

Amount of Loan

The amount of loan shall be the sum total as approved by the GSIS and as reflected in its disbursement voucher.

Application of Loan Proceeds

The borrower authorizes the GSIS to deduct from the proceeds of this loan any outstanding obligations he/she may have with GSIS in order to update them or settle them in accordance with Claims & Loans Interdependency Policy (CLIP) of GSIS and such other applicable GSIS policies, existing or hereafter promulgated.

Change of Payment Term

The Borrower has the option to shift to another mode of payment anytime during the term of the loan by giving written notice to the GSIS.

Due Date of First Monthly and Succeeding Monthly Installments

In case the borrower opted for a monthly payment of the loan on a chosen term for principal and interest, the payment shall be due on or before the 10th of the following month if the loan is granted before the 10th of the month and every month thereafter until the loan is paid; if the loan is granted after the 10th of the month, the payment shall be due on or before the 10th of the next following month and every month thereafter until the loan is paid.

Interest Rate

The loan shall incur interest at the rate of eight percent (8%) per annum compounded annually, unless a different rate is expressly provided under the terms and conditions of the existing policy contract/Certificate of Membership.

Application Fee

An application fee of 1% of the gross amount of loan shall be deducted from the proceeds of the loan.

Maturity of the Loan

This loan automatically matures upon retirement, separation, permanent disability or death of the borrower notwithstanding that a longer term was chosen by the borrower.

Upon the maturity of the loan, the entire principal amount of this Loan including all interest and other charges payable, shall be due and payable without need of demand or further notice, all of which are hereby expressly waived by the Borrower.

Renewal of Loan

Renewal of the loan will be allowed on or after the anniversary date of the loan.

0. Loan Pre-termination

The Borrower may pre-terminate the loan during its term subject to the full payment of outstanding balance of the principal amount, including all interest and other charges payable. Once the loan is approved and the loan proceeds have been released through check or through any other mode of disbursement of loan proceeds, the borrower has no more option to cancel the loan but only to pre-terminate it by paying the full amount of the outstanding balance including accrued interest if any, without any right to demand for reimbursement of application fee and such other fees that might have been collected under such loan.

1. Loan Cancellation

Once the loan is approved and the loan proceeds have been released through check or through any other mode of disbursement, the borrower has no more option to cancel the loan but only to pre-terminate it by paying the full amount of the outstanding balance including accrued interest, if any, without any right to demand for reimbursement of service fee and such other fees that might have been collected under such loan.

2. Authority to Apply Payment

In case of maturity of this loan and it remains outstanding either in whole or in part, both for principal and interest, the GSIS is authorized to collect or deduct or withhold from whatever benefits that may be due the Borrower, his/her heirs, beneficiaries, assignees or successors-in-interest, the amount equivalent to the outstanding balance of this loan, inclusive of interest, penalties and surcharges. Such authorization shall remain effective until full payment of the loan or any other outstanding obligation of the Borrower to the GSIS.

It is expressly understood that any unpaid balance or outstanding obligation of the Borrower to the GSIS, by virtue of this loan and/or other obligation, shall constitute a lien over any benefits/claims that may be due the Borrower.

Should such benefits/claims from the GSIS be insufficient to cover the remaining balance, GSIS shall not be prevented from filing the necessary civil and administrative action(s) for recovery either against the borrower or his estate.

3. Attorneys 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 twenty five (25%) percent of all amount outstanding and unpaid as and for attorney's fees and litigation expenses.

4. Venue

Any legal action, suit, or proceeding arising out of 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.

5. Transfer/Change of Office

The Borrower shall immediately inform the GSIS of his transfer to any government office/agency and in case the borrower opted to pay through monthly payment via salary deduction this application shall be sufficient authority for GSIS to effect collection through salary deduction from his new