

GOVERNMENT SERVICE INSURANCE SYSTEM

Financial Center, Roxas Blvd.,
Pasay City

GSIS Memorandum Circular No. 006 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: **GRANT OF HOME EMERGENCY LOAN PROGRAM (HELP) TO GSIS MEMBERS AFFECTED BY TYPHOON YOLANDA**

Presidential Decree No. 682 issued on November 11, 2013 declared the whole nation under "State of Calamity". President Aquino directed all concerned agencies to extend necessary support to the areas affected by Typhoon *Yolanda* and to be active partners in rebuilding the homes and livelihood of the typhoon and flood victims.

The GSIS immediately responded to this call by offering the loan assistance package for active members and pensioners who were affected by Typhoon *Yolanda*, approved under Board Resolution 120 dated November 12, 2013,

However, despite the GSIS-approved loan package and other relief operations that are being provided by various sectors to address the pressing needs for food, clothing and medicines, most of the typhoon victims are still wanting in terms of financial support to rebuild their houses.

In line with the framework of the government to speed up the process of enabling the people to rebuild their homes and resume productive livelihood and employment activities in communities, the GSIS approved the grant of a **one-time special loan program**.

This special loan program named Home Emergency Loan Program (HELP) shall be made available to all GSIS active members who are working and/or residing in the worst hit calamity areas which were identified in the granting the emergency loans to stakeholders affected by Typhoon *Yolanda*.

HELP is over and above the other existing loan programs of the GSIS, but shall only be availed once and shall not be subjected to renewal.

To ensure that the qualified GSIS members will not be saddled by excessive loan availments from other financial or lending institutions, and at the same time ensure collection of loan amortizations, the granting of this special loan program shall strictly observe the net take-home pay prescribed under the General Appropriations Act (GAA).

POLICY GUIDELINES

A. Qualified Loan Borrowers

Active members identified as working or residing in the worst hit calamity areas per GSIS records as of November 15, 2013, including employees of suspended agencies, shall be qualified to avail of the GSIS HELP. List of worst hit areas is listed in the attached Annex A.

B. Application and Availment Period

Application forms shall be accepted at any GSIS office nationwide. The special loan program shall be offered from January 02, 2014 to March 31, 2014. Acceptance of applications will be until 31 March 2014 only.

C. Loan Amount

The maximum loan amount for this loan program shall be based on the member's total length of service (TLS), as follows:

TLS	Maximum Loanable Amount
Less than 5 years	P30,000.00
5 years or more but less than 10 years	P100,000.00
10 years and above	P200,000.00

The loanable amount that can be availed of shall be in multiples of Ten Thousand Pesos (PhP10,000), i.e., P10,000.00, P20,000.00, P30,000.00, P40,000.00 and so on, but not to exceed P200,000.00.

D. Interest Rate and Loan Term

The interest rate shall be six per cent (6%) compounded annually based on a diminishing balance. A fraction of a month is considered one (1) month.

The term of the loan is ten (10) years.

E. Redemption Insurance

The redemption insurance (RI) shall form part of the monthly amortization; premium rate is 0.38 per Php1,000.00.

F. Total Monthly Amortization

Below is the monthly amortization for various loan amounts (multiples of 10,000) with 6% interest paca payable in ten (10) years.

Loan Amount	Monthly Amortization			Loan Amount	Monthly Amortization		
	Prin. & Int.	RI Premium	Total		Prin. & Int.	RI Premium	Total
10,000.00	110.22	3.80	114.02	110,000.00	1,212.46	41.80	1,254.26
20,000.00	220.45	7.60	228.05	120,000.00	1,322.69	45.60	1,368.29
30,000.00	330.67	11.40	342.07	130,000.00	1,432.91	49.40	1,482.31
40,000.00	440.90	15.20	456.10	140,000.00	1,543.14	53.20	1,596.34
50,000.00	551.12	19.00	570.12	150,000.00	1,653.36	57.00	1,710.36
60,000.00	661.34	22.80	684.14	160,000.00	1,763.58	60.80	1,824.38
70,000.00	771.57	26.60	798.17	170,000.00	1,873.81	64.60	1,938.41
80,000.00	881.79	30.40	912.19	180,000.00	1,984.03	68.40	2,052.43
90,000.00	992.02	34.20	1,026.22	190,000.00	2,094.26	72.20	2,166.46
100,000.00	1,102.24	38.00	1,140.24	200,000.00	2,204.48	76.00	2,280.48

G. First Due Month

Monthly amortization shall commence on July 2014, and the 1st monthly amortization must be remitted to the GSIS on or before August 10, 2014. Monthly amortizations must be paid every 10th of the month thereafter until the loan is fully paid.

