



OFFICE OF THE CORPORATE SECRETARY

EXACT COPY OF RES. NO. 82 ADOPTED BY THE GSIS BOARD OF TRUSTEES IN ITS MEETING NO. 14 HELD ON 11 AUGUST 2020

Approval of the Amendment of the GSIS Financial Assistance Loan (GFAL) II¹

RESOLUTION NO. 82

WHEREAS, Policy and Procedural Guidelines (PPG) No. 338-19 on the GSIS Financial Assistance Loan (GFAL) II was approved under Board Resolution No. 62 dated 15 May 2019 and amended under Board Resolution No. 75 dated 15 July 2020;

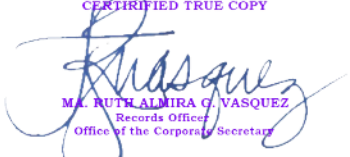
WHEREAS, the Executive Vice President for the Core Business Sector and the Senior Vice Presidents for the Operations Groups, in their Memorandum dated 2 July 2020 recommended amendments to PPG No. 338-19 with respect to:

1. Appointed and elected officials;
2. Employees with non-permanent status; and
3. Lending institution not covered under the agency automatic payroll deduction;

RESOLVED, to **APPROVE** and **CONFIRM** the amended PPG on the GSIS Financial Assistance Loan (GFAL) II, as proposed by the Executive Vice President for the Core Business Sector and the Senior Vice Presidents for the Operations Groups, in their Memorandum dated 2 July 2020;

RESOLVED FURTHER, that Board Resolution No. 62 dated 15 May 2019 and Board Resolution No. 75 dated 15 July 2020 are hereby **SUPERSEDED**;

¹ Classification: General Dissemination

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M. RUTH ALMIRA G. VASQUEZ
Records Officer
Office of the Corporate Secretary
11 November 2020

A copy of the above-mentioned PPG is made an
integral part of this Resolution.

CERTIFIED CORRECT:

ORIGINAL SIGNED
ATTY. LUZ VICTORIA F. REYES-MORANDO
Corporate Secretary

CONFIRMED:

ORIGINAL SIGNED
LUCAS P. BERSAMIN
Chairman

ORIGINAL SIGNED
ROLANDO L. MACASAET
Vice Chairman

ORIGINAL SIGNED
WILFREDO C. MALDIA
Trustee

ORIGINAL SIGNED
JOCELYN DE GUZMAN CABREZA
Trustee

ORIGINAL SIGNED
ALAN R. LUCA
Trustee

ORIGINAL SIGNED
NINA RICCI A. YNARES-CHIONGBIAN
Trustee

ORIGINAL SIGNED
ANTHONY B. SASIN
Trustee

ORIGINAL SIGNED
KAHAR H. MACASAYON
Trustee

ORIGINAL SIGNED
CARLO ANTONIO B. ALMIRANTE
Trustee

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R. Vasquez
M. RUTH ALMIRA G. VASQUEZ
Records Officer
Office of the Corporate Secretary

11 November 2020



POLICY AND PROCEDURAL GUIDELINES (PPG) NO. 363-20

FUNCTIONAL AREAS : LOANS

DISTRIBUTION : All Executive Vice Presidents
All Senior Vice Presidents
All Vice Presidents
All Managers

SUBJECT MATTER : GSIS FINANCIAL ASSISTANCE LOAN (GFAL) II

I. BACKGROUND/RATIONALE

The GSIS being the primary social security insurance institution in the country is not only obligated to look after the welfare of members by monitoring social security contributions in time for their retirement but also be a partner in looking after members' welfare when they are in the active service. It is a recognized fact that government employees tend to lean towards borrowing against unearned salaries to sustain economic challenges to the point that a lot have become vulnerable prey to the numerous lending institutions and their sometimes unconscionable interest rates to be able to make ends meet.

As one of the government institutions that can play a vital role in making a difference in the everyday lives of members and at the same time meet its mandate to increase its investment portfolios to satisfy the requirements of liquidity, safety, security and yield to ensure and sustain the financial and actuarial solvency of the funds, the GSIS has been offering various loan windows to members and has become a dependable partner in meeting members' financial needs.

The GSIS launched the GSIS Financial Assistance Loan (GFAL) exclusively for personnel of the Department of Education (DepEd) on 15 May 2018 and as of 31 December 2018 there were a total of 35,152 GFAL avalees representing the total amount of disbursement of Php12.4B.

Since the launch of the GFAL exclusively to DepEd personnel, various government agencies and employees have made inquiries, requests and clamored for the GSIS to offer the same program to their agency and their employees. As GFAL covers only employees from DepEd and recognizing that all members should enjoy the same privileges from the GSIS for the sake of equality and fairness, it is endeavored that the same loan privilege should be offered to the remaining 49% of members across the country.

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[Signature]
M.A. RUTH ALMIRA G. VASQUEZ
Records Officer
Office of the Corporate Secretary

11 November 2020



The current membership composition per sector (as of 19 February 2019) of the GSIS are as follows:

SECTOR	COUNT	PERCENTAGE
DepEd	922,295	51%
GFI	30,921	2%
GOCC	62,790	3%
Judiciary	28,048	2%
LGU	414,700	23%
NGAs and SUCs	321,435	18%
Military	21,306	1%
TOTAL	1,801,495	100%

Further, and since GFAL was launched, the GSIS has seen a substantial increase in its loan collection efficiency compared with the previous years, as follows:

AGENCY TYPE	JAN-DEC 2014	JAN-DEC 2015	JAN-DEC 2016	JAN - SEPT 2018
	%	%	%	%
DepEd	88	89	88	99

II. OBJECTIVES

This PPG aims to:

1. Improve the financial capability of GSIS members;
2. Provide an affordable loan package to enable GSIS members to take out or refinance their outstanding loans with lending institutions through the GSIS; and
3. Improve the collection efficiency of GSIS.

III. DEFINITION OF TERMS

For purposes of this PPG, the following definition of terms shall be adopted:

Account in arrears	–	A loan account with unpaid amortizations equivalent to six (6) months or less.
Account in default	–	A loan account is considered in default if the total arrearages or unpaid amortization is equivalent to more than 6 monthly amortizations.

Date of Loan Granting	–	The date when the header corresponding to the loan availed of is created in the IT system of the GSIS.
Lending Institution	–	A company or juridical person who lends money to a private individual. For the purpose of this PPG, a lending institution may refer to private corporations, public or private cooperatives, government banks and other government instrumentalities and has an existing MOA with the agency or duly recognized and certified by the agency irrespective of whether or not they are covered under the agency automatic payroll deduction scheme.
Outstanding Balance	–	The sum of the unpaid balance at the end of the month including penalties and surcharges, if any.
Theoretical Balance	–	The balance of the loan if all the monthly amortizations due were paid in accordance with the payment plan or amortization schedule of the loan.
Up-to-date Account	–	A loan account where correct monthly amortization is consistently paid and the outstanding balance is equal to or less than the theoretical balance.
Regular Member	–	Refers to those employed by the government of the Republic of the Philippines, national or local, legislative bodies, government-owned and controlled corporations (GOCC), government financial institutions (GFIs) with original charters, except uniformed personnel of the Armed Forces of the Philippines (AFP), the Philippine National Police (PNP), Bureau of Jail Management and Penology (BJMP) and Bureau of Fire Protection (BFP), who are required by law to remit regular monthly contributions to the GSIS.
Elected Member	–	Refers to a member who occupies an elective position in the government with fixed term of office.
Appointed Member	–	Refers to an official who occupies position in the government by virtue of an appointment issued by the President of the Republic or Authorized Representative.

Non-Permanent Members	–	Refers to members whose employment in the service are either co-terminous, temporary, confidential, contractual, casual, emergency, lump sum, probationary, provisional, or substitute but are required by law to remit regular monthly contributions.
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IV. POLICIES

A. COVERAGE

This PPG shall cover all active GSIS members, except personnel of the Department of Education (DepEd), with existing outstanding loan obligation(s) with lending institution(s) duly recognized and certified by his or her Agency, including government banks, cooperatives and other lending instrumentalities subject to the conditions provided in this Policy.

B. GENERAL POLICIES

1. Submission by the Agency Head of a letter of intent to avail of the GFAL;
2. The Agency Head or authorized representative will enter into a Memorandum of Agreement (MOA) with the GSIS (**Annex A**) where the Agency will commit to undertake the following:
 - a) The Agency shall prioritize the payment of GSIS loans over and above the payment of loans taken by personnel from lending institutions. Consistently, the Agency shall prioritize the deduction from its payroll of the monthly amortizations due on the loans taken by personnel under GFAL II, until fully paid;
 - b) The Agency shall ensure the timely payment of all loan repayments due from the borrowers, which must be remitted to the GSIS not later than the 10th day of the calendar month following the due month;
 - c) The Agency undertakes to withhold any or all benefits due to the employee upon separation from service (i.e., terminal leave benefit), as payment for outstanding GSIS loan obligations, pursuant to GSIS Memorandum Circular No.005, series of 2018 (**Annex B**);
 - d) The Agency shall provide the GSIS a duly recognized and certified list of lending institutions irrespective of whether or not accredited under the automatic payroll deduction.
 - e) The Agency Head/Designated Signatory has secured an Authorization from the City/Municipal Council/Provincial

Board/School Board/Board of Trustees (for LGU, SUCs, GFIs and GOCCs only) to be the signatory of the MOA with the GSIS on GFAL II.

3. The financial assistance loan may be availed for the purpose of settling the outstanding obligations with lending institutions.
4. The availment of the financial assistance loan shall be *voluntary*; hence, shall be extended only to those who will apply for the same.
5. The loan proceeds to be paid to lending institution/s shall be net of deductions to be imposed by GSIS, i.e., advance interest payment and loan redemption insurance.
6. The lending institution/s should be in the list of accredited and/or recognized lending institutions, irrespective of whether or not they are covered under the automatic payroll deductions submitted by the agency to the GSIS.
7. The net take home pay of the borrower must adhere to the provision on the current Minimum Net Take Home Pay set forth in the General Appropriations Act (GAA).

