



**MEMORANDUM CIRCULAR No. 47**  
*Series of 2026*

**TO : THE SENIOR DEPUTY ADMINISTRATOR, DEPUTY ADMINISTRATORS,  
 THE DEPARTMENT/REGIONAL/PROJECT MANAGERS, DIVISION  
 MANAGERS, AND ALL OTHERS CONCERNED**

**SUBJECT : GSIS GINHAWA SOLAR ENERGY LOAN**

Pursuant to Government Service Insurance System (GSIS) Memorandum Circular (MC) No. 075, series of 2026, please be informed that the GSIS has launched the Ginhawa Solar Energy Loan (GSEL) program for eligible employees.

Attached is a copy of the said GSIS Memorandum Circular which serves as reference on the GSIS GSEL.

For information and guidance.

  
**ENGR. EDUARDO EDDIE G. GUILLEN**  
 Administrator

Date: 06 MAY 2026





## Government Service Insurance System

Paseguruhan ng mga Naqilingkod sa Pamahalaan



GSIS Memorandum Circular No. 075 Series of 2026

**TO : HEADS OF CONSTITUTIONAL BODIES; BUREAUS AND AGENCIES OF THE NATIONAL GOVERNMENT; LOCAL GOVERNMENT UNITS; GOVERNMENT OWNED AND CONTROLLED CORPORATIONS; STATE UNIVERSITIES AND COLLEGES; AND ALL OTHERS CONCERNED**

**SUBJECT : GINHAWA SOLAR ENERGY LOAN (GSEL)**

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Pursuant to Board Resolution No. 54 dated 10 Mar 2026 approving Policy and Procedural Guidelines (PPG) No. 423-26 on the Ginhawa Solar Energy Loan (GSEL), the following guidelines are hereby issued:

### **A. QUALIFIED LOAN BORROWERS**

Active members under permanent and non-career status including Special Members tagged as such in their respective Members' Service Profiles provided that the following conditions are met:

1. Must be in the service for at least three (3) years and has paid at least one (1) month premium contribution for both Personal and Government Share within the last six (6) months prior to the application;
2. Has no pending administrative case and/or criminal charge;
3. Is not on leave without pay;
4. Has no GSIS loan accounts in default except housing loan;
5. Is employed in an Agency which is not classified as "suspended" based on the GSIS records/system; and
6. Will have a resulting Net Take Home Pay (NTHP) after loan availment not lower than the amount required under the applicable provision of the General Appropriations Act (GAA), after all required monthly obligations, including GSEL amortization, have been deducted.

### **B. APPLICATION**

Applications for GSEL shall only be accepted through the GSIS Touch Mobile Application, provided, any one of the following supporting documents is uploaded in the GSIS Touch upon application:



1. **Solar Panel Proposal/Quote** – a detailed quotation or proposal form from a solar panel installer indicating the cost of the solar panel system, installation fees, equipment to be used, etc.;
2. **Installation Agreement/Contract** – an agreement or contract signed with a solar panel installer, outlining terms of the installation, warranties, and other relevant conditions; or
3. **Official Receipt (for those with reimbursement)** – a document supporting the reimbursement of expenses incurred for the solar panel system installed in Calendar Year 2026 onwards, within the duration of the program implementation.

### **C. ELECTRONIC CERTIFICATION**

The Agency Authorized Officer (AAO) shall be required to certify the loan application through the "Secured On-Line Loan Certification Module" prior to the processing of the application. The certification shall indicate that:

1. The member-borrower is in active service;
2. The member-borrower has no pending administrative case and/or criminal charge;
3. The information supplied by the member-borrower is true and correct based on the records of the agency;
4. The member-borrower is not on leave of absence without pay;
5. The amount of loan applied for does not exceed the amount reflected in the submitted supporting document/s;
6. The resulting NTHP after loan avallment is not lower than the amount required under the applicable GAA, after all required monthly obligations, including the GSEL amortization, have been deducted;
7. The monthly amortization shall be deducted from the member-borrower's monthly salary; and
8. In case of separation from the service of the member-borrower, clearance shall first be obtained from the GSIS before any document and/or final payment of benefits shall be released in favor of the borrower.

Only loan applications that meet all the above-mentioned conditions shall be certified and approved by the AAO.



