

**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**

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Pursuant to the authority given by the Pag-IBIG Fund Board of Trustees to the Senior Management Committee in its 293<sup>rd</sup> 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.