C. QUALIFIED LOAN BORROWERS

To qualify for the loan, the Borrower:

1. Must be an active regular or special member (with an existing Memorandum of Agreement under PPG No. 234-15 which allow the grant of Salary and other loan privileges to Special Members) of the GSIS with permanent status of employment or a member on non-permanent status subject to the conditions set forth. Regular active members must have at least three (3) years of periods with paid premiums (PPP) and active members on Elected or Appointed or non-permanent status must have at least 15 years PPP at the time of application.
2. Has no pending administrative case and/or criminal charge; *Provided*, however, that if the pending case or charge is filed by an accredited lending institution due to the Borrower's non-payment of his/her loan obligations as a result of the prioritization of GSIS and Home Development Mutual Fund (HDMF) loan payments, the Borrower shall remain eligible, subject to the submission of documentary proof stated under Section IV.D of this PPG;
3. Is not on Leave Without Pay (LWOP) at the time of availment;
4. Has an outstanding loan from the lending institution accredited by his or her agency

5. Has no due and demandable loan account/s with the GSIS.

D. APPLICATION

1. Applications for GFAL II shall be supported by the following documents:
- a. Application Form (**Annex C**) properly filled out by the GSIS member and duly endorsed by the Agency Authorized Officer (AAO) with borrower's consent to assign the proceeds of the loan to the concerned lending institution/s.
 - b. Borrower Loan Agreement, Loan Voucher and/or other certified documents indicating the details of the loan from the accredited lending institution/s, such as: original loan amount, net loan, term of loan, interest rate, monthly amortization and due date of first loan amortization.
 - c. GSIS pro-forma Statement of Account (SOA) made on the loan issued by the accredited lending institution/s with the concurrence of the Borrower as to its correctness (**Annex D**), however, should the lending institution refuse to fill out or issue the GSIS-prescribed SOA:
 - c. 1 Acceptance of the Statement of Account (SOA) prepared and signed by the authorized official of the lending institution provided that a statement of certification attesting to the correctness is printed/stamped on the available space or on the dorsal portion thereof and signed by the member, thus:

"I hereby certify that the loan details such as principal, interest, penalties, and other charges stated in this SOA were issued upon my request for GFAL II purposes.

Signature over Printed Name of Borrower"
 - d. Payslip of the borrower for the month immediately preceding the date of GFAL application, certified as true copy by the Authorized Agency Officer (AAO).
 - e. Such other documents that the GSIS or the borrower's agency may require to verify the balance of existing loan/s with the lending institution/s, and the paying capacity of the borrower;
 - f. Attendance to the GSIS Financial Literacy Seminar and submission of the original Certificate of Attendance as part of the documentary requirements

2. Loan obligations with several lending institutions shall be consolidated into one application, based on the SOAs to be provided by the same.

E. LOAN AMOUNT

1. The maximum loanable amount per borrower is FIVE HUNDRED THOUSAND PESOS (Php500,000.00), provided that the resulting net take home pay is not lower than the amount required under the General Appropriations Act (GAA) after all required monthly obligations have been deducted.
2. The amount set by GSIS as loan amount shall be considered fixed and non-negotiable.
3. The arrearages on other GSIS loan/s of a borrower shall not be deducted from the proceeds of the financial assistance loan.
4. If the computed loanable amount is not sufficient to cover the total obligation with the lending institution, the borrower has to settle the difference with the lending institution before submission of the application for GFAL II.

F. TERM

The loan repayment shall be made over six (6) years in seventy-two (72) equal monthly instalments to include those with non-permanent status (with 15 years PPP), except for members whose employment category is either elected or appointed, with 15 years PPP, which instead shall be two (2) years in twenty-four (24) equal monthly instalments.

G. INTEREST RATE

1. Interest on loan shall be at six (6) percent per annum computed in advance with effective rate of 11.258%, except for members whose employment category is either elected or appointed which shall have an effective rate of 11.712%.
2. The monthly interest on outstanding balance of the loan shall be computed based on diminishing balance.
3. Pro-rata interest covering the days from loan granting up to the end of the month prior to the first due month shall be deducted in advance from the loan proceeds.

The formula for interest in advance (IDA) shall be as follows:

- A. For those classified with permanent status with 3 years PPP and for non-permanent status with 15 years PPP:

$$\text{Interest in Advance (IDA)} = \text{GLA} \times 11.258\% \times [\text{d}(\text{new}) / 360]$$

where: GLA = Gross Loan Amount
d(new) = No. of days from loan granting up to
end of month prior to the first due month

- B. For those classified as Elected or Appointed with 15 years PPP:

$$\text{Interest in Advance (IDA)} = \text{GLA} \times 11.712\% \times [\text{d}(\text{new}) / 360]$$

where: GLA = Gross Loan Amount
d(new) = No. of days from loan granting up to
end of month prior to the first due month

H. REDEMPTION INSURANCE

- GFAL II shall have redemption insurance (RI) to safeguard the interests of both the member and the GSIS in case of the former's untimely death during the term of the loan.
- The RI rate is as follows:

Loan Term	Monthly RI Rate (Per Php1,000 of Loan Amount)	GSIS Membership Status
6 years	0.38	Permanent status with 3 years PPP and Non-Permanent status with 15 years PPP
2 years	0.30	Elected or Appointed with 15 years PPP

- To ensure that the member is covered with RI from the date of loan granting, an advance RI premium shall be deducted from the loan proceeds as follows:

Date of Loan Granting	RI Premium to be Deducted
On or before the 23rd of the month	Equivalent to 1 month
After the 23rd of the month	Equivalent to 2 months

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

5. In case the loan is in arrears, only the theoretical outstanding balance shall be covered by the RI benefit and shall be deemed fully paid.

The arrearages, however, shall be deducted from whatever benefits due the deceased. In case the arrearages exceed the benefits due the deceased, the excess shall be deducted from the subsequent benefits due the heirs.

6. In case the loan is in default, the RI coverage shall be deemed lapsed or cancelled. Thus, the outstanding balance at the time of death shall be due and demandable and shall be deducted from whatever benefits due the deceased. In case the outstanding balance exceeds the benefits, the excess shall be collected from the subsequent benefits due the heirs.
7. No RI premiums shall be collected from any benefit that the deceased member and his or her legal heirs are entitled to.
8. The RI is automatically terminated when the member pays the loan in full or upon expiration of the term of the loan, whichever comes first.

I. NO SERVICE FEE

The member availing of the GFAL shall not be charged a service fee by the GSIS.

J. COMPUTATION OF NET PROCEEDS

The net proceeds of the GFAL shall be computed as follows:

Loan Amount		XX
Less: Interest in Advance (IDA)	XX	
Advance RI Premium	XX	XX
Net Proceeds		XX

K. PAYMENT OF LOAN PROCEEDS

1. The loan proceeds shall be paid by GSIS to the authorized representative of the respective lending institutions.
2. For this purpose, the name of the authorized representative of the lending institution and corresponding ID number shall be indicated in the SOA to be submitted to GSIS. A copy of the representative's ID shall be attached to the SOA.
3. The check representing proceeds of GFAL may be delivered to the lending institution following the existing policies on check management and

disbursement for miscellaneous, general insurance and investment transactions. The GSIS personnel designated to deliver the check/s shall be required to accomplish a Delivery and Guarantee Receipt Form (DGRF) signed by the supervisor. The official receipt issued by the lending institution shall be considered as competent evidence that the check was actually received by the authorized official of the lending institution.

L. MONTHLY AMORTIZATION

Monthly amortization (MA) shall be computed as follows:

- A. For those classified with permanent status with 3 years PPP and for non-permanent status with 15 years PPP:

$$MA = \frac{\text{Amount Borrowed} (1 + (\text{Annual Interest Rate})(\text{Term}))}{(12)(\text{Term})} + \text{RI premium}$$

where: Amount Borrowed = Gross Loan Amount granted
 Annual Interest Rate = 6% nominal, EIR: 11.258%
 Term = 6 years

- B. For those classified as Elected or Appointed with 15 years PPP:

$$MA = \frac{\text{Amount Borrowed} (1 + (\text{Annual Interest Rate})(\text{Term}))}{(12)(\text{Term})} + \text{RI premium}$$

where: Amount Borrowed = Gross Loan Amount granted
 Annual Interest Rate = 6% nominal, EIR: 11.712%
 Term = 2 years

M. DUE DATE OF MONTHLY AMORTIZATION

1. For GFAL loans granted on or before the 23rd of the month, the due month of the first monthly amortization shall be the month immediately following loan granting.

The remittance due date, or the date when the first monthly amortization of the loan shall have been remitted by the agency to GSIS, shall be on or before the 10th day of the month after the due month.

For example:

Date of Loan Granting	05 May 2019
Due Month	June 2019
Remittance Due Date (Deadline for Remittance to GSIS)	10 July 2019

2. For GFAL loans granted after the 23rd of the month, the due month of the first monthly amortization shall be the 2nd calendar month following the granting of the loan.

The remittance due date shall be on or before the 10th of the month following such due month.

For example:

Date of Loan Granting	25 May 2019
Due Month	July 2019
Remittance Due Date (Deadline for Remittance to GSIS)	10 August 2019

N. PAYMENT MECHANISM

1. The monthly amortization shall be paid through payroll deduction. It is understood that the deduction shall not be stopped until the loan is fully paid.
2. The Accounts Management Division (AMD) / Billing, Collection and Reconciliation Division (BCRD) in the CO/BOs shall provide assistance to the ERF Handler / Finance Officer in case the Weekly Notice to Deduct (WNTD) and Electronic Billing File (EBF) could not be accessed successfully from the Electronic Billing and Collection System (EBCS).

The EBCS automatically generates email notifications to the ERF Handlers to inform them of the availability of their WNTDs and EBFs .

For the EBF, first notification is sent on the 1st day of the due month, and a second notification is sent on the 15th day of the same due month.

