



**PASEGURUHAN NG MGA NAGLILINGKOD SA PAMAHALAAN**  
Government Service Insurance System  
Financial Center, Roxas Blvd., Pasay City

**IMPORTANT: BEFORE APPLYING FOR RESTRUCTURING, PLEASE SECURE AN UPDATED STATEMENT OF ACCOUNT OF YOUR OUTSTANDING SALARY LOAN AND TENTATIVE COMPUTATION OF YOUR RESTRUCTURED LOAN.**

## Application for the Restructuring of Salary Loan Account

I, \_\_\_\_\_, an employee of \_\_\_\_\_, with GSIS Policy No. \_\_\_\_\_ hereby apply for the restructuring of my salary loan account. In line with this application, I hereby declare, as follows:

I am confirming as true and correct the outstanding balance of my salary loan account with GSIS as appearing in the Statement of Account (SOA) hereto attached and made an integral part of this application.

I understand that once this application is approved, all surcharges will be condoned and the principal of the restructured loan shall be the outstanding balance of the principal and unpaid interest as reflected in the SOA. In addition, the interest accruing between the date of the SOA and the date of approval of this application including the premium for the Loan Redemption Insurance and one percent (1%) service fee based on the outstanding principal and unpaid interests shall be added to the principal of the restructured loan.

I prefer that the principal, interest and other charges on the restructured loan will be payable in \_\_\_\_\_ (indicate 24, 36 or 48) monthly amortizations to be deducted from my salary. For this purpose, I hereby authorize whosoever is or will be the Treasurer/Disbursing/Collection Officer of my present or future government office to deduct from my salary the required monthly amortization. In the event that the Treasurer/Disbursing/Collection Officer of my present or future government office fails to deduct and/or remit to GSIS the said monthly amortization and charges on due date, I shall personally pay directly to the GSIS the said amount, including interests and surcharges in order to update my account.

I likewise agree that in case I fail to indicate my preferred loan repayment period, the GSIS will apply the repayment period of 48 months.

I further agree that the restructured loan will immediately mature upon my retirement/separation, death or permanent disability.

Finally, I agree that this loan shall at all times be subject to the terms and conditions stated at the back of this application.

\_\_\_\_\_  
Applicant / GSIS Member  
(SIGNATURE OVER PRINTED NAME)

\_\_\_\_\_  
Date

TIN: \_\_\_\_\_

### TO BE FILLED OUT BY THE AGENCY

The undersigned officer certifies that: (1) the member/borrower is in active service in this agency; (2) the above signature of the member/borrower is authentic; (3) the information supplied above by the said member/borrower are true and correct based on the records of this office; (4) there is no pending administrative and/or criminal charge against him; (5) the member/borrower is not on leave of absence without pay; and, (6) in case of separation from the service of the member/borrower, this agency shall make final payment of benefits to the borrower only after clearance is obtained from GSIS.

\_\_\_\_\_  
Personnel Officer / Authorized Indorsing Official  
(SIGNATURE OVER PRINTED NAME)

\_\_\_\_\_  
Date

**TERMS AND CONDITIONS**

**1. Eligibility**

The applicant must:

- a. be in active service in a government agency which is under legal obligation to remit compulsory integrated premium contributions to the GSIS and is not under suspension by GSIS for non-remittance of premiums and/or loan repayments in accordance with existing GSIS policies;
- b. have a salary loan account with GSIS which is either in arrears or in default.

**2. Documentary Requirements**

A member-borrower interested to avail of the salary loan restructuring shall submit a duly accomplished application form accompanied by the latest Statement of Account (SOA) of his/her outstanding salary loan.

**3. Gross Loan Amount**

The gross loan amount shall be the sum of the outstanding balance of the principal and unpaid interest, as of the date of approval plus the corresponding premium for the salary loan redemption insurance (SLRI) and service fee of 1%.

**4. Interest Rate**

The loan shall be charged an interest of 12% per annum based on the declining balance of the gross loan amount and integrated in the monthly amortization.

**5. Service Fee**

A service fee of 1% shall be charged based on the total amount of outstanding principal plus unpaid interests and shall form part of the gross loan amount.