H. Net Proceeds

Only the processing fee, computed at 1% of the gross loan amount, shall be deducted from the loan amount.

I. In Default Account and Penalty Charges

Failure of the borrower to pay six (6) monthly instalments shall consider him/her in default. The redemption insurance coverage shall be automatically lapsed or cancelled once the loan is declared in default. In such case, the outstanding balance of the loan shall be due and payable without need of demand or further notice, all of which the borrower expressly waives. On the other hand, as a matter of GSIS collection and remedial policies, arrearages shall be deducted from other loans which the member may avail.

An account which incurs arrearages equivalent to more than six (6) months of amortization shall become due and demandable and shall be charged an interest rate of 12% per annum compounded monthly (pacm).

J. Application of Redemption Insurance Benefit

If the member dies and the loan is up-to-date, the loan shall be deemed fully paid by virtue of the redemption insurance coverage.

In case the loan is in arrears, only the theoretical balance of the loan shall be considered fully paid while the arrearages shall be deducted from whatever benefits that may be due the deceased.

The redemption insurance coverage shall be deemed lapsed or cancelled once the loan is declared in default. In such case, the outstanding balance and unpaid interests immediately prior to death shall be due and demandable and shall be deducted from whatever benefits that may be due the deceased.

The insurance coverage shall automatically terminate once the borrower pays the loan in full or upon expiration of the term of the loan, whichever comes first.

K. Compulsory Pre-Termination

The loan shall be due and demandable upon the resignation, retirement, or separation from service of the member.

In case of retirement, the outstanding principal and unpaid interests shall be collected in accordance with PPG No. 209-11 [Choice of Loan Amortization Schedule for Pensioners or CLASP].

L. No Pre-Termination Fee

The loan may be pre-terminated without penalties by paying the outstanding balance of the loan before the end of the loan term.

M. Cancellation

Once the loan is approved and the loan proceeds have been credited in the GSIS eCard account, the member has no more option to cancel the loan but only to pre-terminate it without any right to demand for reimbursements of the fees deducted (i.e. processing fee).

N. Recovery of Amount/s Credited in the GSIS eCard

The GSIS shall have the right to recover by any legal means possible, any amount in the eCard account credited thereon as a result of fraud, misrepresentation or error on account arising from any transaction which the member may have with the GSIS.

O. Refund of Overpayments

The refund of loan overpayments shall be facilitated by the GSIS in accordance with the existing policy guidelines on the treatment of excess loan payments.