3. Individual accounts whose outstanding balance is equal to or less than P10.00 shall be tagged as "fully paid". The tagging of fully paid accounts either through direct payment, deduction of arrearages from Enhanced Conso-Loan Plus Program or payroll deduction, shall be done by an authorized officer of the unit/department concerned.
4. The borrower shall directly remit to the GSIS the loan installment as they fall due under any the following instances:
 - a. The name of a borrower is excluded from the monthly collection list;
 - b. The borrower is on secondment, on study leave without pay or extended leave without pay;
 - c. The monthly amortization is not deducted and/or remitted by the agency for any other reason aside from item 4(b) above; or

- d. The loan amortization deducted from the payroll is not sufficient to cover the full amount due.

O. PENALTY FOR ARREARAGES

An account is considered in arrears if:

1. There is payment for monthly installment but the remittance of said payment is delayed;
2. The actual amount paid for the month is less than the amount due for the same month; or
3. There is no payment made for the month.

It shall incur a penalty at the rate of 1% per month, compounded monthly, until the arrears are paid.

P. APPLICATION OF PAYMENTS

1. Every payment shall be initially applied to the amount due, following this order of priority:
 - a. RI premium
 - b. Penalty, if any
 - c. Interest
 - d. Principal
2. If in arrears, the "move-up" policy shall be adopted wherein the payments are first applied to the earliest unpaid month until the month's full amount due has been fully paid.
3. Lumped repayments whose distributions are indicated in the electronic remittance file (ERF) shall be distributed accordingly and moved-up as appropriate.

Q. AUTOMATIC DEDUCTION OF ARREARAGES

Any and all arrearages from the GFAL II shall be deducted from the proceeds of the Enhanced Conso-Loan Plus Program or GSIS Service Loans except Emergency and Policy Loan which the borrower may avail of.

R. DEFAULT

An account is considered in default when the total unpaid obligation is equivalent to more than six (6) monthly amortizations.

In the event of default, the outstanding balance of the loan becomes due and demandable without need of demand.

In case of failure to pay the outstanding balance declared in default, the outstanding balance shall be charged with an interest equivalent to 12% per annum compounded monthly (p.a.c.m.) and a penalty of 6% p.a.c.m., from the date of default until the date of full payment.

Any payment received after a loan has been declared in default shall be applied in the order of priority below:

1. RI premiums due for a maximum of six (6) months from the time the account was declared in arrears
2. Penalty
3. Interest
4. Principal

S. PRE-TERMINATION

The loan may be pre-terminated by paying the outstanding balance before the end of the loan term. No fees shall be charged to the borrower in case of pre-termination.

T. COMPULSORY PRE-TERMINATION

The loan agreement shall be deemed pre-terminated upon the death, resignation, permanent disability, retirement or separation from service of the borrower, in which case, the outstanding balance shall be due and demandable and shall be collected by GSIS from claims of borrowers, or their heirs, concerned or by other courses of action (administrative or civil).

Retiring borrowers may opt to avail of the Choice of Loan Amortization Schedule for Pensioners (CLASP), subject to existing policies and procedures.

U. CANCELLATION

Once the loan is approved and the loan proceed is already released to the lending institution/s, the borrower shall no longer have the option to cancel the loan but may only pre-terminate the same through payment of the total outstanding balance.

V. RECOVERY OF AMOUNT/S IN CASE OF MISREPRESENTATION

GSIS shall have the right to declare as due and demandable the total outstanding obligation in case of fraud and/or misrepresentation.

W. REFUND OF OVERPAYMENTS AFTER END OF LOAN TERM

At the end of the loan term, any overpayment shall be treated in accordance with the policy guidelines on treatment of excess payment.

X. NO RENEWAL

GFAL II is a one-time offer of the GSIS and is not renewable.

Y. AUTHORIZED SIGNATORY OF THE MEMORANDUM OF AGREEMENT

Agency Type	GSIS Signatory	Agency Signatory
National Government Agency (NGAs)	President and General Manager (PGM) or Executive Vice President – Core Business Sector (EVP-CBS) or Senior Vice President (SVP) Concerned	Head of Agency or Duly authorized representative
Judiciary	PGM or EVP-CBS or SVP Concerned	Head of Agency or Duly authorized representative
Military (Non-uniformed Personnel only)	PGM or EVP-CBS or SVP Concerned	Head of Agency or Duly authorized representative
Government Owned and Controlled Corporations (GOCCs), Government Financial Institutions (GFIs), State Colleges and Universities (SCUs) and Local Government Units (LGUs)		

Agency Type	GSIS Signatory	Agency Signatory
- With 5,000 or more employees	PGM or EVP-CBS	Head of Agency or Duly authorized representative (To attach Council/Board Resolution authorizing the signatory to enter into a MOA with GSIS)
- With less than 5,000 employees	PGM or EVP-CBS or SVP Concerned or Vice President Concerned or Branch Manager Concerned	Head of Agency or Duly authorized representative (To attach Council/Board Resolution authorizing the signatory to enter into a MOA with GSIS)

Z. APPROVING AND SIGNING AUTHORITY ON LOANS GRANTED UNDER GFAL II

The certification of availability of funds [Box B in the Disbursement Voucher (DV)] shall follow the limits of authority provided in the existing Manual of Signing and Approving Authorities for miscellaneous transactions.

On the other hand, approval of disbursement of loan proceeds under GFAL II shall be as follows:

Certification (Expense is necessary, lawful, etc.) (Box A in the DV)	Approval (Box C in the DV)	Limits
Officer I	Department Manager/Branch Manager	Greater than Php400,000.00 up to Php500,000.00
Staff Officer III	Officer I	Greater than Php200,000.00 up to Php400,000.00

Certification (Expense is necessary, lawful, etc.) (Box A in the DV)	Approval (Box C in the DV)	Limits
Staff Officer I or II	Staff Officer III	Up to Php200,000.00

AA. CHECK SIGNING AUTHORITY ON LOANS GRANTED UNDER GFAL II

The signing and countersigning of checks under GFAL II shall be as follows:

Type of Disbursement	Check Signatory		Limit of Authority
	Principal	Countersigning	
GFAL II transaction	Officer II or I, NCR/Luzon/VisMin	Manager, NCR/Luzon/VisMin	Above Php200,000.00 up to Php500,000.00
	Staff Officer III NCR/Luzon/ Vismin	Officer II or I, NCR/Luzon/VisMin	Up to Php200,000.00

V. PROGRAM IMPLEMENTATION

GFAL II shall run for a period of one (1) year from the date of the program implementation, which shall not be later than three (3) months from the date of Board approval.

VI. DATA AND SYSTEM REQUIREMENTS

- A. The Controller Group shall provide the proper accounting entries to record all transactions contained in this PPG.
- B. The Operations Groups shall prepare the necessary consolidated user requirements (CUR) and undertake user acceptance testing (UAT) to implement this PPG.
- C. The Internal Audit Services Office (IASO) and Information Security Office (ISO) shall review the CUR.
- D. The Information Technology Services Group (ITSG) shall ensure that the necessary program for system adjustments is made to conform to this PPG.

VII. PROCEDURES

A. RECEIPT AND ELIGIBILITY CHECKING

ACTIVITY	RESPONSIBLE UNIT		
	Central Office	Branch Office	Extension Office
<p>1. Receive the GFAL Loan Application from the member, together with:</p> <p>1.1 Statement of Account (SOA) filled out by the lending institution with the member-borrower's conforme, and clear photocopy of I.D. of the authorized representative (of lending institution) who will claim the check from the GSIS;</p> <p style="text-align: center;">or</p> <p>The SOA prepared and signed by the authorized official of the lending institution provided that a statement of certification attesting to the correctness is printed/stamped on the available space or on the dorsal portion thereof and signed by the member;</p> <p>1.2 Borrower Loan Agreement, Loan Voucher and/or other certified documents indicating the details of the loan from the accredited lending institution/s, such as: original loan amount, net loan, term of loan, interest rate, monthly amortization and due date of first loan amortization; and</p> <p>1.3 Payslip of the borrower for the month immediately preceding the date of GFAL application, certified as true copy by the Authorized Agency Officer (AAO).</p>	<p>Staff Officer I/ II</p> <p>(Frontline Officer)</p>	<p>Staff Officer I/ II</p> <p>(Members Assistance Unit)</p>	<p>Staff Assistant (Members Assistance Unit)</p> <p style="text-align: center;">Or</p> <p>Staff Officer I/ II</p> <p>(Frontline Services)</p>
<p>2. Examine the following:</p> <p>a. Completeness of documents;</p> <p>b. Proper accomplishment of the</p>			

ACTIVITY	RESPONSIBLE UNIT		
	Central Office	Branch Office	Extension Office
<p>forms; and</p> <p>c. Matched member information as reflected in the submitted documents and in SAP.</p> <p>2.1 If in order, proceed to Activity No. 3.</p> <p>2.2 If not in order, return application and inform member of the deficiency.</p> <p>3. Verify if the lending institution/s as indicated in the application form is/are accredited by Agency of the Borrower/Member.</p> <p>3.1 If all lending institutions indicated in the form are in the list of Agency-accredited lending institutions, proceed to Activity No. 4.</p> <p>3.2 If not all lending institutions indicated in the form are Agency-accredited lending institutions, advise member to revise the form and indicate only the Agency-accredited lending institutions. Revert to Activity No. 3.</p> <p>3.3 If all are not Agency-accredited lending institutions, return application form to borrower and advise him/her that only Agency-accredited lending institutions may be accepted for GFAL II.</p> <p>4. Check completeness of AAO certification in the application form.</p> <p>4.1 If without any notation on the form signed, proceed to Activity No. 5.</p> <p>4.2 If with notation on pending administrative case and/or criminal charge, accept and proceed to Activity No. 5 provided that the pending case or charge is filed by an</p>			

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Records Officer / Secretary
Office of the Corporate Secretary

