

[GSIS Resolution No. 60, April 30, 2015]

**APPROVAL OF THE ENHANCED GSIS CONSOLIDATED SALARY
LOAN PLUS PROGRAM**

*Adopted: 30 April 2015
Date Filed: 08 June 2015*

WHEREAS, consistent with the GSIS mission of providing member-focused programs, the Board issued Resolution No. 203 dated 11 December 2014, approving further amendments to the Policy and Procedural Guidelines on the *GSIS Consolidated Salary Loan Plus (Conso-Loan Plus) Program* (PPG No. 201-09), approved through Resolution No. 135 dated 5 August 2009, as amended, by (i) extending the maximum term of the Conso-Loan from six (6) years to ten (10) years for borrowers with at least ten (10) years of Period with Premium Payments (PPP); (ii) increasing the maximum loanable amount for borrowers with at least fifteen (15) years of PPP; and (iii) amending the due date of the first monthly amortization to effectively remove the three-month grace period;

WHEREAS, there are provisions in Board Resolution No. 203-2014 that need to be clarified to operationalize the same;

RESOLVED, to **APPROVE** and **CONFIRM** the Policy and Procedural Guidelines on the *Enhanced GSIS Consolidated Salary Loan Plus Program*, incorporating the following enhancements to PPG No. 201-09, as amended, as proposed by the Officer-in-Charge, Office of the Senior Vice President, Corporate Services Group and Corporate Planning Office, in her Memorandum dated 27 April 2015:

1. The Minimum Loanable Amount shall be Fifteen Thousand Pesos (Php15,000.00), consistent with the system parameter value for Minimum Loan Amount currently set at Php15,000.00.
2. The minimum PPP to qualify for the Enhanced GSIS Conso-Loan Plus Program shall be twenty (20) months.
3. The increase in maximum loanable amount shall only apply to regular active members with at least fifteen (15) years of PPP.
4. The due date of the first monthly amortization shall be synchronized with the monthly billing run, as follows:

Day of the Month that the Loan was Granted	Due Date of the First Monthly Amortization
On or before the 23 rd day of the month	10th day of the month immediately following loan granting

After the 23rd day of
the month

10th day of the 2nd calendar
month following loan granting

5. A pro-rata charging of interest shall be adopted, computed from the date of loan granting up to the end of the month when the loan was granted.
6. The order of priority of application of payment shall be:
 - a) Redemption Insurance premium;
 - b) Principal;
 - c) Interest; and
 - d) Penalty.

RESOLVED FURTHER, that Board Resolution (BR)No. 135 dated 5 August 2009, BR No. 129 dated 16 August 2012, BR No. 134 dated 28 November 2013, and BR No. 203 dated 11 December 2014 are hereby **SUPERSEDED**, and all other PPGs, Office Orders and other internal rules inconsistent herewith are likewise **SUPERSEDED** and/ or **AMENDED** accordingly.

A copy of the PPG on the Enhanced GSIS Consolidated Salary Loan Plus Program is made an integral part of this Resolution.

Certified Correct:

(SGD) ATTY. MARIA THERESA ABESAMIS-RAAGAS
Corporate Secretary

Confirmed:

(SGD) ROBERT G. VERGARA
Vice Chairman

(SGD) KARINA
CONSTANTINO-DAVID
Trustee

(SGD) GREGORIO T. YU
Trustee

(SGD) ROMAN FELIPE S.
REYES
Trustee

(SGD) MARIO J. AGUJA
Trustee

(SGD) ELISEA G. GOZUN
Trustee

(SGD) ROMEO M. ALIP
Trustee

(SGD) GERALDINE MARIE
BERBERABE-MARTINEZ
Trustee

Attachment:

Policy and Procedural Guidelines No. 284-15

Enhanced GSIS Consolidated Salary Loan Plus Program

I. BACKGROUND/RATIONALE

The GSIS, driven by its relentless effort to improve its services, continuously provides loan windows that may be availed of by members. On 18 October 2006, the System issued Board Resolution (BR) No. 141 and approved the GSIS Consolidated Salary Loan (Conso-Loan) Program (PPG No. 193-06), a loan package which consolidated all existing loans of a member (except housing loan). This enabled the GSIS to monitor and administer its loan portfolio more efficiently while continuing to assist its members financially.

With same fervor, the GSIS upgraded the Conso-Loan Program by issuing BR No. 135 on 05 August 2009 which approved PPG No. 201-09 (GSIS Conso-Loan Plus) making the loan package more beneficial to its members by consolidating Salary Loan, Restructured Salary Loan, Enhanced Salary Loan, Emergency Loan Assistance and Summer One-Month Salary. This has resulted in the full liquidation of outstanding balances of the said loans and the waiver of outstanding penalties and surcharges upon approval of the application for the GSIS Conso-Loan Plus.

