

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

Circular No. 368

TO : ALL CONCERNED

SUBJECT : GUIDELINES ON THE PULL OUT OF CHECKS

Pursuant to the approval of the Senior Management Committee, the following **Guidelines on the Pull Out of Checks** are hereby issued:

I. OBJECTIVE

The Guidelines on the Pull Out of Checks aims to impose appropriate sanctions to Pag-IBIG Fund housing loan borrowers or members, whose Post-Dated Checks (PDCs) have been rendered unusable for reasons attributable to them.

II. COVERAGE

This shall cover the pull out of checks stored in the warehousing facility due to any of the grounds provided under this Guidelines.

III. GROUNDS FOR PULL OUT OF CHECKS

1. Pull Out of Checks by the Issuer

1.1 The remaining checks stored in the warehousing facility shall be pulled out upon submission of a written request by the issuer or his duly authorized representative for the following reasons:

1.1.1 Garnished account upon order of the Bureau of Internal Revenue (BIR) or the court;

1.1.2 Stopped payment;

1.1.3 Replacement of check/bank account; or

1.1.4 Change in mode of payment.

However, Pag-IBIG Fund shall not approve the said request until the borrower submits the complete replacement checks, if applicable. The borrower shall be required to settle the loan amortization due by funding his/her checking account or through an over-the-counter payment.

- 1.2 The written request for the pull out of checks due to any of the reasons provided under Item No. 1.1 hereof shall be filed by the issuer or his duly authorized representative at least five (5) working days prior to the nearest check date.
- 1.3 The Fund shall not be liable for any fees, charges or losses that the borrower may incur in case any PDC intended to be replaced is deposited due to the borrower's failure to submit the requirements for check replacement within the prescribed period.

2. Pull Out of Checks by Pag-IBIG Fund

- 2.1 Pag-IBIG Fund, however, shall initiate the pull out of checks not later than five (5) working days after the approval of the applications filed, if applicable, due to the following reasons:
 - 2.1.1 Account closed by bank due to Drawn Against Insufficient Funds (DAIF),
 - 2.1.2 Account closed by bank due to Drawn Against Uncleared Deposit (DAUD),
 - 2.1.3 Closing of the Borrower's Housing Loan Account, which may be due to any of the following:
 - a. Death of the Borrower,
 - b. Dacion en Pago,
 - c. Foreclosure,
 - d. Contract-to-Sell (CTS) Cancellation,
 - e. Assumption of Mortgage or
 - f. Buyback of Account.
 - 2.1.4 Restructuring of Loan,
 - 2.1.5 Moratorium,
 - 2.1.6 Loan Term Adjustment,
 - 2.1.7 Re-Pricing of Housing Loan, in case the borrower requests for change in re-pricing period prior to the scheduled re-pricing of the account,
 - 2.1.8 Pre-payment or pre-termination of loan prior to maturity, or
 - 2.1.9 Closure or Merger of Drawee Bank.

3. Force Majeure

IV. PULL OUT FEE

A Pull Out Fee shall be levied to the borrowers/issuers, whose PDCs have been rendered unusable, except under the following circumstances:

1. Force Majeure / Moratorium,
2. Borrower's Death,
3. Closure or Merger of Drawee Bank, or
4. In cases where pull out of checks is not due to the fault of the borrower.

Requests for waiver of fees for circumstances other than those listed above shall be submitted for the approval of the Management.

V. 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.

VI. REPEALING CLAUSE

Any issuance, rule or regulation and/or parts thereof contrary to or inconsistent with this Guidelines is hereby repealed, modified or amended accordingly.

VII. EFFECTIVITY

This Circular takes effect immediately.



ATTY. DARLENE MARIE B. BERBERABE
Chief Executive Officer

Makati City,

December 8, 2016