

## [ GSIS RESOLUTION NO. 44, February 27, 2004 ]

### **SALARY LOAN CONDONATION AND RESTRUCTURING PROGRAM**

RESOLVED, to APPROVE the Salary Loan Condonation and Restructuring Program, the salient features of which are as follows:

1. **Eligibility Requirements** - All active members whose salary loan accounts are in arrears or in default will be eligible to apply for the restructuring of their loans.
2. **Amount to be condoned** - Only penalties/surcharges shall be condoned. No part of the principal nor the interest shall be condoned.
3. **Gross Amount of Loan** - The gross amount of loan shall be the outstanding balance of the principal, unpaid interests of the salary loan account in arrears or in default (net of surcharges and penalties), service fees and salary loan redemption insurance (SLRI).
4. **Repayment Period and Interest Rates** - The restructured salary loan shall be repaid in a period of from two (2) years to four (4) years (at the option of the member-borrower), at an interest rate of 12% per annum, based on the declining balance of the restructured loan.
5. **Monthly Installment** - Formula for computing the Monthly Installment (MI) shall be as follows:

$$MI = \frac{\text{Monthly Installment Factor}^{nt} (\text{MIF})^*}{\text{Gross Loan}/1000}$$

Where n = term; t = duration from loan grant to the first due date (in months and days) (Please see Annex A for MIF)

6. **Due Date of the First Monthly Installment** - Due date of first monthly installment shall be as follows:

<b>Day of the Month that the Restructuring was Approved</b>	<b>Due Date of the First Monthly Installment</b>
On or before the 10th of the month	End of the following month
After the 10th of the month	End of the next following month