ACTIVITY	RESPONSIBLE UNIT		
	Central Office	Branch Office	Extension Office
<p>accredited lending institution due to the member's non-payment of his/her loan obligations as a result of the prioritization of GSIS and HDMF loan payments. Supporting documents, such as copy of the filed case, must be submitted for this purpose.</p> <p>4.3 If the pending case is not related to the lending institution/s, do not accept the application form and inform member of the ineligibility.</p> <p>4.4 If with notation that the member is currently on leave without pay, do not accept application form and inform member of the ineligibility.</p> <p>5. Verify GSIS membership status in SAP particularly the following:</p> <p>a. Must be a regular or special member of the GSIS;</p> <p>b. Latest employment status must be "Permanent"; and</p> <p>c. Must have period with paid premiums (PPP) of at least three (3) years.</p> <p>5.1 If membership status verified matched with the requirements, proceed to Activity No. 6.</p> <p>5.2 If verified unmatched, advise member to update membership record and/or premium payments first before proceeding with the GFAL application. Return application form to member, together with the checklist of requirements for the updating of record and/or premium payments.</p> <p>6. Check in SAP if with due and demandable loan/s from the GSIS.</p> <p>6.1 If without due and demandable</p>			

ACTIVITY	RESPONSIBLE UNIT		
	Central Office	Branch Office	Extension Office
<p>loan account/s with the GSIS, proceed to Activity No. 7.</p> <p>6.2 If with due and demandable loan account/s with the GSIS:</p> <p>6.2.1. Return application since member is not eligible. Advise member to request for reconciliation of loan accounts with the concerned OUC or processing unit.</p> <p>6.2.2. Member may update payment to qualify for renewal of loan and convert loan account to current. Then, revert to Activity 6.1.</p>			
<p>7. Compute tentative loanable amount under GFAL using the GFAL calculator.</p> <p>7.1 If the computed loanable amount is enough to cover the total obligations with the lending institutions and is within the maximum loan amount under GFAL (Php500,000.00), proceed to Activity No. 8.</p> <p>7.2 If the computed loanable amount is not enough to cover the total obligation with the lending institutions, advise borrower to pay the difference first to the lending institution, and to re-submit the application with updated SOA issued by the lending institution.</p>			
<p>8. Issue an endorsement slip to the financial literacy seminar and return complete documents to member.</p>			
End of Process			

B. LOAN EVALUATION AND COUNSELING

ACTIVITY	RESPONSIBLE UNIT	
	Central and Branch Office	Extension Office
1. Receive loan documents from the member.	Staff Officer I or II	Staff Officer I or II
2. Ensure completeness of the documents submitted. 2.1 If complete, proceed to Activity No. 3. 2.2 If incomplete, inform member of the deficiency and return the application form with the checklist of requirements still to be submitted. Revert to Activity No. 1.	Loans and eServices Unit, Frontline Services Division (LeSU, FSD)	(Frontline Services)
3. Verify if member has already attended the GSIS Financial Literacy Seminar. 3.1 If a copy of Certificate of Attendance is submitted, proceed to Activity No. 4. 3.2 If there is no Certificate of Attendance, inform member of the deficiency and return the application form with the checklist of requirements still to be submitted. Revert to Activity No. 2.		
4. Compute loanable amount under GFAL using the GFAL Calculator and inform member of the resulting loan proceeds and monthly amortization.		
5. Give a brief loan counseling to member (Refer to Annex E for the Loan Counseling Checklist).		
6. Print the Tentative Loan Computation Sheet (Annex F) in <u>duplicate</u> once member has agreed on the loan details and has provided the distribution of the net loanable amount among the lending institution/s to be paid.		
7. Input the Business Partner (BP) No. in the GWAPS OTC facility.		
8. Input loan amount from the Tentative Loan Computation Sheet and perform tentative computation in GWAPS OTC.		


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Records Officer
Office of the Corporate Secretary

ACTIVITY	RESPONSIBLE UNIT	
	Central and Branch Office	Extension Office
8.1 If the computation in GWAPS OTC matched the details in the Tentative Loan Computation sheet, proceed to Activity No. 9.		
8.2 If the computation in GWAPS OTC did not match the details in the Tentative Loan Computation Sheet, check details of the computation sheet and repeat the calculation. Account will have to be reconciled/ updated. Revert to Activity A.7.		
9. Save the application details and tentative amounts in GWAPS OTC. Print the TMS transaction receipt (generated from the GWAPS OTC facility) and give to the borrower.		
10. Scan all documents received and attach in the TMS transaction.		
11. Forward TMS to Staff Officer III and transmit hard copy of loan application to the Records Officer for storage.		
End of Process		

C. LOAN PROCESSING THROUGH GWAPS-OTC MODULE

C. LOAN PROCESSING THROUGH GWAPS OTC MODULE		
ACTIVITY	RESPONSIBLE UNIT	
	Central and Branch Office	Extension Office
1. Retrieve TMS transaction with electronic loan details.	Staff Officer III Frontline Services Division (FSD)	Staff Officer III (EO Head)
2. Process approval of the loan through the GWAPS OTC facility.		
3. Forward TMS to Staff Officer I/II for processing of payment to the lending institution (through FIS).		
End of Process		

D. PROCESSING OF PAYMENT TO THE LENDING INSTITUTION (FIS)

ACTIVITY	RESPONSIBLE UNIT	
	Central and Branch Office	Extension Office
1. Receive TMS.	Staff Officer I or II	Staff Officer I or

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Records Officer
Office of the Corporate Secretary

11 November 2020

ACTIVITY	RESPONSIBLE UNIT	
	Central and Branch Office	Extension Office
<p>2. Set-up payment to lending institution-payee in SAP Accounts Payable Module – FIS (F-63), with the following details:</p> <p><u>Document Header:</u> Document Date: [Date of Processing] Posting Date: [Date of Processing] Doc. Type: KR Company Code: GSIS Currency: PHP Reference: [GFL] [Contract No.]</p> <p><u>1st Line Item:</u> PstKy: 31 Account: [Drill down to search for Vendor account] GL Account: 2161200003 Amount: [Copy amount of NET PROCEEDS from created loan header in FNG3] Assignment: N/A Text: [BP No., Contract No., Amount]</p> <p><u>2nd Line Item:</u> PstKy: 40 Account: 6148300400 Amount: [Copy amount of NET PROCEEDS from created loan header in FNG3] Assignment: N/A Text: [BP No., Contract No., Amount] Cost Center: [Cost Center of ODM] Segment: SIF</p> <p>Once the required field has been filled-up, choose "Complete" under document header.</p> <p>(A document number will be generated in SAP as proof that the document has been "parked completely/successfully".)</p>	(FSD, LeSU)	II (Frontline Services)
3. Forward TMS to SO III for review of parked document.		
<p>4. Receive TMS and review parked document.</p> <p>4.1 If in order, send email request to Members Service Accounting Department (MSAD) for further</p>	Staff Officer III (FSD)	Staff Officer III (EO Head)

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ACTIVITY	RESPONSIBLE UNIT	
	Central and Branch Office	Extension Office
validation of the parked document. Proceed to Activity No. 5. 4.2 If with error, return TMS to Staff Officer I/II with instruction to correct parked document. Revert to Activity No. 2.		
5. Receive email request and validate parked document. 5.1 If without errors, copy furnish the SO III, FSD for CO/BOs and EO Head for EOs posting of parked document with notation "Validation Done". Proceed to Activity No. 6. 5.2 If with error, return email to SO III, FSD for CO/ BO and EO Head for EOs with instruction to correct parked document. Revert to Activity No. 4.	MSAD	
6. Receive email request, post parked document and provide feedback to MSAD and SO III (EO Head) that posting is done / completed. Proceed to Activity No. 7. <i>The posting of payable in SAP by BASSAD is equivalent to the latter's certification of funds availability.</i>	Budget Administration and Support Services Accounting Department (BASSAD)	
7. Inform the Staff Officer I/II of the approval with instruction to prepare the Disbursement Vouchers (DV) for the payment of loan proceeds to lending institutions. Proceed to Activity No. 8.	Staff Officer III (FSD)	Staff Officer III (EO Head)
8. Prepare DV and route for signature following the matrix on the approval and signing authorities. (Description in the DV should include: "FAO: [Name of Borrower, BP Number, Contract No]")	Staff Officer I or II (LeSu, FSD)	Staff Officer I/II (Frontline Services)
9. Prepare transmittal of DV to: a. BASSAD for CO; b. Treasury Unit for BO; and c. Office of the Branch Manager for		

ACTIVITY	RESPONSIBLE UNIT		
	Central and Branch Office	Extension Office	
EO. For BO, proceed to Procedure E: Printing of Miscellaneous Checks, Activity No. 2.			
10. Forward signed DV and transmittal with complete supporting documents to BASSAD. Proceed to Activity No. 11.	Staff Officer I or II (FSD, LeSu)	NA	NA
11. Transmit the signed DVs with supporting documents and transmittal list back to the Loans and eServices Unit, after checking.	BASSAD	NA	NA
End of Process			

E. PRINTING OF MISCELLANEOUS CHECKS

ACTIVITY	RESPONSIBLE UNIT		
	Central Office	Branch Office	Extension Office
1. Receive validated DV from BASSAD and forward to Fund Transfers and Payments Processing Department (FTPPD) for check printing. Proceed to Activity No. 2.	Staff Officer I or II (LeSu, FSD)	Not Applicable	Not Applicable
2. Receive signed DV with supporting documents.	FTPPD	Treasury Unit, FSD	Not applicable
3. Review limits of signing of DV and accuracy/completeness of supporting documents.			
a. If in complete, encode DV details and proceed to Activity No. 4.			
b. If incomplete, return the DV and advise the LeSU Officer for CO/BOs or the EO Head for EOs of the deficiency.			
Revert to Procedure D – Processing of Payment to the Lending Institution (FIS), Activity No. 8.			
4. Process payment of DV by printing the particular check in SAP Accounts Payable Module – FIS and route the printed check to authorized signatories.			
5. Provide list of DVs with Printed Checks to Operations Group, through			

