

Pag-IBIG FUND
Corporate Headquarters
Petron MegaPlaza Bldg.,,
358 Sen. Gil Puyat Avenue
Makati City

CIRCULAR NO. 315

TO : ALL CONCERNED

**SUBJECT : AMENDED GUIDELINES IMPLEMENTING THE PAG-IBIG
CALAMITY LOAN PROGRAM**

Pursuant to the approval of the HDMF Board of Trustees in its 263rd and 286th Board Meeting held last 27 November 2009 and 25 July 2012 respectively, the following **Amended Guidelines Implementing the Pag-IBIG Calamity Loan Program** are hereby issued:

1. LOAN PURPOSE

To provide financial assistance to Pag-IBIG member-victims in calamity-stricken areas, as declared by the Office of the President or the Sangguniang Bayan.

2. BORROWER ELIGIBILITY

The program shall be open to any Pag-IBIG member who satisfies the following requirements:

- 2.1 Has made at least twenty-four (24) monthly contributions.
- 2.2 Is an active Pag-IBIG member at the time of application, and commits to continuously remit contributions at least for the term of the loan.
- 2.3 Is a resident of the area which is declared calamity-stricken.

3. AVAILMENT PERIOD

The Pag-IBIG member-victim must avail himself of the Pag-IBIG Calamity loan within a period of ninety (90) days from the occurrence of the calamity.

4. LOAN AMOUNT

An eligible member shall be entitled to a loan amount which is equivalent to 80% of his Total Accumulated Value (TAV).

For members with existing Multi-Purpose Loans, the outstanding loan balance shall be deducted from the proceeds of the calamity loan.

5. INTEREST

The loan shall be charged interest based on the Fund's Risk-Based Pricing Framework for the entire duration of the loan including the grace period.

6. LOAN PERIOD

The loan shall be amortized over a period of twenty-four (24) months with a grace period of **three (3) months**.

7. LOAN PAYMENTS

7.1 The loan shall be paid in equal monthly payments thru salary deduction in such amounts as may fully cover the obligation over the loan period.

7.2 Payments shall be remitted to HDMF on or before the fifteenth (15th) day of each month starting on the **fourth (4th) month** following the date on the DV/Check.

7.3 Payments shall be applied according to the following order of priorities:

- a. Penalties
- b. Interest
- c. Principal

7.4 Accelerated Payments – any amount in excess of the required monthly amortization shall be applied to future amortizations when due.

7.5 The borrower may fully pay the outstanding balance of the loan prior to loan maturity.

7.6 In case of separation from his employer, the borrower shall pay directly to any HDMF office or thru his new employer, after notifying HDMF of his change of employer.

8. LOAN RELEASE

The loan proceeds shall be released through any of the following modes:

8.1 Crediting to the borrower's bank account through LANDBANK's Payroll Credit Systems Validation (PACSVAl);

8.2 Crediting to the borrower's cash card;

8.3 Through a check payable to the borrower;

8.4 Other similar modes of payment.

9. PENALTY

A penalty of one-twentieth of one percent (1/20 of 1%) of any unpaid amount shall be charged to the borrower for every day of delay. Said penalty shall only be reversed upon presentation of proof that the non-payment of amortization is due to the fault of the employer.

10. DEFAULT

The borrower shall be in default in any of the following cases;

- 10.1 Any willful misrepresentation made by the borrower in any of the documents executed in relation hereto.
- 10.2 Failure of the borrower to pay any three (3) consecutive monthly amortizations.
- 10.3 Failure of the borrower to pay any three (3) consecutive HDMF monthly contributions.
- 10.4 Violation by the borrower of any of the policies, rules, regulations and guidelines of HDMF

11. EFFECTS OF DEFAULT

In the event of default, the outstanding loan balance, all accrued interests, fees, penalties and charges shall immediately become due and demandable and shall be deducted from the Total Accumulated Value credited to the borrower.

12. OTHER LOAN PROVISIONS

12.1 Membership Termination

In the event of membership termination prior to loan maturity, any amount outstanding, including the accrued interest, penalties and charges, shall be deducted from the borrower's Total Accumulated Value and/or any amount due him or his beneficiaries in the possession of HDMF.

12.2 Loan Renewal

Should another calamity occur in the same area, a borrower may renew his calamity loan anytime. The outstanding balance of his existing loan, together with any accrued interests, penalties and charges, shall be deducted from the proceeds of the new loan.

12.3 Availment of Regular MPL

A member with an existing calamity loan shall be allowed to avail himself of the regular Multi-Purpose Loan (MPL) program only upon the anniversary date of the calamity loan based on the DV/Check date, and payment of at least 50% of the loan principal. The outstanding balance, together with any accrued interests, penalties and charges, shall be deducted from the proceeds of the MPL.

13. AMENDMENTS

The Senior Management Committee may amend, modify or revise certain provisions of these guidelines provided, the amendments, modifications and revisions thereof are in furtherance of the objectives of this program and consistent with the mandate of the Fund under its charter and existing laws.

14. REPEALING CLAUSE

HDMF Circular No. 195 and HDMF Circular No. 282 and all other memoranda, rules, regulations, and other issuances inconsistent herewith are hereby repealed, amended or modified accordingly.

15. EFFECTIVITY

These guidelines take effect immediately.



ATTY. DARLENE MARIE B. BERBERABE

Makati City
 AUGUST 1 , 2012