

Pag-IBIG Fund
Corporate Headquarters
Petron MegaPlaza
358 Sen. Gil Puyat Ave., Makati City

Circular No. 381

TO : ALL CONCERNED

**SUBJECT : GUIDELINES ON THE REMOVAL OF TAV OFFSETTING UPON
MEMBERSHIP TERMINATION OF Pag-IBIG HOUSING LOAN
BORROWERS AND ON HL RECOVERY TRANSACTIONS**

Pursuant to the approval by the Senior Management Committee, the **Guidelines on the Removal of TAV Offsetting Upon Membership Termination of Pag-IBIG Housing Loan Borrowers and on HL Recovery Transactions** are hereby issued:

A. OBJECTIVE

This Guidelines aims:

1. To rationalize the policy on the effects of membership termination on outstanding housing loans.
2. To speed up the process on housing loan recovery related transactions.

B. COVERAGE

This Guidelines shall apply to all housing loan borrowers.

C. MECHANICS

1. The Pag-IBIG HL borrower shall be allowed to withdraw his entire total accumulated value (TAV) in case of membership termination, regardless of the status of the housing loan (HL) account and Circular by which the HL was taken out. In case of death of an HL borrower, any excess on the outstanding balance after application of Mortgage/Sales Redemption Insurance (MRI) proceeds shall be assumed by the heirs.

For HL borrowers with short-term loan (STL), TAV withdrawal shall be subject to the prevailing policy on application of TAV on STL.

2. An HL borrower terminating his membership with the Fund shall be given the following options:
 - 1.1 Apply the accumulated savings to the outstanding loan balance;
 - 1.2 Pay off the outstanding housing loan balance; or
 - 1.3 Continue amortizing the loan until it is fully paid.

3. TAV offsetting shall not be required in HL recovery related transactions such as Cancellation of Contract to Sell (CTS) or Deed of Conditional Sale (DCS), Dacion en Pago, and Filing of Petition for Extra Judicial Foreclosure.
4. For restructured loans, the borrower may, at his option, use the dividends portion of his TAV either as payment for the past due loan obligation or as downpayment in accordance with the provision of the prevailing housing loan restructuring program of Pag-IBIG Fund.

D. MECHANISM ON RESOLUTION OF ISSUES

Any issue in the interpretation and implementation of this Guidelines shall, as much as possible, be resolved by the concerned officer. Matters that are not thereby satisfactorily resolved shall be escalated to the next higher approving authorities.

E. REPEALING CLAUSE

All other memoranda, rules, regulations and other issuances contrary to or inconsistent with the provisions of this Guidelines are hereby repealed, amended or modified accordingly.

F. EFFECTIVITY

This Circular takes effect after fifteen (15) days following the completion of its publication in the Official Gazette.

ACMAD RIZALDY P. MOTI
Officer-In-Charge, Chief Executive Officer

Makati City,
May 16, 2017
