

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

CIRCULAR NO. 329

TO : ALL CONCERNED

**SUBJECT : AMENDED GUIDELINES ON THE PAG-IBIG DIRECT
DEVELOPMENTAL LOAN PROGRAM**

Pursuant to the authority given by the Pag-IBIG Fund Board of Trustees to the Senior Management Committee in its 293rd meeting held last **26 March 2013** to issue the **amended guidelines for the implementation of the Pag-IBIG Direct Developmental Loan**, the following are hereby issued:

I. OBJECTIVE

The Pag-IBIG Direct Developmental Loan Program aims to **increase the number of end-user availments by providing additional housing inventories through developmental financing.**

II. LOAN PURPOSE

The proceeds of developmental loan may be used for any or all of the following purposes:

1. Development of residential subdivision or medium rise residential buildings;
2. Construction of units eligible for mortgage financing under the **prevailing Guidelines of the Pag-IBIG End-User Home Financing Program.**

No part of the loan, however, shall be used to purchase a parcel of land.

III. ELIGIBILITY

1. The developer/proponent must at least have an over-all score of **seventy percent (70%)** based on the credit scoring system to be eligible for the loan in accordance with the following weights:
 - 1.1 For horizontal development projects, **sixty percent (60%)** shall be based on the financial performance of the developer/proponent while **forty percent (40%)** shall be based on the project evaluation.

X. OTHER TERMS AND CONDITIONS

1. Permits/Clearances

The following permits/clearances must have been secured by the **developer/proponent** prior to loan approval:

- 1.1 Development Permit
- 1.2 **Environmental Compliance Certificate (ECC) by DENR**
- 1.3 DAR Conversion or Exemption
- 1.4 **Clearance to Mortgage from the Housing and Land Use Regulatory Board (HLURB)**
- 1.5 License to Sell*

* May be submitted within six (6) months upon receipt of Notice of Approval (NOA), otherwise, the loan application shall be deemed cancelled.

2. Project Appraisal

Appraisal shall be conducted either by Pag-IBIG Fund, private appraisal companies or shelter agencies acceptable to Pag-IBIG Fund. In case of the latter, said appraisal should have been conducted not more than six (6) months prior to loan application. **The cost of the appraisal shall be for the account of the developer.**

3. Project Timetable

The construction of the project must commence within one (1) year from receipt of the Notice of Approval (NOA) and must be fully completed within **the term of the loan**. Failure to comply within the specified timeframe shall lead to the cancellation of the loan.

4. Loan Processing Fee

The developer shall pay a processing fee of $\frac{1}{4}$ of 1% of the approved loan amount or fifty thousand pesos (P50,000.00), whichever is lower, inclusive of a non-refundable filing fee of ten thousand pesos (P10,000.00).

5. Service Fee

The developer shall pay a service fee equivalent to 0.1% of the amount for drawdown.

6. Penalties

Developer who fails to pay his obligations when due shall be charged a penalty of $\frac{1}{20}$ of 1% of any unpaid amount for each day of delay.

7. Developers with an outstanding developmental loan may apply for a new developmental loan; provided, the developer meets the criteria for a new loan. The total debt shall be evaluated at any given time and must not exceed the Single Borrower's Limit.

8. Cross Default

A default in one developmental loan shall entail a default in the other direct developmental loan.