

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

Circular No. 386

TO : ALL CONCERNED

SUBJECT : **AMENDED GUIDELINES ON THE CONDONATION OF PENALTIES AND ADDITIONAL INTEREST OF DELINQUENT HOUSING LOAN ACCOUNTS**

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In relation to the approval of the Senior Management Committee on the 3<sup>rd</sup> and 4<sup>th</sup> Cycle of Remediation Activities on REM Accounts for Endorsement to Accredited Collection Agencies, the **Amended Guidelines on the Condonation of Penalties and Additional Interest of Delinquent Housing Loan Accounts**, are hereby issued:

**A. OBJECTIVE**

This Guidelines aims to:

1. Assist housing loan borrowers to preserve their properties from foreclosure or cancellation of Contract to Sell;
2. Provide relief to delinquent borrowers to update arrearages or fully pay housing loan obligation through condonation of accumulated penalties and additional interest, and
3. Increase housing loan collection efficiency.

**B. COVERAGE**

These guidelines shall cover the following:

1. All delinquent housing loan accounts;
2. Accounts with expired term, and
3. Accounts with no payment since takeout.

**C. CONDONATION OF PENALTIES OR ADDITIONAL INTEREST OF DELINQUENT HOUSING LOAN ACCOUNTS**

1. All penalties of delinquent housing loan accounts and additional interest of delinquent housing loan accounts under two-interest rate structure shall be condoned for the following transactions:
  - 1.1 Full payment of housing loan obligations;
  - 1.2 Full updating of arrearages;
2. The following accounts shall be granted condonation of penalty and additional interest provided the HL borrower will pay the full outstanding HL obligation:

- 2.1 Expired term, or
- 2.2 No payment since takeout

#### **D. PROCESSING AND APPROVAL OF APPLICATIONS**

1. The delinquent housing loan borrower shall be allowed to apply for condonation of penalties or additional interest, provided that the housing loan account is not yet ticketed/reclassified as Real and Other Properties Acquired (ROPA).

For full updating of housing loan accounts, the borrower shall present the updated Real Estate Tax Receipt/Clearance and Tax Declaration of the property.

2. No processing fee and no down payment shall be required for full payment and full updating of arrearages of delinquent housing loan accounts applying for condonation of penalty and additional interest.
3. The borrower shall be given a maximum of 30 calendar days for full payment of outstanding loan obligation. If the borrower fails to pay the outstanding loan obligation within the required period, payments already made, if any, shall be allocated in accordance with the order of priority.
4. Approval of applications shall be subject to prevailing Approving and Signing Authorities.

#### **E. 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.

#### **F. REPEALING CLAUSE**

All memoranda, rules, regulations, and other issuances inconsistent herewith are hereby repealed, amended, or modified accordingly.

#### **G. EFFECTIVITY**

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

  
**ACMAD RIZALDY P. MOTI**  
Chief Executive Officer

Makati City,

August 7, 2017