ROBERT G. VERGARA
President & General Manager
27 December 2013

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

No.	PROVINCE	CITY/ MUNICIPALITY
1	AKLAN	ALTAVAS
2	AKLAN	BALETE
3	AKLAN	BATAN
4	AKLAN	LIBACAO
5	AKLAN	MADALAG
6	AKLAN	BANGA
7	AKLAN	BURUANGA
8	AKLAN	IBAJAY
9	AKLAN	KALIBO
10	AKLAN	LEZO
11	AKLAN	MAKATO
12	AKLAN	MALINAO
13	AKLAN	NEW WASHINGTON
14	AKLAN	NUMANCIA
15	AKLAN	TANGALAN
16	AKLAN	NABAS
17	ANTIQUÉ	BARBAZA
18	ANTIQUÉ	CULASI
19	ANTIQUÉ	SEBASTE
20	ANTIQUÉ	TIBIAO
21	ANTIQUÉ	LAUA AN
22	ANTIQUÉ	LIBERTAD
23	ANTIQUÉ	PANDAN
24	ANTIQUÉ	BUGASONG
25	ANTIQUÉ	CALUYA
26	CAPIZ	CUARTERO
27	CAPIZ	DAO
28	CAPIZ	DUMALAG
29	CAPIZ	DUMARAO
30	CAPIZ	IVISAN
31	CAPIZ	JAMINDAN
32	CAPIZ	MA - AYON
33	CAPIZ	MAMBUSAO
34	CAPIZ	PANITAN
35	CAPIZ	PILAR
36	CAPIZ	PONTEVEDRA
37	CAPIZ	PRES. ROXAS
38	CAPIZ	SAPIAN
39	CAPIZ	SIGMA
40	CAPIZ	TAPAZ
41	CAPIZ	PANAY
42	CAPIZ	ROXAS CITY
43	CEBU	BANTAYAN
44	CEBU	BOGO CITY
45	CEBU	DAAN BANTAYAN
46	CEBU	MADRIDEJOS
47	CEBU	MEDELLIN
48	CEBU	SAN REMIGIO
49	CEBU	SANTA FE
50	CEBU	BORBON
51	CEBU	PILAR
52	CEBU	TABOGON
53	CEBU	TABUELAN
54	CEBU	PORO
55	CEBU	SAN FRANCISCO
56	CEBU	SOGOD
57	CEBU	TUDELA
58	ILOILO	AJUY
59	ILOILO	BALASAN
60	ILOILO	BATAD
61	ILOILO	CONCEPCION
62	ILOILO	ESTANCIA
63	ILOILO	LEMERY

No.	PROVINCE	CITY/ MUNICIPALITY
64	ILOILO	SAN DIONISIO
65	ILOILO	SAN RAFAEL
66	ILOILO	SARA
67	ILOILO	BANATE
68	ILOILO	BAROTAC VIEJO
69	ILOILO	BINGAWAN
70	ILOILO	CARLES
71	ILOILO	DUENAS
72	ILOILO	PASSI CITY
73	ILOILO	SAN ENRIQUE
74	LEYTE	ALBUERA
75	LEYTE	BURAUEN
76	LEYTE	DAGAMI
77	LEYTE	DULAG
78	LEYTE	ISABEL
79	LEYTE	JARO
80	LEYTE	JULITA
81	LEYTE	KANANGA
82	LEYTE	LA PAZ
83	LEYTE	MACARTHUR
84	LEYTE	MATAG - OB
85	LEYTE	MAYORGA
86	LEYTE	MERIDA
87	LEYTE	ORMOC CITY
88	LEYTE	PALO
89	LEYTE	PALOMPON
90	LEYTE	PASTRANA
91	LEYTE	TABONTABON
92	LEYTE	TANUAN
93	LEYTE	TOLOSA
94	LEYTE	VILLABA
95	LEYTE	ABUYOG
96	LEYTE	ALANGALANG
97	LEYTE	BARUGO
98	LEYTE	CAPOOCAN
99	LEYTE	CARIGARA
100	LEYTE	JAVIER
101	LEYTE	LEYTE
102	LEYTE	SAN ISIDRO
103	LEYTE	SANTA FE
104	LEYTE	TABANGO
105	LEYTE	TACLOBAN CITY
106	LEYTE	TUNGA
107	LEYTE	CALUBIAN
108	NEGROS OCCIDENTAL	CADIZ CITY
109	NEGROS OCCIDENTAL	MANAPLA
110	NEGROS OCCIDENTAL	SAGAY CITY
111	PALAWAN	BUSUANGA
112	PALAWAN	CORON
113	PALAWAN	CULION
114	PALAWAN	AGUTAYA
115	PALAWAN	LINAPACAN
116	WESTERN SAMAR	BASEY
117	WESTERN SAMAR	MARABUT
118	EASTERN SAMAR	BALANGIGA
119	EASTERN SAMAR	GIPORLOS
120	EASTERN SAMAR	GUIUAN
121	EASTERN SAMAR	LAWAAN
122	EASTERN SAMAR	MERCEDES
123	EASTERN SAMAR	QUINAPONDAN
124	EASTERN SAMAR	SALCEDO
125	EASTERN SAMAR	HERNANI
126	EASTERN SAMAR	BALANGKAYAN