



Republic of the Philippines
Department of Education
REGION VIII - EASTERN VISAYAS

April 15, 2020

REGIONAL MEMORANDUM

No. **232**, s. 2020

**LETTERS TO GOVERNMENT SERVICE INSURANCE SYSTEM (GSIS)
AND PAG-IBIG FUND**

To: Schools Division Superintendents
Regional Office Personnel
All Others Concerned

1. Attached are copies of the letters to GSIS and Pag-IBIG Fund of Ramon Fiel G. Abcede, Assistant Secretary, DepEd Central Office, relative to the moratorium on all loan payments of GSIS and Pag-IBIG fund borrowers during the implementation of the enhanced community quarantine (ECQ).
2. For information and guidance.


RAMIR B. UYTICO EdD, CESO IV

Director IV 

Enclosure: Letters to GSIS and Pag-IBIG

Reference: Letters to GSIS and Pag-IBIG

To be indicated in the Perpetual Index under the following subjects:

LETTER
MORATORIUM
REQUEST

AD-PS-EDR





Republic of the Philippines
Department of Education
OFFICE OF THE ASSISTANT SECRETARY FOR FINANCE

April 14, 2020

MR. ACMAD RIZALDY P. MOTI
Chief Executive Officer
Pag-IBIG Fund
Petron MegaPlaza Building
358 Sen. Gil Puyat Avenue
Makati City

Dear *CEO Moti*:

This refers to the moratorium on all loan payments of the Pag-IBIG Fund borrowers during the implementation of the ECQ period in response to the "Bayanihan to Heal as One Act", and the issuance of Pag-IBIG Fund Circular No. 432.

On 27 March 2020, Pag-IBIG Fund issued Circular No. 432 setting the guidelines on the grant of moratorium, on an application basis, to short-term loan (STL) amortization and housing amortization/installment payments from March 16 to June 15, 2020 at no additional cost to the borrower/buyer, with the effect of extending the borrower's/buyer's loan/repayment term for the number of months corresponding to the applicable moratorium period.

On 9 April 2020, Pag-IBIG Fund posted in its official Facebook page the Frequently Asked Questions on the 3-month moratorium on all Pag-IBIG Fund loans, which basically explains in Filipino the contents of Circular No. 432.

Based on the foregoing, DepEd, on behalf of all the 65,000 Pag-IBIG borrowers enrolled in its Automatic Payroll Deduction System (APDS), would like to convey its concerns relative to the requirement to apply for the moratorium before borrowers would be able to avail of such relief, as follows:

1. It is operationally challenging for DepEd to ask each of the almost one million employees if they intend to avail of the moratorium.

Treating individual accounts separately is a tedious and lengthy process and would delay the implementation of the grace period. This would defeat the intent of the law- to provide financial relief to employees during the ECQ. To comply with this requirement will unduly expose to coronavirus our payroll employees because they have to physically report to their offices to get the concurrence of all borrowers.

2. DepEd maintains that the grant of 30-day grace period is mandatory, thus, requiring application would defeat the intent of the Bayanihan Law and the DoF IRR implementing Section 4(aa) of the same law.



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Section 3.01 (Mandatory Grace Period) of the IRR is explicit that all Covered Institutions, including the Pag-IBIG Fund, shall implement a 30-day grace period for all loans with principal and/or interest falling due within the ECQ Period without incurring interest on interest, penalties, fees and other charges. The initial 30-day grace period shall automatically be extended if the ECQ period is extended by the President of the Republic of the Philippines.

With these considerations, and cognizant of the plight of our employees who are in need of additional cash to augment their daily needs, and to keep them home during the enhanced community quarantine, DepEd will process the refund of their loan payments earlier deducted from their April 2020 salaries and subsequently effect stoppage of the same deduction for May 2020.

To expedite the process and ensure the safety of our employees, we propose that:

1. Pag-IBIG Fund grant an automatic moratorium to DepEd borrowers by dispensing with the application requirement, and grant such, regardless of the status of the loan account; or
2. DepEd borrowers who are ineligible for the moratorium be directly advised by Pag-IBIG Fund and those whose accounts are in default be directed to settle and pay their loan amortizations **OVER THE COUNTER** or **ONLINE** after the Pag-IBIG Fund's moratorium period, without additional interests, fees and charges.

During the ECQ, DepEd shall have no other option but to stop deduction of loan amortizations from the payroll system. For the April 2020 payroll, all deductions for loan payments shall not be remitted but instead, will be refunded to all concerned DepEd borrowers;

3. Pag-IBIG Fund directly advise and coordinate with the borrowers who would not avail of the moratorium and provide them a convenient and safe mechanisms for the settlement of their loan amortizations;
4. Pag-IBIG Fund provide **ONLINE** settlement of accounts for defaulting borrowers during the ECQ, should they wish to pay and update their accounts; and
5. DepEd be provided by Pag-IBIG Fund the list of borrowers on default of their loan payments, formatted per implementing unit/schools division/region, in order for our Regional Administrative Divisions to accordingly **ADVISE** them to settle their accounts over the counter or online.



