

PAG-IBIG FUND'S STATUS OF IMPLEMENTATION OF PROGRAM/PROJECT EVALUATION AND/OR ASSESSMENT REPORTS

MEMBERSHIP PROGRAMS

Since the implementation of expanded mandatory coverage under the Home Development Mutual Fund Law of 2009 or the Republic Act 9679, the Fund attained double-digit growth. The growth is pegged at an average of **14%** for the last five years (2008 to 2012). With its active campaign to bring as many Filipino workers into the Fund as possible, membership dramatically increased in **2012** and stood at **12.1 million** or **1.9 million** up from the previous year's figures. The increase represents a marked improvement of **18%**.

Membership across all sectors rose in **2012**. Employees from the private sector jumped **9%** and continued to dominate the Fund at **61% (7.3 million)** of total membership, while government personnel constituted **15% (1.8 million)** of total Fund membership.

The remaining **15%** were **2.7 million** Overseas Filipino Workers (OFW), which continues to grow by leaps and bounds at **79%** growth in **2012** from the previous year's total of **1.5 million**.

The significant increase in membership can be attributed to the Fund's efforts such as (1) intensified information campaign, (2) partnership with the Pre-Departure Orientation Seminar (PDOS) for OFWs, (3) livelihood training programs for OFWs and their families, and (4) coordination with kasambahays and various transport groups.

COLLECTIONS

In **2012**, the Fund's collections from Members' Contributions reached **P24.1 billion**, Short-term Loans at **P54.0 billion** and End-User Financing/Wholesale Lending at **P31.9 billion** that summed up to about **P110.0 billion**, which is higher by **9%** or **P9.1 billion** from the Fund's **2011** collection of **P100.9 billion**.

PROVIDENT (SAVINGS) BENEFIT CLAIMS

Refund of member's total accumulated savings (TAV) is guaranteed under the Fund, which consists of the member's accumulated contributions, the employer counterpart contributions, if any, and the dividend earnings credited to the member's account upon any of the following grounds for withdrawal: 1) Membership maturity which is after five (5), ten (10), fifteen (15), or twenty (20) years depending on the option of the member upon membership registration; 2) Retirement; 3) Permanent and total disability or insanity; 4) Separation from the service due to health reason; 5) Permanent departure from the country; and 6) In case of death of a member.

In **2012**, the Fund disbursed **P5.8 billion** to **139,503** member-claimants/beneficiaries in **2012**, which is **10%** higher than the **P5.3 billion** released to **130,959** claimants/beneficiaries in **2011**.

SHORT-TERM LOANS PROGRAM

In **2012**, Pag-IBIG Fund's total short term loan disbursement grossed **P51.4 billion**, surpassing the set target of **P46.7 billion** loan releases by **10%**. These loans, which were disbursed in the form of Multi-Purpose and Calamity Loans, were lent out to **2.533 million** members, which is **99.6%** of the **2.544 million** borrowers targeted for the year.

Multi-Purpose Loan Program

In **2012**, **P39.0 billion** were released as multi-purpose loans to about **1.9 million** member-borrowers/beneficiaries, which are usually used by members to aid them in meeting their immediate personal needs such as minor home improvement, livelihood, medical, educational, purchase of appliance and furniture and other needs.

Calamity Loans Program

The Fund amended the guidelines of its Calamity Loan Program in **2012**, offering lower interest rate from **10.75%** to **5.95%**. For the same year, a total of **P12.4 billion** was granted to assist **631,426** members affected by the calamities that devastated the country in **2012**. Victims of typhoons Gener, Lawin, Ofel, Pablo and Quinta, as well as the monsoon rains of Habagat, were also granted a three-month moratorium on their housing loan payments. This further alleviated the debt-burden of Pag-IBIG borrowers since no penalty or additional interest is charged during the moratorium period.

HOME LENDING PROGRAM

Pag-IBIG Fund approved nearly **P43.4 billion** in house financing in **2012** for the construction of some **60,883** residential units and **27** Projects. More than **99%** or **P42.8 billion** were allocated through Pag-IBIG Fund's End-user Financing Program, of which **P31.8 billion** was disbursed to finance some **46,898** housing units while pending for take-outs were **P11.0 billion** for **13,985** units.

Total housing loan collections for the year aggregated to about **P31.9 billion** or a **4.7%** improvement from last year's **P30.4 billion** collection which can be attributed to the enhanced collection mechanism for member-borrowers such as Online Verification of Housing Loan Accounts, outsourced delivery of billing notices, additional payment facilities and collection agencies for delinquent accounts.

Amended Guidelines on the End-User Home Financing Program

Amendments to the Home Financing guidelines were aimed to liberalize availment of housing loans extending the maximum loanable amount up to P6.0 million. This also allows lump sum payment of membership contributions for members with lacking contributions.

Interest rates are likewise rationalized with the adoption of a Full Risk-Based Pricing Framework that covers all costs and risks, considers market prices to maintain competitiveness with other institutional lenders in the market and at the same time maintains a reasonable income for its investments. This effectively reduced the

interest rates for majority of housing loan packages, which ensures viability of the Fund's housing program.

Initiatives for Group Housing Programs

In **2012**, marketing efforts for the Group Housing Program generated **183** potential projects nationwide with a potential **13,265** beneficiaries. Pag-IBIG has signed **37** Memorandum of Understanding (MOU) with a number of LGUs to execute a housing loan program for LGU staff, teachers and employees of other government agencies.