Applications not acted upon by the AAO within seven (7) calendar days upon the AAO's receipt of such application shall be cancelled and the member shall be informed of the cancellation through email, SMS, and GSIS Touch.

#### **D. LOANABLE AMOUNT**

The loan amount shall cover up to one hundred percent (100%) of the cost of solar panel, including equipment and installation fees, up to a maximum of Five Hundred Thousand Pesos (Php500,000.00). However, in no case shall the loan amount applied for exceed the actual cost reflected in the submitted supporting document/s.

#### **E. LOAN TERM**

The loan repayment period shall be made over five (5) years with the amortizations to be paid in sixty (60) equal monthly installments.

#### **F. INTEREST RATE**

1. The interest rate for the GSEL shall be five percent (5%) per annum computed in advance.
2. The monthly interest and outstanding balance of the loan shall be computed based on diminishing balance. A fraction of a month is considered one (1) month.
3. The effective interest rate per annum shall be 9.54835% for five (5) years.
4. A pro-rata interest covering the days from loan granting up to the end of the month prior to the first due month shall be deducted in advance from the loan proceeds.

The formula for interest deducted in advance (IDA) is as follows:

$$\text{Interest in Advance (IDA)} = \text{GLA} \times 9.54835\% \times [d(\text{new}) / 360]$$

where: GLA = Gross Loan Amount  
d(new) = No. of days from loan granting up to  
end of month prior to the first due month



Sample Computation for loan granted on or before the 23<sup>rd</sup> of the month:

Date of Loan Granted	11 March 2026
First Due Month	April 2026
Gross Loan Amount	Php152,700.38
Effective Interest Rate	0.0954835
d(new) – 21 days	0.058333
Interest in Advance (IDA)	Php850.52

Sample Computation for loan granted after the 23<sup>rd</sup> of the month:

Date of Loan Granted	30 March 2026
First Due Month	May 2026
Gross Loan Amount	Php152,700.38
Effective Interest Rate	0.0954835
d(new) – 32 days	0.088889
Interest in Advance (IDA)	Php1,296.03

**G. E-CREDITING OF LOAN PROCEEDS**

The proceeds of the GSEL shall be directly credited to the GSIS members account as appearing in the GSIS records. The member-borrower shall be informed of the loan crediting through email, SMS, and GSIS Touch.

**H. NOTICE OF COMPLETION**

The member-borrower shall notify the GSIS of the completion of the solar panel installation within six (6) months from loan release by submitting the written notice (downloadable in the GSIS website) attesting to the completion of the installation of the solar PV panels with proof of completion, to wit:

- a. Certification issued by the authorized service provider;
- b. Photographs evidencing the completed installation; and
- c. Any of the supporting documents mentioned under Section III.B (Application) herein.



**I. INSURANCE COVERAGE**

As an incentive and upon submission of the written notice with attachments, the GSIS shall extend, at no cost to the member-borrower, insurance coverage for the solar PV panels against the risks of earthquake, fire/lightning, and typhoon for the first three (3) years of the loan term as long as the loan account is active. Said insurance coverage shall take effect upon issuance of GSIS insurance policy.

Insurance coverage for the solar PV panels in excess of the loaned amount or after the three (3)-year covered period shall be at the discretion and expense of the member-borrower.

**J. PENALTY FOR NON-INSTALLATION OF SOLAR PANELS AFTER LOAN RELEASE**

If the member-borrower fails to submit the requirements under Section H of this Memorandum Circular (MC) within six (6) months from loan release, GSIS shall deem that no installation has occurred. Thus, the member shall be considered in breach of the loan agreement and the entire loan amount shall become immediately due and demandable. The member shall settle the outstanding balance in full through over-the-counter payment or through GSIS's accredited external payments service provider/s or digital payment service partners to avoid the imposition of penalties and surcharges.

**K. LOAN REDEMPTION INSURANCE**

1. A Loan Redemption Insurance (LRI) shall be deducted from the proceeds of the loan based on the following computation as prescribed by the GSIS:

**GSEL LRI Rate**  
*(Per Php1,000.00 of Loan Amount)*

Particulars	GSEL
Single LRI Rate	19.70711

The insurance premium is a one-time charge that covers the entire duration of the loan. For instance, a Php152,700.38 loan amount will incur a premium of Php3,009.28.

