

Republic of the Philippines
House of Representatives
Quezon City, Metro Manila

Sixteenth Congress
Second Regular Session

HOUSE BILL NO. **5084**



Introduced by Honorable Rogelio J. Espina

EXPLANATORY NOTE

This bill seeks to mandate the Government Service Insurance System (GSIS) to establish the Calamity Home Fund which will serve as the funding facility for housing loans that may be availed of by eligible GSIS members whose houses are destroyed by a calamity, amending for the purpose Presidential Decree (PD) No. 1146, as amended by Republic Act No. 8291, otherwise known as the "*Government Service Insurance System Act of 1997*."

Our country is often visited by a great number of destructive calamities. When a storm, typhoon, storm surge, flood, volcanic eruption, earthquake or fire occurs, homes are destroyed which results to displacement of families. Under the proposed bill, once an area is declared under a state of calamity, the GSIS members who are residents of that area are eligible for loans in case their houses are destroyed because of the calamity.

Under PD 1146, as amended, it is the policy of the State to promote the efficiency and welfare of workers, whether in public or private establishments, and administer laws that grant to said workers social security and emergency assistance. The GSIS was established mainly for the purpose of meeting the increasing needs of workers in the government sector and their families through social security and insurance programs. Under the law, GSIS is allowed to fix and periodically adjust the rates of interest and other terms and conditions for loans and credits being extended to its members. While it is recognized that GSIS should

definitely generate substantial income in order to meet its actuarial requirements, the same should be balanced with the need to support the emergency financial needs of its members without the need to charge exorbitant rates and without delay. Ordinarily, it takes a considerable amount of time to release the loan proceeds which, in case of a calamity or disaster, would be disadvantageous to survivors who are in desperate need of money for the immediate repair of their houses. It must be noted that the funds used by GSIS to finance the loans availed of by government employees are their very own monetary contributions to GSIS.

Section 36 (c) of PD 1146, as amended, identifies the need for the GSIS to respond to the needs of members particularly during emergency cases. This proposed measure seeks to institutionalize the Calamity Home Fund which will help members to rebuild houses destroyed during a calamity. Since the payment of premium is automatically deductible from a member's salary, it is only proper that funds allocated for housing loans are also readily available to GSIS members. This form of assistance will be of great help to improve the living conditions of many of our public servants especially after a calamity. It will serve as a spring board for those who had been affected by recent calamities by allowing them to start anew.

In view of the foregoing, approval of this bill is earnestly sought.



ROGELIO J. ESPINA

Republic of the Philippines
House of Representatives
Quezon City, Metro Manila

Sixteenth Congress
Second Regular Session

HOUSE BILL NO. 5084

Introduced by Honorable Rogelio J. Espina

AN ACT

MANDATING THE GOVERNMENT SERVICE INSURANCE SYSTEM (GSIS) TO ESTABLISH THE CALAMITY HOME FUND, AMENDING FOR THE PURPOSE PRESIDENTIAL DECREE NO. 1146, AS AMENDED BY REPUBLIC ACT NO. 8291, OTHERWISE KNOWN AS THE “GOVERNMENT SERVICE INSURANCE SYSTEM ACT OF 1997”

Be it enacted by the Senate and the House of Representatives of the Philippines in Congress Assembled:

SECTION 1. Section 36 (c) of Presidential Decree No. 1146, as amended by Republic Act No. 8291, is hereby further amended to read as follows:

“SEC. 36. *Investments of Funds.* – The funds of the GSIS which are not needed to meet the current obligations may be invested under such terms and conditions and rules and regulations as may be prescribed by the Board: *Provided*, That investments shall satisfy the requirements of liquidity, safety/security and yield in order to ensure the actuarial solvency of the funds of the GSIS: *Provided, further*, That the GSIS shall submit an annual report on all investments made to both Houses of Congress of the Philippines, to wit:

- | | | | |
|-----|-----|-----|-----|
| (a) | xxx | xxx | xxx |
| (b) | xxx | xxx | xxx |

(c) In direct housing loans to members and group housing projects secured by first mortgage, giving priority to the low income groups and in short- and medium-term loans to members such as salary, policy educational, emergency, stock purchase plan and other similar loans: *Provided*, That no less than forty percent (40%) of the investable fund of the GSIS Social Insurance Fund shall be invested for these purposes: **PROVIDED, FURTHER, THAT THE GSIS SHALL ESTABLISH A HOUSING LOAN FACILITY, TO BE KNOWN AS THE CALAMITY HOME FUND, FOR MEMBERS WHO RESIDE IN AN AREA WHICH HAS BEEN DECLARED UNDER A STATE OF CALAMITY BY THE PRESIDENT OR BY THE LOCAL SANGGUNIANG AND WHOSE HOUSES WERE EITHER TOTALLY OR PARTIALLY DESTROYED BY THE CALAMITY: PROVIDED, FINALLY, THAT THE GSIS SHALL ENSURE THE IMMEDIATE RELEASE OF THE LOAN PROCEEDS FOR ELIGIBLE GSIS MEMBERS AVAILING OF THE HOUSING LOAN UNDER THE CALAMITY HOME FUND NOT LATER THAN FIFTEEN (15) DAYS FROM THE SUBMISSION OF COMPLETE LOAN REQUIREMENTS;**

xxx

xxx

xxx.”

SEC. 2. *Implementing Rules and Regulations.* – Within sixty (60) days from the approval of this Act, the GSIS shall promulgate the necessary rules and regulations for the effective implementation of this Act.

SEC. 3. *Repealing Clause.* – All laws, decrees orders, rules and regulations and other issuances or parts thereof which are inconsistent with the provisions of this Act are hereby repealed, amended or modified accordingly.

SEC. 4. *Effectivity Clause.* – This Act shall take effect fifteen (15) days after its publication in the *Official Gazette* or in a newspaper of general circulation.

Approved.