

[**GSIS RESOLUTION NO. 79, August 08, 2013**]

2013 REVISED POLICY AND PROCEDURAL GUIDELINES ON THE GSIS PENSION LOAN PROGRAM

WHEREAS, the GSIS Board of Trustees issued Resolution No. 27 dated 23 February 2012 approving the Revised Policy and Procedural Guidelines (PPG) on the GSIS Pension Loan Program;

WHEREAS, the Board thereafter issued Resolution No. 55 dated 22 March 2012, which approved the removal of the age limit for qualification of borrowers to avail of the pension loan and the change of implementation, date from 01 April 2012 to 01 June 2012, and Resolution No. 67 dated 26 April 2012, which approved the Schedule of Pension Loan Redemption Insurance and expanded the coverage of the Pension Loan Program to include pensioners who are aged 52 and above;

WHEREAS, there is a need to consolidate all of these changes into a single cohesive program;

RESOLVED, to **APPROVE** and **CONFIRM** the 2013 Revised Policy and Procedural Guidelines on the GSIS Pension Loan Program, as proposed by the Senior Vice President, NCR Operations Group, in her Memorandum dated 22 July 2013;

RESOLVED, FURTHER, that Resolution No. 27 dated 23 February 2012, Resolution No. 55 dated 22 March 2012, Resolution No. 67 dated 26 April 2012, and all other policies, procedural guidelines, and internal issuances inconsistent with the 2013 Revised PPG on the GSIS Pension Loan Program are hereby **MODIFIED, AMENDED** and/or **SUPERSEDED** accordingly.

A copy of the 2013 Revised PPG on the GSIS Pension Loan Program is hereto attached and made an integral part of this Resolution.

Attachment:

Policy and Procedural Guidelines No. 242-13

Revised GSIS Pension Loan Program, as Amended

I. BACKGROUND/ RATIONALE

The current pension loan program is specifically designed to provide regular old-age pensioners with access to funds during times of financial need. The amount of pension loan a pensioner can avail may vary from one (1) to six (6) times his or her monthly pension, but not to exceed P100,000.00. The term of the loan is two (2) years and is renewable after full payment of the loan.

The PPG on the Revised Pension Loan Program was approved under PPG No. 213-12 on 23 February 2012. Subsequently Board Resolution Nos. 55 dated 22 March 2012

and 67 dated 26 April 2012 were issued which provided, the revision of the age limit for pension loan availment and the adoption of loan redemption insurance for pension loans, respectively. This PPG shall serve as a consolidated PPG incorporating the said provisions.

II. OBJECTIVE

- A. To provide old age pensioners with funds during time of need.
- B. To avail himself/ herself of loan facilities exclusive for GSIS pensioners.

III. POLICIES

A. Eligibility Requirements

Only old-age pensioners with no outstanding service loans being amortized under the Choice of Loan Amortization Schedule for Pensioners (CLASP) at the time of filing are eligible to avail of the pension loan.

B. Application

1. Application for pension loan shall be done personally through the GW@PS kiosk, or over the counter;
2. The pensioner shall personally submit a properly accomplished application form at the appropriate GSIS office and:
 - a. Undertake strict validation procedures to ascertain the pensioner's identity, by way of interview;
 - b. Present a copy of the pensioner's eCard or UMID card and, in the absence thereof, any two (2) government-issued IDs bearing the photograph and signature of the pensioner, as enumerated in Section 12 of the 2004 Rules on Notarial Practice, as amended by the Supreme Court.

C. Amount of Loan

The loan amount shall be based on the Basic Monthly Pension (BMP) and the pensioner's age as of the date of the receipt of the application or at the time of his application through the kiosk, as follows:

Age of Pensioner	Maximum Loanable Amount	
	No. of Months x BMP	LIMIT
Below 65	6	100,000.00
65 to below 70	4	60,000.00
70 and above ^[1]	2	20,000.00

The pensioner shall have the option to choose a loan amount lower than his or her maximum loan amount. If the pensioner fails to indicate the preferred loan amount in the application, the same shall be considered as an application for the maximum loan amount to which he or she is entitled.

D. Target Processing Time of Pension Loans

1. Loans applied through the kiosk shall be electronically processed within the day of the application.
2. Loans applied through over-the-counter facility shall be processed within the day of the application if received by the processing units on or before 12:00 noon.

E. eCrediting of Loan Proceeds

The loan proceeds shall be eCredited to the borrower's eCard account within three (3) to five (5) workings days from the date of application.

F. Terms of Payment

The loan principal, interest and other charges due shall be payable in twentyfour (24) monthly amortizations.

The monthly amortization shall be deducted from the borrower's monthly pension from GSIS. The pensioner cannot authorize the stoppage of such pension deduction until the loan and other charges that have accrued thereon are fully paid.

In the event that deduction as above authorized is not effected due to suspension of pension benefits, the pensioner shall pay directly to the GSIS any and all amortization due.

G. First Monthly Installment and Payments Thereafter

The first monthly installment shall be due on the first (1st) day of the month following the granting of the loan and the succeeding amortizations every first (1st) day of each month until the loan is fully paid.

H. Interest Rate and Service Fee

The loan shall be charged interest at ten percent (10%) per annum computed in advance. A service fee of one percent (1%) of the gross loan amount shall be charged and deducted from the proceeds of the loan.

I. Loan Redemption Insurance

All borrowers under the pension loan program shall be covered by a Loan Redemption Insurance^[2] (LRI) whereby in the event of death of the pensioner, the theoretical balance of the loan shall be considered paid.

Monthly premiums for the LRI coverage shall be in accordance with the following Schedule of LRI premiums:

Age	RI Rate per P1,000.00	Age	RI Rate per P1,000.00	Age	RI Rate per P1,000.00	Age	RI Rate per P1,000.00
52	0.53	64	1.54	76	4.73	88	13.17
53	0.58	65	1.69	77	5.16	89	14.16
54	0.63	66	1.85	78	5.62	90	15.20
55	0.69	67	2.02	79	6.11	91	16.32