ACTIVITY	RESPONSIBLE UNIT		
	Central Office	Branch Office	Extension Office
the Department, Branch and Extension Office Heads on a weekly basis.			
<i>End of Process</i>			

F. NOTIFICATION TO LENDING INSTITUTION AND MEMBER ON CHECK AVAILABILITY

ACTIVITY	RESPONSIBLE UNIT		
	Central Office	Branch Office	Extension Office
1. Receive the list of DVs with Printed Checks.	Office of the Department Manager	Staff Officer I or II (Office of the Branch Manager)	Staff Assistant or Staff Officer I/II (Frontline Services)
2. Call and inform the authorized representatives of the Lending Institution/s of the availability of check for pick-up, and to bring the official receipt (OR) issued by the lending institution as proof of payment.			
3. Submit List of borrowers with processed loan to Contact Center for call-out (to inform authorized representatives of the availability of check for pick-up by the lending institution/s).			
End of Process			

G. RELEASING OF MISCELLANEOUS CHECKS TO LENDING INSTITUTION-PAYEE

ACTIVITY	RESPONSIBLE UNIT		
	Central Office	Branch Office	Extension Office
1. Release check to the authorized representative of Lending Institution-Payee provided that all the check releasing requirements are complied.	FTPPD	Treasury Unit (Frontline Services Division)	Treasury Officer Frontline Services
2. Submit list of released checks to Loans and eServices Unit, Frontline Services Division for CO and BO; and Staff Officer I or II, Frontline Services for EO.			
3. Update TMS to indicate details of released check/s to LI-Payee. Forward TMS to SO III (EO Head)	Staff Officer I or II (FSD, LeSu)		SO I/II (Frontline Services)
4. Update GWAPS status to reflect release of check to the lending institution/s. Close the TMS.	Staff Officer III (FSD)		SO III (EO Head)
Note: The check representing proceeds of GFAL may be delivered to the lending institution following the			

ACTIVITY	RESPONSIBLE UNIT		
	Central Office	Branch Office	Extension Office
provisions of PPG 219-12 (Check Management and Disbursement for Miscellaneous, General Insurance and Investment Transactions). The GSIS personnel designated to deliver the check/s shall be required to accomplish a Delivery Guarantee Receipt Form (DGRF) signed by the supervisor. The official receipt issued by the lending institution shall be considered as competent evidence that the check was actually received by the authorized official of the lending institution.			
End of Process			

VIII. DATA PRIVACY

The OUC shall ensure that the creation and collection, storage and transmittal, use and distribution, retention, as well as disposal and destruction of the personal and sensitive personal data of members, pensioners and other stakeholders, as required by this PPG, adhere to the requirements of the Data Privacy Act.

IX. INFORMATION DRIVE

The Corporate Communications Office shall prepare the necessary information materials to communicate the implementation of this PPG.


A GSIS Memorandum Circular (Annex G) shall be issued by the GSIS to inform the public of this program.

X. EFFECTIVITY

This PPG shall take effect after fifteen (15) days from publication in the Official Gazette or in a newspaper of general circulation.

ORIGINAL SIGNED
ROLANDO L. MACASAET
 President and General Manager

Date Signed: 06th 1st 9 2020

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 M.A. RUTH ALMIRA G. VASQUEZ
 Records Officer
 Office of the Corporate Secretary
 11 November 2020

MEMORANDUM OF AGREEMENT

This Memorandum of Agreement (MOA) is made and executed on this ____ day of _____ 20____, _____, Philippines, by and between:

The **GOVERNMENT SERVICE INSURANCE SYSTEM**, a social insurance institution created under Commonwealth Act No. 186, as amended and operating under its present Charter, Republic Act (R.A.) No. 8291, otherwise known as the "GSIS Act of 1997", with principal office address located at the GSIS Headquarters Building, Financial Center Area, Pasay City, represented herein by **[NAME OF SIGNATORY]**, **[Designation of Signatory]**, duly authorized for this purpose, hereinafter, the "GSIS";

- and -

The **[NAME OF AGENCY]**, an agency of the Philippine Government, with principal office address at **[Address]** represented herein by **[NAME OF SIGNATORY]**, **[Designation of Signatory]**, duly authorized for the purpose under **[Documentary Source of Authority]** dated **[Date Issued]** (Annex "A"), hereinafter, the "Agency".

RECITALS

WHEREAS:

1. Government employees have availed of various types of loans from lending institutions that resulted in over-borrowing, affecting their ability to make monthly loan payments and increasing the risk of default.
2. Every year, the General Appropriations Act (GAA) has a standard provision on Authorized Deductions which enumerates the allowable deductions from the salaries and other benefits accruing government employees while consistently mandating that highest priority be given to contributions and obligations due the BIR, PHILHEALTH, **GSIS** and HDMF.¹
3. The **GSIS** is legally mandated to collect monetary obligations in its favor and under Section 39 of R.A. No. 8291, the **GSIS** is authorized to deduct, from the benefits of separating or retiring members, the said members' monetary liabilities to the **GSIS**.
4. There is an urgent need to address the over-borrowing of government employees from private lenders and to promote the welfare of government employees considering the risk that if left unaddressed, nothing might be left of the concerned personnel's retirement or separation benefits as said benefits might be treated as payment to their outstanding loan obligations to the **GSIS**.
5. The net take home pay of the Borrower must adhere to the provision on the Minimum Net Take Home Pay set forth in the GAA.

¹ See Section 47, GAA 2017; Section 52, GAA 2016; Section 48, GAA 2015; Section 46, GAA 2014; and so on.

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Office of the Corporate Secretary

11 November 2020

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6. On June 6, 2019, to improve the financial capability of GSIS members, provide an affordable loan package by enabling GSIS members to refinance their outstanding loans with lending institutions through the GSIS and to improve the collection efficiency of the GSIS, the GSIS launched the GSIS Financial Assistance Loan (GFAL) II Program ("GFAL II"), to be extended to agencies willing to execute a MOA with the GSIS.
7. The Agency seeks to participate in GFAL II through the execution of this MOA to enable its employees to enjoy the benefits thereof, subject to the following terms and conditions.

NOW, THEREFORE, for and in consideration of the foregoing premises, the parties hereby agree as follows:

ARTICLE I – COVERAGE

- 1.1 The signing of this MOA shall automatically make **GFAL II** available to all qualified employees of the **Agency**, including those in its regional/branch offices, bureaus and/or attached agencies.
- 1.2 **GFAL II** shall be extended to the **Agency's** employees from the signing of the **MOA** up to **December 31, 2020**.

ARTICLE II - COMMITMENTS OF THE AGENCY

- 2.1 The **Agency** shall prioritize the payment of **GSIS** loans over and above the payment of loans taken by personnel from lending institutions. Consistently, the **Agency** shall prioritize the deduction from its payroll of the monthly amortizations due on the loans taken by personnel under **GFAL II**, until fully paid.
- 2.2 The **Agency** shall ensure the timely payment of all loan repayments due from the Borrowers, which must be remitted to the **GSIS** not later than the 10th day of the calendar month following the due month.
- 2.3 The **Agency**, upon the Borrower's resignation, separation, retirement, death or permanent total disability, undertakes to withhold any or all benefits due to the Borrower (i.e., terminal leave benefits) as payment for the Borrower's outstanding **GSIS** loan obligations pursuant to **GSIS** Memorandum Circular No. 005, Series of 2018 (Annex "B"). For this purpose, the **Agency** shall require a **GSIS** clearance and/or Statement of Account prior to the release of the Borrower's benefits.
- 2.4 The **Agency**, upon receipt of the Statement of Account from the **GSIS**, shall deduct and/or withhold from any or all benefits that may accrue to the Borrower, the total amount corresponding to his/her outstanding loan accounts and arrearages, if any, and remit the same to the **GSIS** to liquidate the said account/s.
- 2.5 The **Agency** confirms that the attached duly certified list of lending institution(s) (Annex "C") presently accredited with the **Agency** and that the **Agency** undertakes to update the list if warranted.

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MA. RUTH ALMIRA C. VASQUEZ
Records Officer
Office of the Corporate Secretary

11 November 2020 OPGM

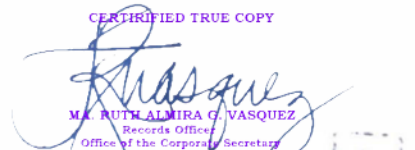

ARTICLE III - COMMITMENTS OF GSIS

- 3.1 The **GSIS** shall implement **GFAL II** in accordance with the terms and conditions set forth under Policy and Procedural Guidelines No. 338-19 on GFAL II issued by the **GSIS** on **June 6, 2019 (Annex "D")**.
- 3.2 The **GSIS** shall make **GFAL II** available to the employees of the **Agency** from the date of the signing of the **MOA** up to **December 31, 2020**. The said Offer Period may be extended at the sole discretion of the **GSIS**.
- 3.3 The **GSIS** reserves the right to evaluate and deny **GFAL II** applications, if warranted.
- 3.4 The **GSIS**, upon receipt of a request for clearance and/or Statement of Account, shall issue the appropriate clearance and/or Statement of Account to the duly authorized representative of the **Agency**.