**6. Salary Loan Redemption Insurance (SLRI)**

The approved loan shall at all times, during its term, be automatically covered by a GSIS salary loan redemption insurance (SLRI), the corresponding premiums of which shall form part of the gross loan amount. Should the borrower die or become permanently and totally disabled while this loan is still outstanding, the theoretical balance of the loan (the balance on the loan if the borrower consistently pays the monthly installment on or before the due dates) as of the date of death or disability of the borrower shall, by virtue of the insurance coverage, be deemed paid. In case there are arrearages on the loan, the difference between the actual balance and the theoretical balance shall be deducted from whatever benefits that may be due the deceased or disabled borrower. The insurance coverage is automatically terminated when the borrower pays the loan in full, or renews the loan under the enhanced salary loan program, or upon expiration of the term of the loan, whichever comes first. For this purpose, the SLRI premium rates shall be in accordance with the following scheduled rates:

TERM IN MONTHS	24 Mos.	36 Mos.	48 Mos.
SLRI Premium Rate	1.2% of outstanding principal plus unpaid interests	1.6% of outstanding principal plus unpaid interests	2.0% of outstanding principal plus unpaid interests

**7. Repayment Period**

The borrower shall have the option to repay the loan in 24, 36 or 48 months which he/she should indicate in the application; otherwise, the failure to specify the repayment term shall be interpreted as a preference to pay in 48 months.

**8. Due Date of First Monthly and Succeeding Monthly Installments**

If the loan is approved on or before the 10<sup>th</sup> of the month, the first and succeeding monthly amortizations shall be due on the 10<sup>th</sup> of the following month and every month thereafter until the loan is fully paid respectively. If the loan is approved after the 10<sup>th</sup> of the month, the first and succeeding monthly amortizations shall be due on the 10<sup>th</sup> of the next following month and every month thereafter until the loan is fully paid.

**9. Maturity of the Loan**

The restructured loan will automatically mature even before the end of its term upon the retirement, separation, permanent disability or death of the borrower.

Upon the maturity of the loan, the entire principal amount including all interests and other charges, shall be due and payable without need of demand or further notice, all of which the borrower expressly waives.

**10. Renewal of Loan**

The restructured salary loan may be renewed under the enhanced salary loan program only after the payment of six (6) correct monthly installments but not before the due date of the sixth installment.

**11. Loan Pre-termination**

The borrower may pre-terminate the restructured loan during its term subject to the full payment of outstanding balance of the principal amount, including all interests and other charges.

**12. Authority to Apply Payment**

In case a restructured loan remains outstanding on maturity date, either in whole or in part, both for principal and interest, the GSIS is authorized to collect, 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 and surcharges. Such authorization shall remain effective until full payment of the loan.

It is expressly understood that any unpaid balance or outstanding obligation of the borrower to the GSIS, by virtue of this loan, 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/her estate.

**13. Surcharges**

A surcharge of one-half percent (0.5%) shall be imposed on every unpaid installment on the loan, or any portion thereof, for every month of delay until the same is fully paid.

**14. Events of Default**

The following shall be considered events of default:

- a. Failure of the borrower to pay three (3) monthly amortizations which may not necessarily be consecutive.
- b. Material misrepresentation in this loan application committed by the borrower or Authorized Indorsing Official of the employer of the borrower.
- c. Failure of the borrower to comply, perform or observe any other provision, term, condition under this loan agreement.
- d. Dismissal from service with forfeiture of benefits.

**15. Consequences of Default**

If an Event of Default occurs and continues to occur, the GSIS may, at its option declare the entire principal amount of this restructured loan including all interests and other charges, to be due and payable without need of demand or further notice, all of which the borrower expressly waives.

**16. Application of Claims and Loans Interdependency Policy (CLIP)**

Should the restructured loan fall in arrears or in default, the amount in arrears/default shall be deducted from the proceeds of other loan/s which the borrower may avail of in the future.

**17. One-Time Availment**

Member-borrowers can avail of the loan restructuring only once.

**18. Attorney's Fees**

Should the GSIS be compelled to refer the restructured 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 amounts outstanding and unpaid as attorney's fees and litigation expenses.

**19. Venue of Legal Action**

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 the GSIS. In the event the borrower initiates any legal action arising from or under this agreement, for whatever