*Computation: (Php152,700.38/Php1,000) x 19.70711 = Php3,009.28*

2. The LRI Premium Rate used shall be subjected to an annual regular actuarial review to assess the competitiveness and sustainability of the LRI attached to the loan program including provision for GSIS flexibility under IFRS 17.
3. In the event of loan pre-termination as provided under Section III.S (Loan Pre-Termination), any unused portion of the LRI shall be refunded to the member-borrower.



4. In the event of the member-borrower's death during the loan term, provided the account is up-to-date, the outstanding balance shall be considered fully settled under the LRI coverage.
5. In case the loan is in arrears or declared in default, only the theoretical outstanding balance (from date of death up to the end of loan term) shall be deemed fully paid while the arrearages shall be deducted from whatever benefits that may be due the deceased. In case the arrearages exceed the benefits due the deceased, the excess shall be deducted from the subsequent benefits due the heirs.
6. The LRI is automatically terminated in any of the following circumstances, whichever comes first:
  - a. Upon full settlement of the loan obligation by the member-borrower;
  - b. Upon expiration of the term of the loan; or
  - c. Upon the member-borrower's compulsory pre-termination of the loan under any of the conditions stated in Section S of this MC, except in case of death.

**L. COMPUTATION OF NET PROCEEDS**

The net proceeds of the GSEL shall be computed as follows:

Loan Amount		xxx
Less: Interest in Advance	Xxx	
LRI Premium	Xxx	
<b>NET PROCEEDS</b>		xxx

No Service Fee shall be charged upon granting of the loan.

**M. MONTHLY AMORTIZATION**

The monthly amortization (MA) shall be computed as follows:

$$MA = \frac{\text{Amount Borrowed} (1 + (\text{Annual Interest Rate})(\text{Term}))}{(12)(\text{Term})}$$

where: Amount Borrowed = Php500,000.00  
 Annual Interest Rate = 5%  
 Term = 5 years

For this loan program, computed monthly amortization for a Five Hundred Thousand Pesos (Php500,000.00) loan amount is Ten Thousand Four Hundred Sixteen Pesos and 67/100 (Php10,416.67).



**N. DUE DATE OF MONTHLY AMORTIZATION**

1. For GSEL granted on or before the 23rd of the month, the first due month shall be the calendar month following the granting of the loan. Meanwhile, the first loan amortization shall be remitted by the agency to the GSIS on or before the 10th day of the month following such due month. For example:

Date of Loan Granting	10 March 2026
First Due Month	April 2026
Due Date of the First Remittance (Deadline for the First Remittance to GSIS)	10 May 2026

2. For GSEL granted after the 23rd of the month, the first due month shall be the 2nd calendar month following the granting of the loan and the first loan amortization shall be remitted on or before the 10th day of the month following such due month. For example:

Date of Loan Granting	25 March 2026
First Due Month	May 2026
Due Date of the First Remittance (Deadline for the First Remittance to GSIS)	10 June 2026

3. The subsequent monthly amortizations shall be remitted to GSIS on or before the 10th day of each month until the loan is fully paid.

**O. PAYMENT MECHANISM**

1. The monthly amortizations shall be paid through payroll deduction. It is understood that the deduction shall not stop until the loan is fully paid.
2. The Accounts Management Division (AMD) / Billing, Collection and Reconciliation Division (BCRD) in the Central Office/Branch Offices shall provide assistance to the Electronic Remittance File (ERF) Handler / Finance Officer in case the Weekly Notice to Deduct (WNTD) and Electronic Billing File (EBF) could not be accessed successfully from the Electronic Billing and Collection System (EBCS).

The EBCS shall automatically generate email notifications to the ERF Handlers to inform them of the availability of their WNTD and EBF files.

For the EBF files, first notification is sent on the 1st day of the due month, and a second notification is sent on the 15th day of the same due month.

3. Individual accounts with outstanding balance of Php10.00 or less shall be tagged as "fully paid". The tagging of fully paid accounts either through direct payment or payroll deduction, shall be done by an authorized officer of the unit/department concerned.



4. The member-borrower shall directly remit to the GSIS office or to its accredited external payments service provider/s or digital payment service partners, the loan installment as they fall due under any the following instances:
  - a. The name of a member-borrower is excluded from the monthly collection list for reasons other than retirement, separation, permanent disability, or death;
  - b. The member-borrower is on secondment, on study leave without pay or extended leave without pay;
  - c. The monthly amortization is not deducted and/or remitted by the agency;  
or
  - d. The loan amortization deducted from the payroll is not sufficient to cover the full amount due.