ARTICLE IV - GENERAL PROVISIONS

- 4.1 The parties warrant that they shall perform their respective undertakings and commitments for the full and satisfactory performance of this MOA.
- 4.2 It is understood that the failure of either party to demand strict compliance with any term or condition of this MOA shall not be construed as a waiver and/or estoppel on the part of the said party for the enforcement of any of its rights or to subsequently demand compliance therewith during the subsistence of this MOA.
- 4.3 In case of breach of any provision of this MOA, this MOA may be terminated by the non-defaulting party by written notice to the defaulting party. If the breach is remediable and the non-defaulting party opts to demand rectification of the breach, this MOA may be terminated by the non-defaulting party if the defaulting party fails to remedy the breach within sixty (60) days from receipt of the notice of breach.
- 4.4 In case this MOA is terminated, such termination shall not affect any outstanding loans granted under this MOA, which loans shall continue to be valid and prioritized in the deductions from the salaries of the Borrowers until full payment thereof.
- 4.5 All notices, statements and requests hereunder shall be in writing and shall be personally delivered or transmitted by registered mail to the other party at its address set forth above, unless a party has informed the other in writing of its change of address, in which case said notice shall be sent to the new address.
- 4.6 No modification of or amendment to the terms and conditions of this MOA shall be valid unless set out in writing and signed by the authorized representatives of each party.
- 4.7 In the event that any term, condition, or any part of the provisions contained in this MOA is determined to be invalid, unlawful or unenforceable to any extent, such term, condition or provision shall be severed from the remaining provisions, which shall continue to be valid and enforceable to the fullest extent permitted by law.

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MA RUTH ALMIRA G. VASQUEZ
Records Officer
Office of the Corporate Secretary
11 November 2020


- 4.8 Any and all actions arising from this MOA which any party may institute shall be brought exclusively before the proper court in the City of Pasay.
- 4.9 This MOA shall take effect upon the signing hereof and shall remain valid until terminated by mutual agreement of the parties or unilaterally for cause pursuant to Section 4.3 thereof. The terms of this MOA which by their nature extend beyond its termination shall remain in effect.

IN WITNESS WHEREOF, the parties have affixed their signatures to this Agreement on the date and place stated above.

GOVERNMENT SERVICE
INSURANCE SYSTEM

[COMPLETE AGENCY NAME]

By:

By:

[GSIS SIGNATORY]
[Position of GSIS Signatory]

[AGENCY SIGNATORY]
[Position of Agency Signatory]

SIGNED IN THE PRESENCE OF:

(Signature above printed name)

(Signature above printed name)

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Ruth Almiria G. Vasquez
MAR. RUTH ALMIRIA G. VASQUEZ
Records Officer / Secretary
Office of the Corporate Secretary

11 November 2020

ACKNOWLEDGMENT

REPUBLIC OF THE PHILIPPINES)
CITY OF _____) s.s.

BEFORE ME, a Notary Public for and in the City of _____ on this
_____ of _____, 20____ personally appeared:

Name

ID No./Passport No.

**Date and
Place Issued**

[NAME OF GSIS SIGNATORY]

In his capacity as **[Position]** of the GSIS

[NAME OF AGENCY'S SIGNATORY]

In his/her capacity as **[Position]** of the
[AGENCY]

known to me and to me known to be the same **[NAME OF GSIS SIGNATORY]** in representation of the **GSIS** as a juridical person, and **[NAME OF AGENCY'S SIGNATORY]** in representation of **[AGENCY]** as a government agency, who executed the foregoing **Memorandum of Agreement** consisting of five (5) pages including the page on which this Acknowledgment is written, signed by the parties and their witnesses on each and every page thereof, and acknowledged to me that the same is their free and voluntary act and deed, and of the entities they represent.

WITNESS my hand and notarial seal at the place and on the date stated above.

Notary Public

Doc. No. _____
Page No. _____
Book No. _____
Series of 2020.

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Ruth Almira G. Vasquez
M.A. RUTH ALMIRA G. VASQUEZ
Records Officer
Office of the Corporate Secretary

11 November 2020



GSIS Government Service Insurance System
Financial Center, Pasay City, Metro Manila 1308

GSIS Memorandum Circular No. 005 Series of 2018

To: HEADS OF CONSTITUTIONAL BODIES; BUREAUS AND AGENCIES OF THE NATIONAL GOVERNMENT; LOCAL GOVERNMENT UNITS; GOVERNMENT OWNED OR CONTROLLED CORP.; STATE UNIVERSITIES AND COLLEGES; AND ALL OTHERS CONCERNED

Subject: RE-ISSUANCE OF GSIS MEMORANDUM CIRCULAR NO. 003, SERIES OF 2015 (MEMORANDUM CIRCULAR-REMINDER TO AGENCIES ON SECURING CLEARANCE FROM THE GSIS FOR SEPARATING EMPLOYEES BEFORE PAYMENT OF THEIR TERMINAL LEAVE)

The GSIS would like to remind and inform all government agencies and instrumentalities the basis for requiring the issuance of a GSIS clearance before payment of the terminal leave benefits as well as the legal basis for deducting GSIS premium arrearages and loan balances therefrom.

The deduction of an employee-member's outstanding GSIS loan balances or obligations from the terminal leave benefits of the employee has been a long standing practice observed by government agencies in their transactions with the GSIS.

The practice of requiring a GSIS Clearance from a retiring or resigning/separating employee prior to the payment of the terminal leave benefit and the deduction of GSIS loan balances therefrom finds support in the following:

A. Practice of securing a clearance from the GSIS

1. Republic Act No. 1616 (An Act Further Amending Section Twelve of Commonwealth Act No. 186, as amended, By Prescribing Two Other Modes of Retirement and for Other Purposes)
 - Prior to RA 8291: The gratuity of an eligible retiree is paid by the last employer and includes the commutation of the unused vacation and sick leave which he may have to his credit at the time of retirement. Since the last employer agency is obliged to pay the gratuity, there is a corresponding duty on the part of the agency to coordinate with the GSIS for the purpose of determining the existence of any loan obligations with the GSIS. Prior to the payment of the gratuity under R.A. No. 1616, clearance from the GSIS, which has the contribution/loan records and which then computes the gratuity benefits and loan balances, was first secured;

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[Signature]
MA. RUTH ALMIRA G. VASQUEZ
Records Officer
Office of the Corporate Secretary

11 November 2020

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- Upon Effectivity of RA 8291: The GSIS issued a Memorandum (14 November 1997) addressed to all heads of government agencies that while it would no longer compute the gratuity benefits, a GSIS Clearance should first be secured prior to payment of the same.

2. Republic Act No. 8291 (GSIS Act of 1997)

- The employer is duty bound to directly remit to the GSIS the employee's and employer's contributions. In case of delay in the remittance of any and all monies due the GSIS, the employer shall be charged interests as may be prescribed by the GSIS Board of Trustees to be paid by the employer concerned.¹ In light of the express provisions of the law, prudence dictates that where an employee retires or severs his employment from the service, the employer reasonably requires the employee to secure the GSIS clearance to ensure that all premium payments or monies due the GSIS have been paid to avoid any penalties, interests and surcharges, resulting from delay or non-remittance thereof or to remedy and correct failure or delay in remittance.

3. COA Circular No. 2012-001 dated 14 June 2012

- The Circular provides the documentary requirements for the payment of the terminal leave benefits of government employees, which include among others, the applicant's authorization (in affidavit form) to deduct all financial obligations with employer/agency/local government unit.

B. Deduction of GSIS loan balances from terminal leave benefits is a sound and practical government practice for the following reasons:

- Ensures collection of any outstanding loan(s) or obligation(s) from the retiring/separating employee by allowing the option of deducting these loans from the terminal leave benefits;
- Benefits the employee insofar as it eliminates or reduces the accumulation of additional penalties, interest or surcharges that ultimately affects any future GSIS benefits the employee may be entitled to;
- Updates and informs the employer and the employee of any unremitted or delayed remittance or mistakes in the recording of remittances and immediately corrects or provides the necessary remedies to avoid additional penalties, interests and surcharges; and
- Promotes accountability of employees in the government.

¹ Sections 6 (b) and 7 of R.A. No. 8291

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Records Officer
Office of the Corporate Secretary

11 November 2020

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Note that in case of payment of the terminal leave benefits, the employer (government agency) should comply with existing CSC and COA Rules and Regulations on the matter.

For information and guidance.

Original Signed

ATTY. JESUS CLINT O. ARANAS
President and General Manager

Date Signed: 12.0 NOV 2018

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R. Vasquez
M.A. RUTH ALMIRA O. VASQUEZ
Records Officer
Office of the Corporate Secretary

11 November 2020

205025

GSIS FINANCIAL ASSISTANCE LOAN II (GFAL II)

LOAN APPLICATION

THIS APPLICATION SHALL NOT BE PROCESSED UNLESS COMPLETELY FILLED OUT.

WARNING: Direct or indirect commission of fraud, collusion, falsification, misrepresentation of facts, or any other kind of anomaly in the accomplishment of this form, or in obtaining any benefit under this application, shall be subject to administrative and/or criminal action.

I wish to apply for the GSIS Financial Assistance Loan II to pay my existing loan/s with the following lending institution/s (LI/s):

	LI NO. 1	LI NO. 2	LI NO. 3	LI NO. 4
Lending Institution (LI)				
Business Address				
Telephone No.				
Interest Rate				
Term (1-year, 2-year, 3-year, etc.)				
Monthly Amortization				
Total Outstanding Balance (based on SOA)				

PERSONAL DATA (Please print/type)

Name of Applicant		
Last Name	First Name	Middle Name
Birthdate	Birth Place	BP No.
Mailing/Residential Address		
Agency and Address		
Telephone No.	Cell Phone No.	Email Address

UNDERTAKING

In consideration of the loan granted under this Application, I promise to pay the approved Loan Amount to the GOVERNMENT SERVICE INSURANCE SYSTEM (GSIS) in accordance with the Terms and Conditions printed at the back hereof which I have read and understood clearly. I bind myself to pay the required monthly amortization as they fall due under the Terms and Conditions through payroll deduction for which I hereby authorize the Treasurer or Disbursing/Collection Officer of my Agency to deduct the amount from my monthly salary.

Pursuant to the objective of the Program, I agree to assign the proceeds of this loan to the LI to settle in full or in part the balance of my loan account with the said private lender.

