

GOVERNMENT SERVICE INSURANCE SYSTEM

Financial Center, Roxas Blvd.,
Pasay City

GSIS Memorandum Circular No. 005 Series of 2013

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 SIX-MONTH MORATORIUM ON LOAN AMORTIZATIONS OF GSIS MEMBERS AND PENSIONERS RESIDING AND/OR WORKING IN THE WORST-HIT CALAMITY AREAS AS A RESULT OF TYPHOON YOLANDA

Barely a month after a 7.2 magnitude earthquake hit the provinces of Bohol and Cebu on October 15, 2013, another devastating calamity whipped the Visayas last November 8, 2013 leaving the worst hit areas paralyzed and isolated. Super Typhoon Yolanda (international name: Haiyan), considered as the strongest typhoon ever recorded in Philippine history, initially hit the town of Guiuan in Eastern Samar, then smashed into nearby coastal communities with a "storm surge" that resulted in instantaneous flooding in Tacloban City and other towns in Leyte and Samar.

The category-5 super typhoon, which swept across the Visayas provinces and the island of Coron in Palawan, destroyed telephone and power lines as well as homes and vital infrastructure causing massive power outage and communication blackout.

Bound by its social obligation to help its members and pensioners in times of adversity, the GSIS approved, under Resolution No. 129 dated November 28, 2013, the automatic grant of six months moratorium by way of deferring the payment of the members' and pensioners' loan amortizations to enable them to use such fund to recover and rebuild their lives.

POLICY GUIDELINES FOR THE 6-MONTH MORATORIUM:

A. Moratorium Defined

The moratorium shall mean deferment of loan amortization payment, without interest and penalties, for six months covering the period November 2013 to April 2014. Thus, it shall result to an extension of the repayment term by a maximum of six (6) months including those emergency loans granted to members and pensioners from November 15, 2013 to December 31, 2013.

B. Moratorium Period

The moratorium shall cover loan amortizations due on eligible loan accounts from November 2013 to April 2014.

C. Qualified Borrowers

All Active Members and Pensioners who were **residing** and/or **working** in the worst hit Calamity Areas are entitled to the benefits of this program.

For purposes of determining the eligibility of the borrowers, the GSIS shall refer to the addresses of members/pensioners (both for places of residence and work) as recorded in the GSIS Membership database as of October 31, 2013.

D. Worst Hit Calamity Areas

For purposes of identifying the worst hit calamity areas, the following parameters/criteria were considered:

1. The city/municipality should be within the typhoon path based on the report of National Disaster Risk Reduction Management Council (NDRRMC);
2. The city/municipality should have been declared as worst/hardest hit calamity area through a resolution issued by the *Sangguniang Panlalawigan or Panglungsod* or, through Certification issued by the Provincial Governor or Administrator.
3. Attached as Annex A is the list of cities and municipalities considered as worst hit calamity areas as declared by the appropriate City or Municipal Council or certified by the Office of the Provincial Governor or Administrator.

E. Loan Accounts Covered

The following loan accounts are covered by the program:

1. Active Loan Accounts as of October 31, 2013.

All active loan accounts regardless of whether or not the account has arrears as of October 31, 2013 are covered under this program. To wit:

- 1.1 Consolidated Loan
- 1.2 eCard Cash Advance
- 1.3 Pensioner Loan
- 1.4 Pensioner's Restructured Loan
- 1.5 Policy Loan
- 1.6 Emergency Loan
- 1.7 Enhanced Salary Loan
- 1.8 Educational Assistance Loan
- 1.9 Summer One-Month Salary Loan
- 1.10 Housing Loan (DCS and REL)

2. Loans Granted from November 1, 2013 to December 31, 2013.

All loans granted within November 1 to December 31, 2013, including Pensioners' Emergency Loan, shall also be covered under this program. However, the payment of the first amortization shall be deferred up to April 30, 2014, and the corresponding amortization shall be included in May 2014 billing which shall be due on or before June 10, 2014.

F. Loan Accounts NOT Covered

All loans granted beginning January 1, 2014 shall not be covered by this program.