#### **P. PENALTY CHARGES**

Pursuant to Board Resolution No. 136 dated 9 December 2024 approved by the GSIS Board of Trustees, the amended calculation method for penalty interest and surcharge imposed on due and demandable accounts shall be applied.

For penalty interest, 1.0% simple interest per month computed based on unpaid amortization/s while for penalty surcharge, 0.5% simple interest per month computed based on unpaid amortization/s.

The amount due for the month is the monthly amortization including arrearages from previous month/s and corresponding penalties, if any. The arrears for the month is the difference between the amount due for the month and the actual amount paid.

A fraction of a month delay is considered as one (1) month. Thus, if payment is delayed for one (1) day, the loan account shall be penalized for one (1) month.

Penalty on arrears for the month shall be imposed:

1. for delays in payment;
2. the actual amount paid is less than the amount due for the month; and
3. when there is no payment made for the month.

#### **Q. APPLICATION OF PAYMENTS**

1. The order of priority for the application of payment shall be as follows:
  - a. Penalty, if any
  - b. Interest
  - c. Principal



2. Any excess on monthly payment will be applied as partial pay-off/full pay-off, whichever is applicable, to the remaining principal balance. Upon full payment of the loan account, any excess payments shall automatically be refunded to the GSIS member's account as appearing in the GSIS records.
3. If in arrears, the "move-up" policy shall be adopted wherein the payments are first applied to the earliest unpaid month until the month's full amount due has been fully collected.
4. Lumped repayments whose distributions are indicated in the ERF shall be distributed accordingly and moved up as appropriate.

#### **R. CANCELLATION**

1. Member-borrowers shall be allowed to cancel the loan agreement within a period of thirty (30) calendar days from date of loan granting.
2. In case of cancellation of the loan upon the behest of the member-borrower, the principal amount or the face value of the loan appearing in the loan contract, plus the pro-rata interest covering the days from loan granting up to the actual cancellation of the loan, shall be paid in full.

#### **S. LOAN PRE-TERMINATION**

The GSEL may be pre-terminated by paying the outstanding balance of the loan before the end of the loan term. No fees shall be charged to the member-borrower in case of pre-termination.

#### **T. COMPULSORY PRE-TERMINATION**

The GSEL shall be deemed pre-terminated upon the death, resignation, permanent disability, retirement or separation from service of the member-borrower. In which case, the outstanding balance shall be due and demandable and shall be collected by GSIS from claims of the member-borrower or of the heirs or through legal action, except when the redemption insurance is available.

Retiring member-borrowers may opt to avail of the Choice of Loan Amortization Schedule for Pensioners, subject to existing policies and procedures.

#### **U. COLLECTION OF LOAN AMORTIZATION ARREARAGES**

The collection of loan amortization arrearages shall be in accordance with the existing GSIS policies governing the failure by concerned agency officials and/or employees to deduct the full amount of GSIS loan amortizations due from a member-borrower.



## V. DEFAULT

A loan account is considered in default when the total obligation is equivalent to more than six (6) monthly amortizations.

In the event of default, the outstanding balance becomes due and demandable without need of demand or further notice, all of which the borrower expressly waives.

In case of failure to pay the outstanding balance declared in default, the delinquent member-borrower/s shall be allowed to update their accounts from "In-Default" to "Current" status by settling all unpaid amortizations, including penalty charges, the computation of which is stated under Section P (Penalty Charges) of this MC.

Delinquent member-borrower/s are also allowed to make partial payments to update the account status. However, if after partial payment, the remaining unpaid amount still exceeds six (6) months' arrearages, the account status shall remain in default.


The OUC shall initiate appropriate action to ensure collection of the due and demandable amount.

## W. RECOVERY OF AMOUNT/S CREDITED IN THE BANK ACCOUNT

GSIS shall have the right to recover by any legal means possible, any amount in the GSIS member's account as appearing in the GSIS records credited thereon by the GSIS due to fraud, misrepresentation or error on account of any transaction which the member may have with the GSIS.

Please be guided accordingly

**ORIGINAL SIGNED**

  
President and General Manager

Date Signed: 25 MAR 2026