



**GSIS MEMORANDUM CIRCULAR NO. 015, SERIES OF 2020**

**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 : MORATORIUM ON ALL LOAN PAYMENTS OF GSIS MEMBERS AND PENSIONERS AFFECTED BY CORONA VIRUS DISEASE 2019 (COVID-19)**

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Pursuant to the passage of RA Republic Act No. 11469 entitled "*Bayanihan to Heal as One Act*" and approval of GSIS Board Resolution No. 42-2020, the following guidelines on "*Moratorium on Loan and Rental Payments of GSIS Members and Pensioners Affected by COVID-19*", are hereby issued:

**A. GENERAL POLICY**

The moratorium shall mean deferment of payment of loan amortization due for the months of March, April and May 2020. The payment of loan amortization (principal and interest) shall resume on June 2020. Accordingly, the term of the loan is extended by a maximum of three (3) months.

Further, no interest on the loan shall be charged during the period of moratorium, or shall be added to the monthly amortization payable over the remaining term of the loan.

**B. ELIGIBILITY**

The following are eligible to avail of the moratorium:

1. GSIS active members and housing loan borrowers with loan accounts not declared in default as of February 29, 2020.
2. Pensioners who availed of the Pension Loan, Pensioner's Emergency Loan or Pensioner's Restructured Loan that are active or within the payment term.
3. Inactive GSIS members who availed of the GSIS Program for Restructuring and Repayment of Debts (PRRD) and whose accounts are active and not declared in default as of February 29, 2020.

As a general rule, an account is considered in default when it has incurred more than six (6) unpaid monthly amortizations. Consequently, if the loan/account is in default as of February 29, 2020, the borrower shall not be eligible to the moratorium program.

### **C. ACCOUNTS COVERED**

The following loans that are not classified as in default as of February 29, 2020, including those granted on or before April 23, 2020, are covered by the moratorium program:

1. Consolidated Loan
2. GSIS Financial Assistance Loan (GFAL)
3. Educational Assistance Loan II (EAL II)
4. Emergency Loan
5. Regular Policy Loan
6. Optional Policy Loan
7. Home Emergency Loan Program (HELP)
8. Real Estate Loan
9. Restructured Real Estate Loan
10. Low Cost Housing / Deed of Conditional Sale
11. Pension Loan
12. Pensioner's Emergency Loan
13. Pensioner's Restructured Loan
14. Program for Restructuring and Repayment of Debt (PRRD)

### **D. EXCLUSIONS**

Loan accounts that are declared due and demandable as of February 29, 2020, including loans granted after April 23, 2020, shall not be covered by the moratorium program.

### **E. CONDITIONS FOR AVAILMENT**

Qualified borrowers are automatically covered by the moratorium and need not file a request or application. However, for those who do not intend to avail of the moratorium program, a written notice must be sent to the GSIS.

### **F. STOPPAGE OF DEDUCTION/PAYMENT**

Government agencies will immediately cause the temporary stoppage of all loan deductions of qualified borrowers availing the program.

Loan deductions which were already made but not yet remitted to the GSIS shall be refunded to the concerned members.

Loan deductions already remitted to the GSIS will be applied to the outstanding balance of the loan in accordance with the order of priority in application of payments (*fire/redemption insurance, penalties, interest and principal*).

Deduction of loan repayments from Basic Monthly Pension (BMP) shall be automatically stopped in the May 2020 pension.

### **G. SUSPENSION OF COLLECTION**

During the moratorium period, the sending of collection notices to qualified avalees of this program shall be suspended.

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

#### **H. RESUMPTION OF DEDUCTION**

After the end of the moratorium period on May 31, 2020, the Administrative/Finance Officer/AAO, without need of notice from the GSIS, shall resume the deduction of the monthly loan amortization in June 2020 payroll for remittance on or before July 10, 2020.

In the case of pensioners, deduction from BMP shall commence immediately in June 2020.

Housing loan borrowers who are paying thru PDCs shall likewise resume paying the required monthly amortization without need of notice or demand, starting June 2020.

Other avalees of this program should resume their monthly amortization starting June 2020 in order to avoid their account from being declared in default.

The existing policy on declaring accounts in default shall apply after the end of the moratorium period on May 31, 2020.

#### **I. INSURANCE COVERAGE DURING THE PERIOD OF MORATORIUM**

The Loan Redemption Insurance (LRI) coverage and Housing Loan redemption Insurance (HLRI) of qualified avalees shall continue to be in force during the moratorium period.

For LRI, the existing policy of the GSIS under PPG No. 282-15 (Omnibus Rules on Loans Redemption Insurance Benefit) shall be applied in case of contingency during moratorium, and for HLRI, PPG No. 196-07 (Housing Loan redemption Insurance).

**ROLANDO L. MACASAET**  
President and General Manager

Date: \_\_\_\_\_