BIGGER AND BETTER SERVICE

The Fund's pursuit of excellence has continued to earn the trust of other institutions in the government and private sectors, further strengthening Pag-IBIG Fund's position as the country's premier provident mutual fund and home financing institution.

ISO 9001:2008 Certification Maintained

The ISO Core Team has engaged in various activities in preparation for the Quality Management System (QMS) Surveillance Audit that would decide if Pag-IBIG will maintain its ISO 9001:2008 Certificate.

The ISO Surveillance Audit was conducted last November 19 to 21, 2012. During the closing meeting on November 21, 2012, in the presence of ISO Project Sponsors and DCEO Faria, ISO Core Team Heads and DAP Consultants, the TUV-SUD identified 11 findings, four of which were classified as Observations and the rest were Hints. No Non-conformances (NCs) were found.

The results only necessitated the Fund to submit corrections and corrective actions for the Observations on or before November 23, 2012. The Fund was able to submit the requirement one day ahead of the deadline. TUV-SUD acknowledged the receipt of the requirement on the same day and confirmed it acceptable, thus declaring that the Fund passed the first year of Surveillance Audit and the ISO Certification is maintained.

Better Services Through Technology

The Pag-IBIG Fund held a soft launch of its Online Housing Loan Application System, enabling members needing home financing to file their housing loan application with the Fund online. Applicants filing through the online facility will be given a special lane and priority over walk-in applicants.

Members can now access, download forms and fill out applications online. Housing Loan Procedures and Loan calculator for computation of loanable amount or required income will help them understand and appreciate what is in store for them in terms of their housing needs.

In June 2012, the fund launched an SMS facility which facilitates the sending of notifications to borrowers regarding the status of their housing and short-term loan applications. It also provides real-time sending of SMS notification to registrants informing them of the availability of their Pag-IBIG MID Number.

Moreover, the Fund has also partnered with Robinson's Malls for the provision, free of charge, of a Pag-IBIG Fund service desk inside its 36 shopping malls nationwide making services much more accessible to the public.

Via the Philippine Business Registry (PBR) system, enlisting with the Fund becomes a lot easier for new entrepreneurs since companies need not go to the Pag-IBIG Fund office to register their employees and get their company Pag-IBIG ID numbers. This web-based service serves as a one-stop-shop hub for entrepreneurs who need to transact with the Fund, the Department of Trade and Industry, the Bureau of Internal Revenue, the Social Security System, the Philippine Health Insurance Corp. and Securities and Exchange Commission.

Enhancement of the Short-Term Loan System

The Pag-IBIG Fund is continuing its system enhancement to provide quality service to its members. STL Management System has completed User Acceptance testing in October 2012. Its pilot implementation was initiated in Imus Branch in November 2012. Since the start of its take-off in Imus Branch on November 22 until December 31, the system has processed a total of **2,412** loan accounts amounting to a gross amount of **P40** million.

Committing to Integrity and Honesty in all Transactions

Last 12 October 2012, a ceremonial signing of the Pledge by the CEO in the presence of MBC Executive Director Peter Angelo Perfecto was held. This event immortalized the Fund's commitment to honesty in all transactions.

Along with the signing of the document, an oath taking ceremony among officers and employees was performed which was led by CEO Berberabe. Through this oath taking, officers and employees vocalized their commitment towards addressing corruption and upholding the values of integrity, transparency and accountability.

Enhanced Services for Housing

The Pag-IBIG Fund conducted activities to bring services to the members and enhance their awareness about our programs.

For the second quarter of **2012**, Housing Fairs were held for the members of the Philippine Government Employees Association or PGEA, the University of the Philippines-Philippine General Hospital (UP-PGH), the Department of Health (DOH) where about **592** employees participated in the two-day fair. For the same period, the Fund conducted a House Design Competition to reach out to the members of the informal sector by producing feasible designs for a government-initiated socialized housing project promoting disaster-resistant housing and accredited indigenous technology (AITECH). Twenty-one Universities and Colleges in the NCR, Cavite and Bulacan areas offering architecture courses have signed up for the design contest.

The Top 3 winners are:

- University of Santo Tomas (1st Place);
- Polytechnic University of the Philippines (2nd Place); and
- University of the Philippines (3rd Place).

Special awards were given to:

- Mapua Institute of Technology (Space Maximization);
- Polytechnic University of the Philippines (Innovativeness – Most Number of Aitech Used);
- Technological University of the Philippines (Layout / Planning);
- University of the Philippines (Disaster Resistant); and
- University of Santo Tomas (Compatibility to the Philippine Setting).

Moreover, the Fund expanded its assistance to housing loan applicants with the signing of the Memorandum of Agreement between Land Registration Authority (LRA) and Pag-IBIG Fund on setting-up of the LRA kiosk in the Fund Office held last November 2012. The HL applicants will save time and money since transaction for Certified True Copy of Titles could be jointly done upon the filing of the application.

Pag-IBIG Fund – Forging partnership for Convenient Payment Mechanism

Pag-IBIG partnered with Citibank and Bancnet to provide additional payment gateways to its growing members, especially those abroad. Pag-IBIG members can now pay their and their Kasambahay's (Household Service Worker) monthly member's savings from their home or office. The payment gateway is also available to OFW members, offering them a fast, safe, convenient, and efficient internet-based payment facility using any Visa/Mastercard.

Meanwhile, Bancnet's innovative multi-channel payment gateway will set the stage for the broad-scale electronic commerce to be implemented by the Fund for its employer-members (corporate) and individual members (retail).

The Fund likewise partnered with Bayad Centers who are now accepting over-the-counter payment of contributions and housing loan amortization, which provides added convenience to members.