



Republic of the Philippines
SOCIAL SECURITY SYSTEM

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CIRCULAR NO. 2022-010

TO : ALL HOUSING LOAN BORROWERS

SUBJECT : HOUSING LOAN PENALTY CONDONATION PROGRAM (HLPCP)

Pursuant to Social Security Commission (SSC) Resolution No. 324-s.2022 dated 18 May 2022, approving the Housing Loan Penalty Condonation Program (HLPCP), the following guidelines are hereby issued:

I. COVERAGE

All housing loan borrowers, duly designated successor/s-in-interest/legal heir/s with past due* housing loan obligations, whether or not the original or previously restructured term has already expired or housing loans borrowers whose property has been foreclosed and undergone sheriff auction sale with SSS as the winning bidder and the Certificate of Sale has not yet been registered, under the following SSS housing loan programs:

1. Direct Individual Housing Loan Program including duplex housing loan accounts
2. Direct Housing Loan Facility for Overseas Filipino Workers (OFWs)/Worker's Organization Members (WOMs)

* Past due shall mean that the housing loan is delinquent for a period of at least six (6) months as of the filing date of application within the condonation period.

II. ELIGIBLE APPLICANTS

1. All housing loan borrowers with past due* housing loan obligations.
2. Successor/s-in-interest or Legal Heir/s applicant/s must be an SSS member to avail of Condonation With Restructuring. Otherwise, they shall be allowed to avail of the Condonation Without Restructuring only.
3. Under Condonation with Restructuring, the housing loan account must not be expired, with at least remaining one (1) month of the original or

previously restructured loan term.

III. AVAILMENT PERIOD

From May 25, 2022 up to June 30, 2022.

IV. PAYMENT TERM

1. Condonation Without Restructuring

Full payment – one-time payment (cash or manager's check) of the outstanding principal, interests, insurance dues and legal expenses, within ninety (90) calendar days from receipt of notice of approval of application.

2. Condonation with Loan Restructuring

- a. 25% down payment (cash or manager's check) of the outstanding principal, interests, insurance dues and legal expenses within ninety (90) calendar days from receipt of notice of approval of application.
- b. Restructuring of the remaining 75% payable in twenty-four (24) monthly equal installments. The first amortization shall start on the month following the date of receipt of the applicant's 25% down payment. Payment deadline shall be on or before the 10th day of the month following the applicable month.
- c. The housing loan borrowers/successor/s-in-interest/legal heir/s shall be required to issue twenty-four (24) post-dated checks, as payment for the monthly amortization.
- d. For successor/s-in-interest and legal heir/s applicants, the age of successor/s-in-interest/legal heir/s must not exceed sixty (60) years old at the time of the restructured loan maturity.
- e. In case of several successor/s-in-interest/legal heir/s, the age of the oldest successor-in-interest/legal heir shall be considered in the computation of the restructuring term unless one of the successor-in-interest/legal heir shall be appointed as filer, and the filer's age shall be the basis in the computation of the restructuring term.

V. INTEREST RATE FOR LOAN RESTRUCTURING

Interest rate is 6.0% per annum which shall be fixed for the term of loan.

VI. PENALTY CHARGES

Any unpaid monthly amortization on the restructured loan after due date shall be subject to a penalty of 1% per month until fully paid.

VII. CONDITIONAL CONDONATION

All unpaid penalties shall be condoned upon full payment of outstanding principal balance, interests, insurance dues, legal expenses including attorney's fees, if any, either thru cash payment or loan restructuring.

Under loan restructuring, the principal balance should be zero at the end of the restructured loan term. If the restructured loan term expires and the loan remains outstanding, or if the restructured loan becomes delinquent beyond six (6) months, the proportionate balance of the condonable penalties shall revert to and form part of the total obligation which shall be due and demandable, and the mortgage shall be subject to immediate foreclosure pursuant to the terms and conditions of the original Mortgage Contract or Supplemental/Amended Mortgage Contract, as the case may be.

VIII. BOOKING

The restructured amount shall be the sum of the outstanding principal balance, interests, insurance dues, legal expenses including attorney's fees, if any.