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Given DepEd's huge number of employees with loan accounts, we are offering these options to serve the best interests of both the borrowers and your institution.

Anticipating your immediate and favorable consideration.

Thank you.

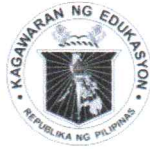
Very truly yours,

A handwritten signature in black ink, appearing to read "R. Abcede", is written over a horizontal line.

RAMON FIEL G. ABCEDE
Assistant Secretary

Copy Furnished:

DepEd Regional Directors, DepEd Regions I to III, IV-A, IV-B, V to XIII, NCR and CAR



Republic of the Philippines
Department of Education
OFFICE OF THE ASSISTANT SECRETARY FOR FINANCE

14 April 2020

ATTY. NORA M. MALUBAY
Executive Vice-President
Government Service Insurance System
GSIS Main Office, Financial Center
Pasay City

THRU: **MS. LEAH MELISSA D. DE LEON**
Vice-President, NCR Area II Operations Group

Dear *Executive Vice-President Malubay*:

This refers to the GSIS Memorandum Circular No. 015-2020 with regard to the implementation of moratorium on all loan payments provided to GSIS members pursuant to Republic Act No. 11469, otherwise known as the "Bayanihan to Heal as One Act" which directs all lenders to grant a 30-day grace period or extension for the payment of all loans, falling due within the enhanced community quarantine (ECQ) period, without imposing interest on interest or any additional charges and fees on the borrowers.

The GSIS issued Memorandum Circular setting the guidelines for the grant of a moratorium on loan payments due for the months of March, April and May 2020 and the resumption of collection of loan payments on June 01, 2020 without penalty or additional interest, with a proviso that the availment of such moratorium is subject to the qualification that a member's account must be in good standing or *not declared in default as of February 29, 2020*. All loan terms, as a result of the moratorium, were effectively extended by three months.

Further, the loan deductions that were already made but not yet remitted to the GSIS shall be refunded to the concerned members. However, the loan deductions already remitted to the GSIS will be applied to the outstanding balance of the loan in accordance to the order of priority in application of payments.

Based on the foregoing, we would like to seek consideration on the eligibility requirement because we cannot exclude the defaulting borrowers from our advisory to refund the April Loan deductions in compliance to the Department of Finance -Implementing Rules and Regulations on Section 4 (aa) of the Bayanihan Law.

Treating individual accounts separately would take a long time to process and the DepEd has to make immediate and decisive action to implement the grace period under the Bayanihan Law. To insist otherwise would defeat the intent of the law- to provide financial relief to employees during the ECQ, and it might pose great risk to our employees who are in charge of processing loans to physically report to office to extract the accounts of defaulting borrowers.



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Further, we share GSIS's position that the grace period is mandatory but borrowers may opt not to avail the moratorium and should be given available means to do so, taking into consideration the health risks involved.

With these considerations, and cognizant of the plight of our employees who are in need of additional cash to augment their daily needs, and to keep them home during the enhanced community quarantine, DepEd will process the refund of their loan payments earlier deducted from their April 2020 salaries and subsequently effect stoppage of the same deduction for May 2020.

To expedite the process and to ensure the safety of our employees, we propose that:

1. GSIS grant a moratorium to DepEd borrowers regardless of status of account; OR
2. DepEd borrowers whose GSIS loans are in default should be directed to settle and pay the affected loan amortizations **OVER THE COUNTER** or **ONLINE** after GSIS's moratorium period, without additional interests, fees and charges.

During the ECQ, DepEd shall have no other option but to stop deduction of loan amortizations from the payroll system. For the April 2020 payroll, all deductions for loan payments shall not be remitted but instead, will be refunded to all concerned DepEd borrowers;

3. GSIS directly advise and coordinate with the borrowers who would not avail of the moratorium and provide them a convenient and safe mechanisms for the settlement of their loan amortizations;
4. GSIS provide **ONLINE** settlement of accounts for defaulting borrowers during the ECQ, should they wish to pay and update their accounts; and
5. DepEd be provided by GSIS the list of borrowers on default of their loan payments, formatted per implementing unit/schools division/region, in order for our Regional Administrative Divisions to accordingly **ADVISE** them to settle their accounts over the counter or online.

Finally, we would like to humbly request to move the 3-month moratorium from April to June instead of March to May, taking into consideration that the DepEd was able to remit the GSIS loan payments for the month of March to your GSIS branches, even before the issuance of the DOF-IRR.



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Given DepEd's huge number of employees with loan accounts, we are offering these options to serve the best interests of both the borrowers and your institution.

Anticipating your favorable consideration hereof.

Thank you.

Very truly Yours,

A handwritten signature in black ink, appearing to read "R. Abcede", is written over a faint, larger signature.

RAMON FIEL G. ABCEDE
Assistant Secretary

Copy Furnished:

DepEd Regional Directors, DepEd Regions I to III, IV-A, IV-B, V to XIII, NCR and CAR