

Housing loan borrowers who are paying "over-the-counter" shall likewise resume paying the required monthly amortization without need of notice or demand not later than January 31, 2013.

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

### 11. 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.

### 12. 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.

### 13. 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.

### 14. CANCELLATION OF THE BENEFIT

GSIS reserves the right to cancel the moratorium benefit if, after reconciliation, the loan account is not qualified under the program.

## NOTE TO THE BORROWER

**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.**