On 16 August 2012, consistent with the GSIS adherence to transparency and in compliance with Republic Act No. 3765 (The Truth in Lending Act), the Board of Trustees issued BR. No. 129 approving PPG 217-12 (Addendum to PPG No. 201-09) which clarified and disclosed interest charges on Conso-Loan accounts for the first three (3) months of the loan term.

On 26 September 2013, BR No. 98 was issued by the GSIS which effectively approved and confirmed the amendment to Section III of PPG 201-09 on the waiver of penalty charges on the Conso-Loan accounts of active members.

Further, Office Order No. 227-14 was issued on 19 February 2014 to provide guidelines on the computation of interests on Conso-Loan Plus accounts covered by Redemption Insurance pursuant to BR No. 134 dated 28 November 2013.

Finally, on 11 December 2014, consistent with GSIS mission of providing member- focused programs, the Board issued BR No. 203 which: 1) extended the maximum term of Conso-Loan from six (6) years to 10 years for members with at least 10 years of Period with Paid Premiums (PPP); 2) increased the maximum loanable amount for members with at least 15 years of PPP; and 3) amended the due date of the first monthly amortization to effectively remove the three-month grace period.

The following guidelines are hereby issued to clarify BR 203, further enhance the terms and conditions of the GSIS Conso-Loan Plus Program and guide all Operating Units Concerned for uniform implementation of policies.

II. OBJECTIVE

To provide guidelines for the reinforcement of provisions under BR 203 and implementation of the Enhanced GSIS Conso-Loan Plus Program.

III. DEFINITION OF TERMS

- A. Basic Monthly Salary** - The fixed amount of money paid to an employee by an employer in return for work performed within a given month.
- B. Date of Loan Granting**- The date when the header corresponding to the loan availed of is created in the IT system of the GSIS.
- C. 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.
- D. Account in arrears** - A loan account with unpaid amortizations equivalent to six (6) months or less.
- E. Account default** - A loan account with arrearages more than the total monthly amortizations for six (6) months.
- F. 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.
- G. Outstanding Balance** - The sum of the unpaid balance at the end of the month prior to loan renewal including, penalties and surcharges, if any.
- H. Permanent Regular Members** - Members who are appointed to a permanent position or elected to a position in the service and are required by law to remit regular monthly contributions.
- I. Non-Permanent Regular Members** - Members whose employment in the service are either co-terminous, confidential, contractual, casual or emergency but are required by law to remit regular monthly contributions.

IV. POLICIES

A. QUALIFIED BORROWERS

Active regular members and special members 1 , tagged as such in their respective Member's Service Profiles (MSPs), shall be qualified to avail of the Enhanced Conso-Loan Plus, provided that:

1. They have no pending administrative case and/or criminal charge; and
2. They have paid and remitted at least three (3) monthly premium contributions for both Personal Share and Government Share within the last six (6) months prior to application.

Employees of agencies already tagged as "Suspended" shall not be qualified to avail of this loan facility. The lifting of suspension status, however, will result in the restoration of the loan privileges of their employees 2 .

B. APPLICATION

Application for the Enhanced Conso-Loan Plus shall be done personally through the GW@PS kiosk. Over-the-counter application in any GSIS office shall only be allowed in case the application through kiosk is not possible.

Likewise, over-the-counter application shall be done personally by the member-borrower with properly accomplished application form for the Enhanced Conso-Loan Plus together with a copy of the eCard or UMID eCard.

C. ELECTRONIC CERTIFICATION

The Agency Authorized Officers (AAOs) shall be required to certify the loan application through the "Secured On-Line Loan Certification Module" prior to the processing of the application. The certification shall indicate that:

1. The member is in active service in the agency;
2. The member has no pending administrative and/or criminal case;
3. The information supplied by the member is true and correct based on the records of the agency;
4. The member is not on leave of absence without pay;
5. The net take-home pay of the member is still within the minimum net take-home pay required by the General Appropriations Act after the regular monthly amortization due on the loan is deducted; and
6. The monthly amortization shall be deducted from the member's monthly salary.

Only applications certified by the AAO within seven (7) calendar days shall be processed. Applications not acted upon by the AAO within seven (7) calendar days shall be cancelled. The member shall be informed of the cancellation through e-mail.

D. CONSOLIDATION OF LOANS

The Enhanced GSIS Conso-Loan Plus shall consolidate the following loans:

1. Salary Loan;
2. Restructured Salary Loan;
3. Enhanced Salary Loan;
4. Emergency Loan Assistance; and