SIGNATURE OF MEMBER/BORROWER

Position Title/Designation

Agency

Date Signed _____

TO BE FILLED UP BY THE AGENCY AUTHORIZED OFFICER

This Office certifies that: (1) the above signature of the member/borrower is authentic; (2) there is no pending administrative and/or criminal charge against him; (3) the member/borrower is a permanent employee, or elected/appointed/non-permanent employee with fifteen (15) years PPP and regular premium-paying member of GSIS; (4) the member is not on leave of absence without pay; and (5) the member/borrower has an outstanding loan from _____ (Name of Lending Institution/s) which is being repaid through salary deduction.

For the Loan granted by virtue of this Application, this Office agrees to: (1) collect and remit immediately to GSIS the monthly installment due from said borrower, and (2) in case of his separation from the service, make final payments due him only after clearance is obtained from GSIS.

Agency Authorized Officer (AAO)
(Signature over Printed Name)

Date

CERTIFIED TRUE COPY

THIS APPLICATION IS NOT FOR SALE AND MAY BE REPRODUCED.

MARILYN ALMIRA G. VASQUEZ
Records Officer
Office of the Corporate Secretary

OPGM

11 November 2020

TERMS AND CONDITIONS

1. **LOAN AMOUNT**
 - a. The maximum loanable amount per borrower is Php500,000, provided that the resulting net take home pay is not lower than the amount required under the General Appropriations Act (GAA), after all required monthly obligations have been deducted.
 - b. The amount set by GSIS as loan amount shall be considered fixed and non-negotiable.
 - c. The arrearages on other GSIS loans of a borrower shall not be deducted from the proceeds of the financial assistance loan.
2. **INTEREST RATE.** Interest on loan shall be at six (6) percent per annum computed in advance. The effective rate per annum to be used shall be 11.258% for 6 years. The monthly interest and outstanding balance of the loan shall be computed based on diminishing balance. Pro-rata interest covering the days from loan granting up to the end of the month prior to the first due month shall be deducted in advance from the loan proceeds.
3. **TERM.** Loan repayment shall be made over six (6) years in seventy-two (72) equal monthly installments.
4. **DUE DATE OF FIRST MONTHLY AMORTIZATION.** The remittance due date of the monthly amortizations shall be on or before the 10th day of each month following the due month until the loan is fully paid.
 - a. For loans granted on or before the 23rd of the month, the first due month shall be the calendar month following the granting of the loan. The loan amortization shall be remitted by the agency to GSIS on or before the 10th of the month following such due month.
 - b. For loans granted after the 23rd of the month, the first due month shall be the 2nd calendar month following the granting of the loan, and shall be remitted by the agency to GSIS on or before the 10th day of the month following such due month.
5. **PAYMENT MECHANISM.** The monthly amortization shall be paid through payroll deduction. However, the borrower shall directly remit to the GSIS the loan installment as they fall due under any of the following instances:
 - a. His or her name is excluded from the monthly collection list;
 - b. He or she is on secondment, on study leave without pay or extended leave without pay;
 - c. The monthly amortization is not deducted and/or remitted by the agency for any reason aside from item 4(b), and
 - d. The loan amortization deducted from the payroll is not sufficient to cover the full amount due.
6. **REDEMPTION INSURANCE (RI).** The financial assistance loan has RI to safeguard the interests of both the member and the GSIS in case of the former's untimely death during the term of the loan. The RI rate is as follows:

Loan Term	Monthly RI Rate (Per Php1,000 of Loan Amount)
6 years	0.35

To ensure that the member is covered with RI from the date of loan granting, an advance RI premium shall be deducted from the loan proceeds as follows:

Date of Loan Granting	RI Premium to be Deducted
On or before the 23 rd of the month	Equivalent to 1 month
After the 23 rd of the month	Equivalent to 2 months

In case the loan is in default, the RI coverage shall be deemed lapsed or cancelled.

7. **NO SERVICE FEE.** The member availing of the GFAL shall not be charged a service fee by the GSIS.
8. **APPLICATION OF PAYMENTS.** The order of priority for the application of payment shall be as follows: (a) RI premium, (b) Penalty (if any), (c) Interest and (d) Principal.
9. **PRE-TERMINATION.** The loan may be pre-terminated by paying the outstanding balance before the end of the loan term. No fees shall be charged to the borrower in case of pre-termination.
10. **COMPULSORY PRE-TERMINATION.** The loan agreement shall be deemed pre-terminated upon the death, resignation, permanent disability, retirement or separation from service of the borrower, in which case, the outstanding balance shall be due and demandable and shall be collected by GSIS from the claims of the borrower, his/her heirs, and/or by other courses of action (administrative or civil). Retiring borrowers may opt to avail of the Choice of Loan Amortization Schedule for Pensioners (CLASP), subject to existing policies and procedures.
11. **TRANSFER OF OFFICE.** The borrower shall give the GSIS a 15-day advance notice in case of his or her transfer to another government office/agency. For the continued remittance of the borrower's monthly payment on the loan, this application shall be sufficient authority for GSIS to effect notice and collection through salary deduction from his or her new government office/agency.
12. **CANCELLATION.** Once the loan is approved and the loan proceeds are released to the lending institution/s, the borrower shall no longer have the option to cancel the loan but may only pre-terminate the same through payment of the total outstanding balance.

13. **PENALTY FOR ARREARAGES.** An account is considered in arrears if:
 - a) there is payment for monthly instalment but the remittance of said payment is delayed; b) the actual amount paid for the month is less than the amount due for the same month; or c) there is no payment made for

the month. It shall incur a penalty at the rate of 1% per month, compounded monthly, until the arrears are paid.

14. **DEFAULT.** An account is considered in default when the total unpaid obligation is equivalent to more than six (6) monthly amortizations. In the event of default, the outstanding balance of the loan becomes due and demandable without need of demand or further notice, all of which the member expressly waives. In case of failure to pay the outstanding balance declared in default, the outstanding balance shall be charged with an interest equivalent to 12% per annum compounded monthly (p.a.c.m.) and a penalty of 6% p.a.c.m., from the date of default until the date of full payment.
15. **NO RENEWAL.** The GFAL II is a one-time offer of the GSIS and is not renewable.
16. **AUTOMATIC DEDUCTION OF ARREARAGES.** Any and all arrearages from the GFAL shall be deducted from the proceeds of the Enhanced Conso-Loan Plus Program which the borrower may avail of.
17. **COLLECTION IN THE EVENT OF RESIGNATION, SEPARATION, RETIREMENT, DEATH OR PERMANENT TOTAL DISABILITY.** After the date of execution of this loan application, the employer/agency shall withhold the release of any or all benefits due to the borrower until after the requisite clearance and/or statement of account, if any, shall have been duly secured from the GSIS, pursuant to GSIS Memorandum Circular No. 005, Series of 2018. The GSIS, upon receipt of the request, shall issue the appropriate clearance and/or statement of account to the duly authorized representative of the employer/agency. The employer/agency, upon receipt of the statement of account from the GSIS, shall deduct and/or withhold from any or all benefits that may accrue to the borrower; the total amount corresponding to the outstanding loan accounts and arrearages, if any, and remit the same to the GSIS to liquidate the loan.
18. **REFUND OF OVERPAYMENTS AFTER END OF LOAN TERM.** At the end of the loan term, any overpayment shall be treated in accordance with the policy guidelines on treatment of excess payment.
19. **ATTORNEY'S FEES.** Should the GSIS be compelled to refer the loan or any portion thereof to an Attorney-at-Law for collection or to enforce any right hereunder against the borrower or avail of any remedy under the law or this Agreement, the borrower shall pay an amount equivalent to 25% of all amounts outstanding and unpaid as and for attorney's fees and litigation expenses.
20. **VENUE.** Any legal action, suit or proceeding arising out or relating to this Agreement, shall be brought or instituted in the appropriate courts in the City of Pasay or such other venue at the exclusive option of GSIS. In the event the borrower initiates any legal action arising from or under this Agreement, for whatever causes, the borrower agrees to initiate such action only in the City where the principal office of GSIS is located.
21. **NOTICES.** All notices required under this Agreement for its enforcement shall be sent to the Office Address or the Residential Address indicated in the Personal Data portion of this loan application. The notices sent to the said Office or Residential Address shall be valid and shall serve as sufficient notice to the borrower for all legal intents and purposes. In case of past due loans, the borrower concerned gives the GSIS consent to furnish his/her Head of Agency, Regional Director or School Principal a copy of the notices issued to him/her by the GSIS regarding the past due loans.

I confirm that I have read and fully understood the GFAL II Terms and Conditions and undertake to comply with them. Furthermore, I hereby authorize the GSIS, through my employer (government agency), to deduct from my terminal leave benefits any remaining outstanding loan obligations I may have with the GSIS upon my separation or retirement. I understand that the remittance thereof by my employer to the GSIS shall first be undertaken before the issuance of a GSIS clearance for the release of my remaining terminal leave benefits, if any.

I confirm my understanding of the Privacy Policy of the GSIS pursuant to the requirements of Republic Act (R.A.) No. 10173, otherwise known as the Data Privacy Act, and consent to the manner of collection, use, access, disclosure and processing of my personal and sensitive personal data by the GSIS.

Finally, pursuant to R.A. No. 9510, otherwise known as the "Credit Information System Act", and its Implementing Rules and Regulations (IRR), I hereby acknowledge and consent to: 1) the regular submission and disclosure of my basic credit data and updates thereon to the Credit Information Corporation (CIC), and 2) the sharing of my basic credit data with lenders authorized by the CIC, and credit reporting agencies and outsourced entities duly accredited by the CIC, subject to the provisions of R.A. No. 9510, its IRR and other relevant laws and regulations.

MEMBER/BORROWER (Signature over Printed Name)

CERTIFIED TRUE COPY

M. RUTH ALMIRA C. VASQUEZ
Records Officer
Office of the Corporate Secretary

11 November 2020

UPGM



GSIS FINANCIAL ASSISTANCE LOAN II (GFAL II)
STATEMENT OF ACCOUNT
Form No. 06062019-GFAL II SOA-REV 0

Annex D

GSIS

(TO BE FILLED OUT BY THE LENDING INSTITUTION)

THE APPLICATION FOR GFAL SHALL NOT BE PROCESSED UNLESS THIS FORM IS COMPLETELY FILLED OUT.

