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SENATE
P.S. Res. No. 473

RECEIVED BY: 

Introduced by Senator Manuel "Lito" M. Lapid

RESOLUTION

DIRECTING THE APPROPRIATE COMMITTEES IN THE SENATE TO CONDUCT AN INQUIRY, *IN AID OF LEGISLATION*, INTO THE SUSPENSION OF HOUSING LOANS OF THE GOVERNMENT SERVICE INSURANCE SYSTEM AS A RESULT OF THE INSTITUTION'S FAILURE TO COLLECT PAYMENT OF LOANS AMOUNTING TO PHP11 BILLION

WHEREAS, in the second week of May 2011, the state-owned Government Service Insurance System or GSIS announced that it has put to a halt its housing loan program in favor of other state-run shelter agencies;

WHEREAS, the Government Service Insurance System or GSIS is a social insurance institution created, by virtue of Commonwealth Act No. 186 that was passed on November 14, 1936, to secure the future of all employees of the Philippine Government as it provides and administers a pension fund;

WHEREAS, among the service privileges of active GSIS members is a housing loan which was made available since 1954 and may be availed by eligible members and may be paid either through payroll deduction, post-dated checks or direct payment;

WHEREAS, the housing loan program covers the purchase of a residential lot or residential house and lot covered by the Transfer Certificate of Title (TCT) or an Original Certificate of Title (OCT), as well as a part of the entire parcel of real property which is intended for residential use and is covered by the Condominium Certificate of Title (CCT) in which repayment of loan shall be from a minimum of five years to 30 years but should not exceed the difference between 80 and age of borrower at the time of application;

WHEREAS, the GSIS Housing Loan Program, makes it easier for active members to own a house as it offers a basement low interest rate of only eight percent per annum compounded annually, regardless of the approved loan amount;

WHEREAS, the suspension of GSIS' housing loan roused suspicions of bankruptcy as Chairman Daniel Lacson Jr. affirmed the government-owned pension fund's struggle to collect over Php11 billion worth of unpaid loans for around 17,000 house-and-lot packages;

WHEREAS, in a statement by GSIS President and General Manager Robert G. Vergara, he pointed out that "GSIS is really not a housing institution... it is first and foremost a pension fund.";

WHEREAS, it is very well within the mandate of the GSIS to provide housing loans programs to active and eligible members;

WHEREAS, according to news reports there are currently 1.4 million active members of the GSIS, over a million of which wish to avail of the housing loan program

WHEREAS, the GSIS maintained that it is in a strong financial standing as it reported a revenue of Php40 billion in 2010;

WHEREAS, there is a need to investigate this matter and institute legislative measures to address this issue and to be fair to active and eligible GSIS members who are religiously paying their obligations and who wish to avail of GSIS's housing loan program;

NOW, THEREFORE, BE IT RESOLVED, as it is hereby resolved to direct the appropriate committees in the Senate to conduct an inquiry, in Aid of Legislation, into the suspension of housing loans of the Government Service Insurance System as a result of the institution's failure to collect payment of loans amounting to Php11 billion.

Adopted,


MANUEL "LITO" M. LAPID
Senator