



REPUBLIKA NG PILIPINAS
REPUBLIC OF THE PHILIPPINES
KAGAWARAN NG EDUKASYON, KULTURA AT ISPORTS
DEPARTMENT OF EDUCATION, CULTURE AND SPORTS
DECS Complex, Morajo Avenue
Pasig City, Philippines



Same-Same
as DECS

Tanggapan ng Kalihim
Office of the Secretary

August 29, 2000

DECS MEMORANDUM

No. 382, s. 2000

DECS TEACHERS HOUSING PROGRAM

To: Undersecretaries
Assistant Secretaries
Bureau Directors
Directors of Services/Centers and Heads of Units
Regional Directors
Schools Division/City Superintendents

1. Pursuant to the instruction of His Excellency, President Joseph E. Estrada, the DECS Teachers Housing Program is hereby established.
2. Generally, the program aims to provide all DECS officials and employees in obtaining decent and reasonably priced housing through affordable financing schemes, and to extend all necessary help in processing all documents and in meeting all other requirements essential to their housing acquisition.
3. This Housing Program for teachers shall be under the supervision of Undersecretary Victor Andres Manhit as Project Director. The representative to the GSIS Board, Mr. Leovigildo P. Arellano, shall act as his assistant.
4. The Employees Welfare and Benefits Division shall serve as Secretariat and implementing arm of this program. In addition, the EWBD shall monitor the activities of the Housing Secretariat in the division offices.
5. In view thereof, all regional directors are hereby directed to constitute Housing Secretariat in the division offices composed of a chairman and 2 members and submit their names to the Employees Welfare and Benefits Division-Human Resource Development Service (EWBD-HRDS) not later than September 8, 2000.
6. The group shall be officially tasked to look into the housing needs of their respective teachers and serve as coordinators and overseer of all housing endeavors under the program. They shall also be required to submit to the EWBD a periodic report of their activities and accomplishments.

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7. As an initial endeavor under this program, DECS had executed a Memorandum of Agreement with GSIS to provide Special Housing Loan Assistance (SHLA) for qualified members for immediate implementation. Enclosed is the Implementing Guidelines of the SHLA Program of GSIS for DECS Teachers.

8. Immediate and wide dissemination of this Memorandum to all concerned is desired.

Andrew B. Gonzalez
ANDREW B. GONZALEZ, FSC
Secretary

Encl.:
As stated

Reference:
None

Allotment: 1—(D.O. 50-97)

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

~~PROJECTS~~
~~TEACHERS~~

**IMPLEMENTING GUIDELINES OF THE SHLA PROGRAM
OF GSIS FOR DECS TEACHERS**

Pursuant to the MOA executed by and between the DECS and the GSIS, a Special Housing Loan Assistance (SHLA) shall be implemented for qualified teachers.

I. Objective

The program aims to provide loan assistance to DECS teachers who intend to avail of financing for a housing unit.

II. Terms and Conditions

a. Purpose:

1. Construction of a new house or dwelling unit on a lot owned by the borrower;
2. Purchase of a lot and construction thereon of a new house or dwelling unit;
3. Purchase of an existing residential unit which may be a house and lot, a condominium unit or a town house; and
4. Purchase with assumption of mortgage of an existing residential unit.

b. Eligibility

The loan benefit shall be in favor of any "DECS School Teacher", who or whose spouse has not availed of any real estate loan from the GSIS. A husband and wife can avail of only one (1) loan. No re-availment of the loan shall be allowed.

c. Interest

1. For packages of P180,000.00 or below (socialized housing) – 9% per annum
2. For packages of over P180,000.00 up to P375,000.00 – 12% per annum
3. For packages of over P375,000.00 up to P500,000.00 – 16% per annum
4. For packages of over P500,000.00 up to P4,000,000.00 – open market

d. Interest rate

Except for socialized loans, the stipulated interest rate shall be subject to periodic adjustment after a review on January 1 in years 2005, 2010, 2015, 2020, 2025 and every 5 years thereafter for as long as the loan account or any balance thereof remain outstanding and unpaid. The determination by the GSIS of the rates shall be binding upon the borrower which rates shall be applied in uniformly to all similar loans extended by the GSIS to other members.

e. Loan period

1. Socialized Housing – The loan period shall not be more than 30 years and shall be shortened correspondingly to the difference between the age of the borrower at the time of the loan approval and retirement age or age 70.

2. Others – The loan shall not be more than 25 years and shall be shortened correspondingly to the difference between the age of the borrower at the time of the loan approval and retirement age or age 70.

f. **Manner of payment**

Thru salary deduction to be effected by DECS commencing on the 4th month, or a grace period of three (3) months from full release. For purposes of determining when the date the first installment will become due, a loan shall be considered fully released after six (6) months counted from the initial release.

g. **Collateral**

Socialized housing loans shall be secured by the mortgage on the house and lot financed. Other types of loan shall be secured additionally by the guaranty of the Home Guaranty Corporation, to be procured by the borrower at his expense.

