



Republic of the Philippines
Department of Education

DepEd MEMORANDUM
No. **192**, s. 2018

17 DEC 2018

**DISSEMINATION OF THE GOVERNMENT SERVICE INSURANCE SYSTEM
MEMORANDUM CIRCULAR NO. 004 SERIES OF 2018**

(Application for GSIS Financial Assistance Loan of DepEd Personnel)

To: Undersecretaries
Assistant Secretaries
Bureau and Service Directors
Regional Directors
Schools Division Superintendents
All Others Concerned

1. For information and guidance of all concerned, enclosed is a copy of the Government Service Insurance System (GSIS) Memorandum Circular (MC) No. 004, series of 2018 dated October 18, 2018 entitled **Application for GSIS Financial Assistance Loan (GFAL) of DepEd Personnel**.
2. This Memorandum stipulates the eligibility of applicants, documentary requirements, and procedure of the application for the GFAL of DepEd personnel.
3. In addition to the application procedure contained in the aforementioned GSIS MC 004, all applications for GFAL shall be forwarded by the GSIS' Agency Authorized Officers for DepEd to the designated DepEd Verifiers, for records and monitoring purposes, before endorsing the same to the GSIS for approval. This is in accordance with the Automatic Payroll Deduction System (APDS) policy that requires all loan transactions payable through APDS to go through the evaluation of the designated DepEd Verifiers.
4. Heads of offices in the central, regional, and schools divisions and schools are ordered to post this Memorandum in conspicuous places within their premises.
5. Immediate dissemination of this Memorandum is desired.


LEONOR MAGTOLIS BRIONES
Secretary

Encl.: As stated
Reference: N o n e
To be indicated in the Perpetual Index
under the following subjects:

BUREAUS AND OFFICES
EMPLOYEES

OFFICIALS
PAYMENTS

MCR/DM-Dissemination of the GSIS Memorandum No. 004
0937/December 10/14, 2018



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

GSIS Memorandum Circular No. 004 Series of 2018

FOR : OFFICIALS AND EMPLOYEES OF THE DEPARTMENT OF EDUCATION (DEPED)

SUBJECT : APPLICATION FOR GSIS FINANCIAL ASSISTANCE LOAN (GFAL) OF DEPED PERSONNEL

The nationwide implementation of the GSIS Financial Assistance Loan (GFAL) was approved by the GSIS Board of Trustees under Board Resolution No. 91 dated 29 May 2018.

The GFAL is a balance-transfer and debt-consolidation facility that intends to help DepEd personnel (members) pay their loans from accredited private lending institutions (PLIs) at lower monthly amortization.

Active members with outstanding loans from DepEd-accredited PLIs may apply for GFAL if they:

1. are permanent employees;
2. have paid premiums for the last three (3) years;
3. are not on leave without pay;
4. have no due and demandable GSIS loan; and
5. have no pending administrative or criminal case.

OCT 15 2018
Tm 11:04

If an accredited PLI has filed a case against members for nonpayment of obligations after GSIS loan payments have been prioritized pursuant to DepEd Order No. 38 dated 31 July 2017, such members are still eligible to apply for GFAL.

Qualified members may borrow up to Php500,000, provided their take-home pay will not go lower than the amount required under the General Appropriations Act after their monthly obligations have been deducted. The loan proceeds will be paid directly to the concerned PLI(s).

The loan is payable in monthly instalments for six (6) years at six percent (6%) interest rate per annum computed in advance. Payments will be automatically deducted from the borrower's salary.

The application procedure is as follows:

1. Submit the following complete requirements to the nearest GSIS Office.
 - 1.1 Duly accomplished GFAL Application Form (**Annex A**)
(Application form may also be downloaded from http://www.gsis.gov.ph/downloads/forms/20180504-FORMS-GFAL_Application.pdf);
 - 1.2 Duly accomplished GSIS-prescribed Statement of Account (SOA) (**Annex B**) with clear copy of the ID of the PLI's representative authorized to claim the check and contact details (SOA form may also be downloaded from http://www.gsis.gov.ph/downloads/forms/20180504-FORMS-GFAL_SOA.pdf);
 - 1.3 Borrower loan agreement indicating the original and net loan amount, loan voucher, or other PLI-certified documents indicating the term, interest rate, monthly amortization, and first amortization due date of the loan (to be transferred under GFAL); and
 - 1.4 Agency Authorized Officer (AAO)-certified true copy of the applicant's payslips for the last three (3) months.
2. Attend the GSIS Financial Literacy Seminar indicated in the endorsement slip given upon submission of the requirements.
3. Complete the loan evaluation and counselling process.
4. Sign the loan documents.

Please be guided accordingly.

For details, visit the GSIS website, www.gsis.gov.ph, or Facebook account, @gsis.ph; email gsiscares@gsis.gov.ph or call the GSIS Contact Center at 847-4747 if in Metro Manila or 1-800-8-847-4747 (for Globe [free with minimum Php8.00 load] and TM subscribers) or 1-800-10-847-4747 (for Smart, Sun, and Talk 'N Text subscribers; Php8.00/call).

Original Signed

ATTY. JESUS CLINT O. ARANAS
President and General Manager

18 OCT 2018

Date Signed



**GSIS FINANCIAL ASSISTANCE LOAN (GFAL)
TO DEPED PERSONNEL
LOAN APPLICATION**

Form No. 03062018-GFAL-REV 0

(Please read Documentary Requirements at the back)

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 to DepEd to pay my existing loan with the following lending institution/s (LIs):

	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		
<i>Last Name</i>	<i>First Name</i>	<i>Middle Name</i>
Birthdate	Birth Place	BP No.
Mailing/Residential Address		
Present School/Office and Address		
Telephone No.	Cell Phone No.	Email Address
School Details:		
<i>Division No.</i>	<i>Station No.</i>	<i>Employee No.</i>

UNDERTAKING

In consideration of the loan granted under this application, I promise to pay the 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 and to which I bind myself to pay the required monthly amortization hereon through payroll deduction for which I hereby authorize my Treasurer / Disbursing / Collection Officer, 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 the balance of my loan account with the said private lender.

SIGNATURE OF MEMBER/BORROWER

Position Title/Designation

School and Division

Date Signed _____

TO BE FILLED OUT BY DepEd

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 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) 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

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 loan/s 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 that shall be used will 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	0.38

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 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.
- 11. 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.

12. PENALTY FOR ARREARAGES. An account is considered in arrears if: a) there is payment for monthly installment 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.

13. 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.

14. NO RENEWAL. The GFAL to DepEd Personnel is a one-time offer of the GSIS and is not renewable.

15. 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.

16. 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.

17. 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.

18. 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.

19. TRANSFER/CHANGE OF OFFICE. The borrower shall immediately inform the GSIS of his or her transfer to any government office/agency, and, for the continued remittance of the borrower's monthly payment on the loan, this application shall be sufficient authority for GSIS to effect collection through salary deduction from his or her new office/agency.

20. NOTICES. All notices required under this Agreement for its enforcement shall be sent to the Office Address indicated in the Personal Data portion of this loan application. The notices sent to the said office address shall be valid and shall serve as sufficient notice to the borrower for all legal intents and purposes.

I confirm that I have read and fully understood the GFAL to DepEd Personnel 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)

DATE SIGNED

TIN



GSIS FINANCIAL ASSISTANCE LOAN TO DEPED (GFAL)

STATEMENT OF ACCOUNT

Form No. 03062018-SOA-GFAL-REV 0

(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 to DepEd*, in order to settle the outstanding balance of his or her loan with _____ (Name of Lending Institution).

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: _____