

TERMS AND CONDITIONS FOR CALAMITY LOAN

(SSC Res. No. 205-s.2020 dated 25 March 2020 as amended by
SSC Resolution Nos. 235-s.2020, 236-s.2020 and 237-s.2020 dated 19 May 2020)

A. COVERAGE OF THE PROGRAM

Members who are residents of the entire Philippines affected by the strict community quarantine to manage the Corona Virus Disease 2019 (CoViD-19) situation, in pursuance to Proclamation No. 929 by the President of the Philippines dated 16 March 2020 declaring a State of Calamity throughout the Philippines due to CoViD-19.

B. ELIGIBILITY REQUIREMENTS

All currently contributing employed, self-employed and voluntary members applying for calamity loan assistance must meet the following eligibility requirements:

1. Must be registered in the SSS website (My.SSS facility) to facilitate filing of online application.
2. Must have at least thirty-six (36) monthly contributions, six (6) of which should be posted within the last twelve (12) months prior to the month of filing of application.
3. Must be residents of the Philippines. A resident, for the purpose of CLAP, is one who has a home or work address within the Philippines.
4. Have not been granted any final benefit, i.e. total permanent disability or retirement.
5. Must not have an outstanding Loan Restructuring Program (LRP) or Calamity Loan Assistance Program (CLAP).

C. AVAILMENT PERIOD

The availment period shall start on 15 June 2020 until 14 September 2020.

D. LOAN AMOUNT

The loan amount shall be equivalent to one (1) month salary credit (MSC) computed based on the average of the last twelve (12) MSCs (rounded up to the nearest thousand) or the amount applied for, whichever is lower.

E. REPAYMENT TERM AND SCHEDULE OF PAYMENT

1. The loan shall be payable in twenty-seven (27) months inclusive of three (3) months moratorium period.
2. The loan amortization shall start on the 4th month following the date of the approval of the loan.
3. Payment deadline shall be on or before the last day of the month following the applicable month.
4. In case the payment deadline falls on a Saturday, Sunday or holiday, payment may be made on the next working day.

Illustration:

Applicable Month	Payment Deadline
December 2019	31 January 2020
January 2020	29 February 2020
February 2020	31 March 2020
... and so on	... and so on

5. Payment shall be made at any SSS branch office with payment facility, SSS-accredited bank, or SSS-authorized payment center.

F. INTEREST AND PENALTY

1. The loan shall be charged an interest rate of 6% per annum commencing on the 4th month, computed on a diminishing principal balance and shall be amortized over the remaining 24 months.
2. No advanced interest shall be charged for this loan.
3. Any excess in the amortization payment shall be applied to the outstanding principal balance.
4. Loan amortization not remitted on due date shall bear a penalty of 1% per month. A delay of a fraction of a month shall be charged a full month penalty.
5. Aggregate unpaid obligation equivalent to more than six (6) monthly amortizations shall result to loan default. The full balance of a defaulted loan shall become due and demandable. A defaulted account is subject to 10% interest per annum charged on the outstanding principal balance and 1% penalty per month on unpaid principal and interest until fully paid.

G. SERVICE FEE

A service fee of 1% of the loan amount shall be charged and deducted from the proceeds of the loan.

H. OTHER CONDITIONS

1. The member must apply for the Calamity Loan Assistance Program thru the SSS website by accessing his/her My.SSS account.
2. The member's home or work address as reflected in the SSS database must be within the Philippines.
3. This calamity loan must be fully paid before the member can avail of future calamity loans of SSS.

4. Any overpayment on a previous loan shall be subject to validation of SSS, and if valid, shall be applied to the active loan, if any. If there is no active loan, it shall be refunded to the member-borrower upon his/her request.
5. If release thru checks: Calamity loan check shall be sent to the member's preferred mailing address.
6. If with activated UMID-ATM, the loan proceeds shall automatically be credited to member's account.
7. If release thru UBP Quick Cards: The loan proceeds shall be credited to member-borrower's account within three (3) to five (5) working days from approval date of the loan. Member-borrowers may avail of UBP Quick Cards at UBP Kiosks located at selected 26 SSS Branches.
8. If release thru PESONet accredited banks (once available and implemented in the system): The loan proceeds shall be credited to member-borrower's account within one (1) to two (2) working days from approval date of the loan
9. Other terms and conditions in the existing salary loan guidelines not inconsistent with the above provisions shall be applicable in this program.

I. RESPONSIBILITIES OF EMPLOYER

1. The employer shall be responsible for the collection through payroll deduction and remittance to the SSS of the amortization due on the employed member's calamity loan assistance.
2. In case the employed member-borrower is separated voluntarily (e.g., retirement or resignation) or involuntarily (e.g., termination of employment or cessation of operations of the company) from the company, the employer shall deduct the total balance of the loan from any benefit/s due the employee and shall remit the same in full to SSS.
3. The employer shall report to the SSS the effective date of separation from the company and the unpaid loan balance of the employed member-borrower, through the collection list, if the benefit/s of the employed member-borrower is/are insufficient to fully repay his/her loan.
4. The employer shall require a new employee to secure from the SSS an updated statement of his/her account, deduct the amortization due from his/her salary and remit the payment to SSS.

J. RESPONSIBILITIES OF MEMBER

1. The member-borrower shall notify the Member Services Section of the nearest SSS branch office of any change in his/her contact information or by logging in to his/her My.SSS account thru the SSS website or mobile application.
2. A member-borrower who transfers employment shall secure from the SSS and submit to his/her new employer an updated statement of account of any outstanding loan balance with SSS and allow his/her employer to deduct from his/her salary the corresponding amortization due, including any interest/or penalty for late remittance.

K. DEDUCTION OF UNPAID LOAN FROM BENEFITS

In case the member fails to immediately pay the outstanding balance, the arrearages/unpaid loan, as well as the interest and penalty thereon, shall be deducted from the benefits being claimed by the member, as follows:

- For employed member - final benefits (total disability/retirement/death)
- For self-employed/voluntary member - short-term benefits (Sickness/Maternity/Partial Disability) or final benefits (total disability/retirement/death)

R.A.3765, OTHERWISE KNOWN AS "TRUTH IN LENDING ACT"
A DISCLOSURE STATEMENT ON LOAN TRANSACTION SHALL BE ISSUED BY SSS TO THE MEMBER-BORROWER UPON APPROVAL OF HIS/HER CALAMITY LOAN ASSISTANCE PROGRAM APPLICATION.