WARNING: Direct or indirect commission of fraud, collusion, falsification, misrepresentation of facts, or any other kind of anomaly in the accomplishment of this form, shall result in the automatic disapproval of loan application.

Date: _____

To the Loan Officer
Government Service Insurance System

Dear Sir/Madam:

Please be informed that Mr. / Ms. _____ of

(Name of Office and Office
Address) has an outstanding loan obligation with this _____
(Name of Lending Institution) as shown below:

Loan Product Name: _____	Maturity Date: _____
Loan Amount: _____	Mo. Deduction: _____
Date Granted: _____	Last Amount Paid: _____

OUTSTANDING BALANCE COMPUTATION

(as of _____)

Principal Balance	Php _____
Interest Balance (Due and Unpaid)	_____
Penalty Charges	_____
Other Charges: _____	_____
(Provide separate sheet/s, if necessary.)	_____
TOTAL	Php _____
Less: Unearned Interest	_____
TOTAL AMOUNT DUE	Php _____

This statement containing the loan details of the borrower is verified true and correct, and shall be valid up to _____.

The outstanding balance stated herein refers to all obligations due and unpaid, including interests, penalties and other charges and expenses that have accrued or were incurred by the borrower, in relation to the loan/s. **No unearned interest is charged from the borrower.**

It is understood that the borrower is applying for the *GSIS Financial Assistance Loan II*, in order to settle the outstanding balance of his or her loan with _____ (Name of Lending Institution), in full or in part.

Further, the check representing proceeds from the financial assistance loan shall be made payable to the lending institution, _____. For this purpose, we are authorizing Mr. / Ms. _____, with ID No. _____ (attached) to claim the check from the GSIS and deliver to the latter the corresponding Official Receipt (OR) issued by the lending institution as proof of payment.

CONFORME:

Signature over Printed Name of the
BORROWER

Date Signed: _____

Signature over Printed Name

Designation: _____

Date Signed: _____

CERTIFIED TRUE COPY

M. RUTH ALMIRA G. VASQUEZ
Records Officer
Office of the Corporate Secretary

11 November 2020

CHECKLIST OF REQUIREMENTS**GSIS FINANCIAL ASSISTANCE LOAN II (GFAL II) TO NON DEPED PERSONNEL**

- ☐ 1 Properly filled up GFAL II Application Form
- ☐ 2 GSIS-prescribed Statement of Account (SOA) with clear photocopy of I.D. of the authorized representative (of lending institution) who will claim the check from the GSIS with contact details (i.e., telephone or cellphone number)
- ☐ 3 Borrower Loan Agreement, Loan Voucher and/or other certified documents indicating the details of the loan from the accredited lending institution/s, such as: original loan amount, net loan, term of loan, interest rate, monthly amortization and due date of first loan amortization
- ☐ 4 Payslips for the last three (3) months, certified as true copy by the Agency Authorized Officer (AAO).

YOUR 6-STEP GUIDE TO THE GFAL II

- Step 1** Accomplish the GFAL II Application Form and GSIS-prescribed Statement of Account (SOA) accurately and completely.
- Step 2** Secure / complete the required documentary requirements. Kindly refer to the checklist above. Only complete application will be accepted and processed.
- Step 3** File your application at designated GSIS Offices. You will be given an endorsement slip for the **FINANCIAL LITERACY SEMINAR**.
- Step 4** Attend the Financial Literacy Seminar conducted in a GSIS Office.
- Step 5** Undergo the loan evaluation and counseling process.
- Step 6** Sign the loan documents. The form/s will be provided at the GSIS office only, after loan evaluation and counseling.
- You will be notified by the GSIS (through call or text) once the loan proceeds, payable to the account of the lending institution, is ready for pick-up. The GSIS will likewise inform the lending institution/s of the availability of check/s for release.*

REMINDER

The GSIS may require additional supporting document/s as may be necessary. Please provide the requested document/s as soon as possible, to avoid further delay/s in the processing of your loan application.

CERTIFIED TRUE COPY

Rivasquez
M. RUTH ALMIRA G. VASQUEZ
 Records Officer
 Office of the Corporate Secretary

11 November 2020

ADDITIONAL CHECKLIST OF REQUIREMENTS**GSIS FINANCIAL ASSISTANCE LOAN II (GFAL II) TO NON DEPENDED PERSONNEL**

Please comply with the following requirements to complete the evaluation of your loan application for GFAL II:

- ☐ 1 Properly filled up GFAL II Application Form: _____
- ☐ 2 GSIS-prescribed Statement of Account (SOA) with clear photocopy of I.D. of the authorized representative (of lending institution) who will claim the check from the GSIS with contact details (i.e., telephone or cellphone number)
- ☐ 3 Borrower Loan Agreement, Loan Voucher and/or other certified documents indicating the details of the loan from the accredited lending institution/s, such as: original loan amount, net loan, term of loan, interest rate, monthly amortization and due date of first loan amortization
- ☐ 4 Copy of the Certificate of Attendance to the GSIS Financial Literacy Seminar
- ☐ 5 Payslips for the last three (3) months, certified as true copy by the Agency Authorized Officer (AAO).

OTHER INSTRUCTIONS

- ☐ 1 For membership data updating. Proceed to the Membership Department to update membership status: _____
- ☐ 2 Proceed to the Accounts Management Division (AMD), _____ for the reconciliation of premium payments.
- ☐ 3 Submit supporting documents for the pending case in relation to the case filed by the lending institution/s.
- ☐ 4 Coordinate with the agency to correct record on leave without pay, etc: _____
- ☐ 5 With due and demandable accounts in the GSIS. Apply for the Enhanced Conso-Loan Plus Program to restructure the due and demandable loan account/s.
- ☐ 6 _____

Name and Signature of GSIS Representative

Date

REMINDER

Please provide the requested document/s or comply with the additional instructions as soon as possible, to avoid further delay/s in the processing of your loan application.

CERTIFIED TRUE COPY

Rivasquez
M.L. RUTH ALMIRA G. VASQUEZ
Records Officer
Office of the Corporate Secretary

11 November 2020

GSIS FINANCIAL ASSISTANCE LOAN TO DEPED (GFAL)
TENTATIVE LOAN COMPUTATION

Annex F

AGENCY NAME Agency BP Number

The undersigned has availed of the above loan program on 24 Jan 2019, details of which as follows:

Loan Amount	279,217.55	Monthly Amortizations	
Less: Charges		Principal/Interest	5,274.11
Interest	3,143.43	LRI Premium	106.10
Redemption Insurance	212.21	Total Monthly Amortization	5,380.21
Net Proceeds	275,861.91		

The proceeds of the above loan amount (Php 279,217.55) will be used to liquidate the loan accounts from the following private lending institution(s):

Lending Institution	Account No.	Amount
		279,217.55
#REF!		-
		-
		-
		-
	Total	279,217.55

CONFORME

I agree to the computation presented above and advance deductions were fully explained to me. I also understand that the amount to be paid to the lending institutions shall not be more than the NET PROCEEDS of this loan.

Pursuant to the objective of the Program, I agree to assign the proceeds of the loan to the above institution(s) to the settle my loan account to that institution(s). Any remaining balance, if any, from the loan extended by the above lending institution(s) shall be settled directly by the undersigned.

Signature over Printed Name

Date: _____

CERTIFIED TRUE COPY

Ruth Almira Vasquez
MA. RUTH ALMIRA C. VASQUEZ
Records Officer
Office of the Corporate Secretary

11 November 2020



GSIS MEMORANDUM CIRCULAR NO. 022 SERIES OF 2020

PPG 363-20

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 OTHER CONCERNED

SUBJECT : AMENDMENTS TO THE POLICIES ON THE GSIS FINANCIAL ASSISTANCE LOAN II

The nationwide implementation of the GSIS Financial Assistance Loan II (GFAL II) was approved by the GSIS Board of Trustees under Board Resolution No. 62 dated 06 June 2019 and was effected starting 26 July 2019.

The amendments to the GFAL II include the following:

- a) Active members who is **elected, appointed** or on **non-permanent** status and with minimum Periods with Paid Premium (PPP) of 15 years will now be eligible to avail GFAL II;
- b) For purposes of eligibility to avail of GFAL II, **non-permanent members** shall be referred to as those whose employment in the service are either co-terminous, temporary, confidential, contractual, casual, emergency, lump sum, probationary, provisional, or substitute but are required by law to remit regular monthly contributions;
- c) Members whose employment category is **Elected or Appointed** shall be qualified to avail of GFAL II on the condition that their payment term shall be for a period of **two (2) years or twenty four (24) equal monthly instalments** from the date of granting;
- d) The Effective Interest Rate (EIR) for Appointed or Elected active members will be 11.712% for two (2) years;
- e) The monthly rate of Redemption Insurance (RI) for members whose employment category is Appointed or Elected will be 0.30 per Php1,000.00 loan amount; and
- f) Lending institutions that are duly recognized and certified by respective agencies and whose amortization scheme is not through automatic payroll deduction will now be covered by GFAL II.

The deadline for availment of GFAL II shall be on December 31, 2020 unless otherwise extended by the GSIS.

For more details, visit the GSIS website (www.gsis.gov.ph) or Facebook account (@gsis.ph), or email GSIS at gsiscare@gsis.gov.ph or call the GSIS Contact Center at 8847-4747 if in Metro Manila, 1-800-8-847-4747 for Globe (free with minimum Php 8.00 load) and TM subscribers, or 1-800-10-847-4747 for Smart, Sun, and Talk N' Text subscribers (Php 8.00/call).

Please be guided accordingly.

ORIGINAL SIGNED
ROLANDO L. MACASAET
President and General Manager

Date Signed: OCT 19 2020

CERTIFIED TRUE COPY

Ruth Almiran Vasquez
MAR. RUTH ALMIRAN VASQUEZ
Records Officer
Office of the Corporate Secretary

11 November 2020