G. No need for filing of Request/Application

Qualified borrowers shall be electronically identified based on the qualifications/parameters prescribed above. Thus, members and pensioners in the worst hit calamity areas **ARE AUTOMATICALLY COVERED BY THE MORATORIUM AND NEED NOT FILE** a request or application to GSIS.

The qualified borrowers, their respective Administrative/Finance Officer and Authorized Administrative Officer (AAO) shall be advised in writing of their entitlement to the moratorium, as well as, the prescribed guidelines and other information materials about the program.

H. Stoppage of Deduction

For borrowers whose payment of monthly amortization is thru payroll deduction

The Administrative/Finance Officer shall immediately cause the temporary stoppage of deduction upon effectivity of this Program. Any remittance made during the moratorium period shall be applied to the outstanding balance of the loan following the order of priority in application of payments (i.e. penalties/surcharge, insurance, interest, principal).

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 will qualify under the program shall be:

1. Notified by GSIS in writing to retrieve their PDCs from GSIS Treasury Unit; and
2. Required to replace the retrieved PDCs not later than April 1, 2014.

I. Resumption of Deduction

After the end of the moratorium period on April 30, 2014, the Administrative/Finance Officer without need of notice from GSIS, shall resume the deduction of the monthly loan amortization in the May 2014 payroll, and shall remit the same not later than June 10, 2014.

Housing loan borrowers who are paying "over-the-counter" shall likewise resume paying the required monthly amortization starting May 2014.

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

J. Suspension of Billing and Collection Activities

The system generation of monthly amortization billing for the covered loan accounts, and the sending of the monthly billing, demand letters and collection notices to the qualified borrowers shall be suspended during the moratorium period.

K. Effects of Renewal of Loans starting January 1, 2014

Renewal of loans beginning January 1, 2014 shall result to the lifting of benefits under the moratorium program effective upon date of renewal. The lifting of the moratorium benefit shall only apply to the particular loan account renewed.

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 Cover During the Moratorium Period

The Fire Insurance (FI) and Loan Redemption Insurance (LRI) coverage shall continue to be enforced during the moratorium period. Premiums due during the moratorium period shall be paid in full on or before June 10, 2014.

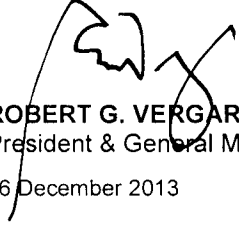
In case of retirement, resignation, or separation from the service or demise of the borrower during the moratorium period, the proportionate FI and LRI shall be deducted from any claims or benefits of the insured.

N. Application of Loan Payments Received during the Moratorium Period

Any payment or remittance received during the moratorium period that are intended to settle amortizations for a qualified loan account shall be applied directly to the outstanding balance of the loan.

Application of payment shall follow the order of priority below, on a monthly basis and starting from the oldest month to the current month. To wit:

- 1st : Penalties/Surcharges, if any
- 2nd : Loan Redemption Insurance (LRI)
- 3rd : Interest
- 4th : Principal



ROBERT G. VERGARA
President & General Manager

26 December 2013

List of Cities/Municipalities Considered Worst Hit by Typhoon Yolanda
as of December 4, 2013