In case of GSIS direct loans to DECS school teachers, a Mortgage Administration Fee (MAF) equivalent to five (5) percent, shall be charged based on the approved loan. The same shall be capitalized as part of the loan.

h. **Mortgage Redemption Insurance (MRI)**

MRI coverage of the borrower shall be optional in socialized housing loans, but compulsory on other types of housing loans. MRI coverage shall be provided by the GSIS, the premiums shall be borne by the borrower.

i. **Penalty**

Any installment not received by the GSIS fifteen (15) days from due date shall be charged a penalty 1/5 of 1% for each day of delay until fully paid.

j. **Co-maker**

A co-maker will be required if the income of the borrower is insufficient. The degree of relationship between/among loan borrowers is limited to husband and wife, or parent and children (1st degree).

k. **Paying Capacity**

Paying capacity is arrived at under the following formula:

Gross monthly income:

Less: Statutory obligations

Including long term loans

= Net disposable income (36% thereof)

= Amount Available for Monthly Amortization

In no case, shall the monthly net take home pay be less than P2,000.00 (the minimum take home pay as imposed under the General Appropriation Act) after deducting the monthly amortization.

Statutory Obligations Include the following:

- a. GSIS Premiums
- b. Withholding tax
- c. Medicare contributions
- d. Pag-Ibig contributions
- e. GSIS salary/policy loan installments
- f. Long term loans
- g. EC contributions

III. **Operation Mechanism**

Responsibility of Borrower/Applicant

1. The interested qualified "DECS school teachers" shall prepare all pertinent application requirements as enumerated in the attached checklist of application requirements marked as Annex "A" and secure the necessary Certificate of Loan Eligibility from the GSIS where his membership is maintained.
2. The said qualified "DECS school teachers" shall file with the division office or regional office of the DECS, as the case maybe, his application form together with the requirements mentioned in the checklist.

Role and Responsibility of DECS

1. The DECS thru the Office of the Superintendent of Schools or Regional Office concerned shall receive from interested qualified "DECS school teachers" the required application forms together with other requirements as listed in the checklist Annex "A";
2. The DECS shall see to it that the application form and other requirements are complete;
3. The DECS shall file the accomplished application form and other requirements with the GSIS office where the membership of the division office or regional office is carried;
4. The DECS shall compile the complete applications and periodically file the same with the concerned GSIS office for processing;
5. The DECS shall deduct loan amortization from the borrowers' monthly salary and remit the same immediately to the GSIS, the deduction shall be given priority over all other deduction of similar nature. Such deduction shall not be stopped unilaterally without the express and written approval of the GSIS until the account is fully settled by the borrower;
6. The DECS shall ensure collection of loan amortization by providing an access deduction code in the payroll wherein the monthly amortization are regularly deducted and remitted to the GSIS; and
7. The DECS shall accept and deliver to the borrowers all communications and or notices that may be issued by the GSIS to such borrower from time to time.

Role and Responsibility of the GSIS

1. The GSIS thru its offices concerned shall, upon request of qualified "DECS school teachers", issue Certificate of Loan Eligibility (CLE) to such interested qualified "DECS school teachers";
2. The GSIS shall accept loan applications accompanied by complete requirements and thereafter process the applications;
3. The GSIS shall advise the DECS, thru EWBD the commencement of the salary deduction from the salaries of the borrowers concerned; and
4. At its option, GSIS may deliver thru the EWBD-DECS letters, notices, advices, and other communications intended for borrowers.

ANNEX "A"

**Checklist of Application Requirements for Individual Loan
For New House/Repair/Renovation/Expansion of House**

A. Common Requirements:

1. Duly accomplished application form and Notarized Information Sheet in duplicate copies;
2. Notarized certificate of employment of borrower with latest monthly salary and allowances with exemption under LOI-L-1 (no pending case, and also of the spouse, if government employee);
3. Latest pay slip, payment of borrower of spouse;
4. Latest original Income Tax Return (ITR) and proof of tax payment (BIR 6 receipts);
5. BIR Income Tax clearance;
6. Original and 2 xerox copies of front page of GSIS Policy Contract Certificate of Membership; and also of spouse, if government employee);
7. SSS Membership Card; Number of spouse who is non-GSIS member;
8. Original and 3 xerox copies of Transfer Certificate of Title (TCT);
9. Lot/Location Plan with vicinity map duly signed, sealed by Geodetic Engineer and should conform with TCT description;
10. Latest Realty Tax Declaration and receipt;
11. Authority for inspection;
12. 2 signed pictures of both members applicant and spouse;
13. Application Fee of Five Hundred Pesos (P500.00);
14. Marriage Certificate Contract; and
15. Authority to deduct from payroll the monthly amortization and to remit the same to GSIS.

B. Additional requirements of loan for new house (yet to be constructed):

1. Building Floor Plans, Specifications and Bill of Material duly signed/sealed by an Architect/Civil Engineer and approved by the owner; and
2. Building Permit.

C. Additional requirements of loan for acquisition of house (already constructed):

1. 2 pictures of the front and side view of the building;
2. Floor Plan with dimensions; and
3. Contract of Sale/Deed of Sale

D. Additional requirements for loan for repair/renovation/expansion:

1. Building/Floor Plans, Specifications and Bill of Materials duly signed/sealed by an Architect/Civil Engineer and approved by the owner;
2. 2 pictures of the front and side view of the building; and
3. Repair permit.

E. Requirements for co-maker if required:

1. If co-maker is within the Philippines:

- a. willing to act as co-maker;
- b. affidavit of relationship;
- c. 2 signed pictures; and
- d. other documents necessary for submission.

2. Additional requirements if co-maker/spouse is working abroad:

- a. Duly notarized contract of employment by the Philippine Consular Official;
- b. Exit Visa Pass from POEA; and
- c. Special Power of Attorney.