IX. INSURANCE FOR LOAN RESTRUCTURING

1. The original housing loan borrower/designated successor/s-in-interest/legal heir/s shall be covered by a Mortgage Redemption Insurance (MRI) based on the restructured loan amount.
2. The mortgaged property shall be covered by Fire and Earthquake Insurance based on either the original loan or restructured loan amount, whichever is higher.
3. Payment of insurance premiums shall be included in the housing loan amortization to be paid by the housing loan borrower/ successor/s-in-interest/legal heir/s for the duration of the restructured loan. Said insurance premium shall be calculated with the applicable taxes and withholding amount relative to the loan, loan documents and/or insurance involved to amend the amounts to be paid, if applicable.

X. DEFAULT

A restructured loan shall be considered in default if it has accumulated arrearages equivalent to at least six (6) monthly amortizations. In such cases, SSS shall pursue the foreclosure of the mortgage.

XI. OTHER TERMS FAND CONDITIONS

1. Applicant shall submit a duly accomplished application form and be required to pay a processing fee of Five Hundred Pesos (₱500.00), receipt of which shall be attached to the filed application form.

2. For Condonation Without Restructuring

Applicant shall be required to pay in full/cash payment all due and demandable arrears composed of outstanding principal, interest, insurance dues and legal expenses within ninety (90) calendar days from receipt of notice of approval. In case the full amount of outstanding principal, interest, insurance dues and legal expenses is not fully settled/paid within ninety (90) calendar days, all unpaid balances shall be deemed due and demandable. Any partial payment made during the ninety (90) days period shall be treated as regular payment subject to usual application of payment including penalty.

3. For Condonation with Restructuring

- a. Applicant shall be required to pay 25% of all due and demandable arrears composed of outstanding principal, interest, insurance dues and legal expenses within ninety (90) calendar days from receipt of notice of approval.
- b. The remaining 75% of the outstanding principal, interest, insurance dues and legal expenses shall be restructured and shall be payable in twenty-four (24) monthly equal installments.
- c. In case the 25% of outstanding principal, interest, insurance dues and legal expenses amount is not fully settled/paid within ninety (90) calendar days, all unpaid balances shall be deemed due and demandable. Any partial payment made during the ninety (90) days period shall be treated as regular payment subject to usual application of payment which shall include the penalty.
- d. The applicant must be updated in the payment of the tax declaration of Land and Building or Tax Clearance for the current year. Authenticated/certified photocopy of the official receipts or tax clearance shall be submitted upon filing of the application.
- e. The housing loan borrower/successor/s-in-interest/legal heir/s shall be required to execute a duly notarized Supplemental Mortgage

Contract (SMC) and promissory note incorporating the new terms and conditions of the restructured loan. Thereafter, the housing loan borrower/successor/s-in-interest/legal heir/s shall be responsible for the annotation of SMC on the TCT/CCT at the Registry of Deeds.

- f. Failure of the housing loan borrower/successor/s-in-interest/legal heir/s to sign and submit the SMC and Promissory Note within ninety (90) calendar days from the date of receipt of notice of approval with attached SMC and Promissory Note form shall cause the cancellation of the application for condonation and restructuring.
 - g. Failure of the housing loan borrower/successor/s-in-interest/legal heir/s to submit the notarized SMC to the Registry of Deeds for annotation on the TCT/CCT of the collateral property within ninety (90) calendar days from receipt of the notarized SMC shall cause the cancellation of the application for condonation and restructuring.
4. Failure of the housing loan borrower/successor/s-in-interest/legal heir/s with past due housing loan obligations to avail the HLPCP, the SSS shall pursue the foreclosure of the mortgage.

The borrower may file the application at the nearest Housing and Acquired Assets Management Section (HAAMS) offices or at the Housing and Acquired Assets Management Department, 12/F, SSS Bldg., East Avenue, Diliman, Quezon City.

Please be guided accordingly.


MICHAEL G. REGINO
President and CEO

24 MAY 2022

Date

(Policy – Loans Repayments)
(Prepared by: Member Loans Department)