

1. What is the “GSIS Housing Loan Restructuring and Condonation Program”?

This program aims to offer affordable restructuring and condonation program that will enable the home loan borrowers manage their obligations in view of the present global economic crisis.

2. Who are eligible to avail of this program?

The following may apply for condonation and loan restructuring under this program:

- a) All borrowers/installment buyers of covered accounts notwithstanding that the same borrowers/installment buyers have availed themselves of the benefits of a previous condonation and loan restructuring program.
- b) The legal heirs of deceased housing loan borrowers/installment buyers with unpaid loan balances/installments after application of the proceeds of the Housing Loan Redemption Insurance, if any.
- c) Successors-in-interest of housing loan borrowers, who have assumed the original mortgage or of installment buyers who are assignees of Deed of Conditional Sale, as supported by legal documents, including Special Power of Attorney (SPA), duly approved by or with consent of GSIS.

3. Which housing accounts are not covered under this program?

The following housing loan accounts are not covered under the Program:

- a) Any account without a single payment since the effectivity of deed of conditional sale, deed of real estate loan mortgage, and/or restructuring agreement.
- b) An account under a contract-to-sell that has been cancelled;
- c) An account that has been foreclosed and the redemption period has already lapsed;
- d) An account which housing unit has been abandoned by the borrower-owner for more than one (1) year from the date of delinquency;
- e) An account which housing unit is occupied by a third party other than the original registered beneficiary or his/her legal heirs/successor-in-interest;

f) An account that has been surrendered to GSIS through a dacion en pago, the title of which has already been consolidated/transferred in the name of the GSIS.

4. What can be condoned under this program?

All penalties and surcharges shall be condoned as of the effectivity of the approved restructuring application.

5. Is there a required Application or Processing Fee?

None. The delinquent borrower/installment buyer, legal heir or successor-in-interest applying for condonation and loan restructuring shall not be charged any processing fee.

6. Is there a required downpayment?

Downpayment shall not be required.

7. What if the borrowers/awardees decide to pay in full or opt to pay downpayment?

A discount on unpaid interest shall be given to borrowers/awardees who will pay, partially or in full, their outstanding balances with the GSIS. The rate of discount shall be determined by the percentage of payment on the outstanding balance net of penalties/surcharges, as follows:

Percentage of Payment	Discount Rate
25% - 49%	10%
50% - 74%	20%
75% - 99%	30%
100%	40%

8. What will be the restructured balance?

The amount for restructuring shall be the sum of the outstanding loan principal, unpaid principal, accrued interests, insurance premiums, taxes, foreclosure and other incidental expenses, less down payment and discount on accrued interest, if any.

9. What will be the interest rate on restructured obligation?

The restructured balance shall be imposed an interest rate of 8% per annum compounded annually, fixed throughout the loan term.

10. What are the available term of the loan?

The repayment term of the restructured obligation shall be in multiples of five (i.e. 5, 10, 15, 20, 25 or 30 years). In no instance, however, shall the loan term exceed the difference between the applicant/borrower’s age at the time of receipt of application and age eighty (80).

Example:

	A	B	C
Maximum Age at Loan Maturity :	80	80	80
Age at the time of filing :	55	62	20
Maximum Term :	25	18 (15)	60 (30)

11. What would be the monthly amortization if the restructured balance is P1 Million?

Sample Amortization per Million

Term	Interest Rate	Amortization
5	8%	20,143.05
10	8%	11,985.75
15	8%	9,396.06
20	8%	8,191.50
25	8%	7,534.15
30	8%	7,143.98

12. When is the account considered in Default?

Account is in default as soon as the outstanding balance of the restructured account becomes greater than at least six (6) times monthly amortizations. In the event of default, the outstanding balance becomes due and demandable.

13. What are the incidental penalties/surcharges?

Delayed payment/remittance of monthly dues shall be charged a penalty of 0.5% per month except during the first six (6) months of regular monthly installment.

14. How long the implementation period of this program?

The program shall be implemented for a period of eighteen (18) months from effectivity of the program or until October 2010.

15. What are the modes of payment?

- Payroll Deduction
The borrower shall execute the prescribed Authority to Deduct, authorizing the deduction of the regular monthly installment from his salary and shall secure the conformity of his employer, who shall likewise undertake to regularly remit the loan repayments of the borrower to the GSIS.
- Post Dated Checks

The borrower shall issue twenty-four (24) checks prior to the release of the loan and shall reissue sets of 12 post-dated checks thereafter until the loan is fully paid.

▪ **Direct Payment**

The borrower shall pay the required monthly amortization directly over-the-counter in cash or manager's check.

16 What are the documentary requirements?

Heirs of Deceased Borrower/Mortgagor/Installment Buyer

- a) Accomplished and signed application form
- b) Deed of Adjudication of Sole Heir (for a sole surviving heir) or Deed of Extra-Judicial Settlement (for two or more surviving heirs) plus Special Power of Attorney from co-heirs authorizing the applicant-heir to file application for restructuring/condonation under this program.
- c) Photocopies of acceptable identification cards (IDs) from heir(s)

Buyers of Mortgage Property

- a) Accomplished application form
- b) Original copy of Certificate of Tax Clearance issued by the Municipal/City Assessors
- c) Photocopy of real estate tax receipts for the current year
- d) Notarized Deed of Absolute Sale with Assumption of Mortgage

Other Documentary Requirements:

- a) Application Form, duly accomplished and signed by the applicant and spouse
- b) Photocopy of any of the following Identification Cards:
 - GSIS eCard / SSS ID / Company ID
 - Passport / Driver's License
 - Senior Citizen ID / Voter's ID
- c) Latest Declaration of Real Property
- d) Real Property Tax Clearance Certificate as of the current year



FAQS

on
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(RA 9507)**



For further inquiries, please contact telephone numbers **479-3543, 976-4623** or **9764906** or visit our website at www.gsis.gov.ph or the GSIS Branch Office concerned.