No.	PROVINCE	CITY/MUNICIPALITY	No.	PROVINCE	CITY/MUNICIPALITY
1	AKLAN	ALTAVAS	64	ILOILO	SAN DIONISIO
2	AKLAN	BALETE	65	ILOILO	SAN RAFAEL
3	AKLAN	BATAN	66	ILOILO	SARA
4	AKLAN	LIBACAO	67	ILOILO	BANATE
5	AKLAN	MADALAG	68	ILOILO	BAROTAC VIEJO
6	AKLAN	BANGA	69	ILOILO	BINGAWAN
7	AKLAN	BURUANGA	70	ILOILO	CARLES
8	AKLAN	IBAJAY	71	ILOILO	DUENAS
9	AKLAN	KALIBO	72	ILOILO	PASSI CITY
10	AKLAN	LEZO	73	ILOILO	SAN ENRIQUE
11	AKLAN	MAKATO	74	LEYTE	ALBUERA
12	AKLAN	MALINAO	75	LEYTE	BURAUEN
13	AKLAN	NEW WASHINGTON	76	LEYTE	DAGAMI
14	AKLAN	NUMANCIA	77	LEYTE	DULAG
15	AKLAN	TANGALAN	78	LEYTE	ISABEL
16	AKLAN	NABAS	79	LEYTE	JARO
17	ANTIQUÉ	BARBAZA	80	LEYTE	JULITA
18	ANTIQUÉ	CULASI	81	LEYTE	KANANGA
19	ANTIQUÉ	SEBASTE	82	LEYTE	LA PAZ
20	ANTIQUÉ	TIBIAO	83	LEYTE	MACARTHUR
21	ANTIQUÉ	LAUA AN	84	LEYTE	MATAG - OB
22	ANTIQUÉ	LIBERTAD	85	LEYTE	MAYORGA
23	ANTIQUÉ	PANDAN	86	LEYTE	MERIDA
24	ANTIQUÉ	BUGASONG	87	LEYTE	ORMOC CITY
25	ANTIQUÉ	CALUYA	88	LEYTE	PALO
26	CAPIZ	CUARTERO	89	LEYTE	PALOMPON
27	CAPIZ	DAO	90	LEYTE	PASTRANA
28	CAPIZ	DUMALAG	91	LEYTE	TABONTABON
29	CAPIZ	DUMARAO	92	LEYTE	TANUAN
30	CAPIZ	IVISAN	93	LEYTE	TOLOSA
31	CAPIZ	JAMINDAN	94	LEYTE	VILLABA
32	CAPIZ	MA - AYON	95	LEYTE	ABUYOG
33	CAPIZ	MAMBUSAO	96	LEYTE	ALANGALANG
34	CAPIZ	PANITAN	97	LEYTE	BARUGO
35	CAPIZ	PILAR	98	LEYTE	CAPOCAN
36	CAPIZ	PONTEVEDRA	99	LEYTE	CARIGARA
37	CAPIZ	PRES. ROXAS	100	LEYTE	JAVIER
38	CAPIZ	SAPIAN	101	LEYTE	LEYTE
39	CAPIZ	SIGMA	102	LEYTE	SAN ISIDRO
40	CAPIZ	TAPAZ	103	LEYTE	SANTA FE
41	CAPIZ	PANAY	104	LEYTE	TABANGO
42	CAPIZ	ROXAS CITY	105	LEYTE	TACLOBAN CITY
43	CEBU	BANTAYAN	106	LEYTE	TUNGA
44	CEBU	BOGO CITY	107	LEYTE	CALUBIAN
45	CEBU	DAAN BANTAYAN	108	NEGROS OCCIDENTAL	CADIZ CITY
46	CEBU	MADRIDEJOS	109	NEGROS OCCIDENTAL	MANAPLA
47	CEBU	MEDELLIN	110	NEGROS OCCIDENTAL	SAGAY CITY
48	CEBU	SAN REMIGIO	111	PALAWAN	BUSUANGA
49	CEBU	SANTA FE	112	PALAWAN	CORON
50	CEBU	BORBON	113	PALAWAN	CULION
51	CEBU	PILAR	114	PALAWAN	AGUTAYA
52	CEBU	TABOGON	115	PALAWAN	LINAPACAN
53	CEBU	TABUELAN	116	WESTERN SAMAR	BASEY
54	CEBU	PORO	117	WESTERN SAMAR	MARABUT
55	CEBU	SAN FRANCISCO	118	EASTERN SAMAR	BALANGIGA
56	CEBU	SOGOD	119	EASTERN SAMAR	GIPORLOS
57	CEBU	TUDELA	120	EASTERN SAMAR	GUIUAN
58	ILOILO	AJUY	121	EASTERN SAMAR	LAWAAN
59	ILOILO	BALASAN	122	EASTERN SAMAR	MERCEDES
60	ILOILO	BATAD	123	EASTERN SAMAR	QUINAPONDAN
61	ILOILO	CONCEPCION	124	EASTERN SAMAR	SALCEDO
62	ILOILO	ESTANCIA	125	EASTERN SAMAR	HERNANI
63	ILOILO	LEMERY	126	EASTERN SAMAR	BALANGKAYAN