

HOME DEVELOPMENT MUTUAL FUND

Corporate Headquarters
The Atrium of Makati
Makati Ave., Makati City

HDMF Circular No. 276

TO: ALL CONCERNED

SUBJECT: **GUIDELINES IMPLEMENTING THE MODIFIED Pag – IBIG II (MP2) MEMBERSHIP PROGRAM**

Pursuant to the approval by the HDMF Board of Trustees in its 264th Board Meeting held last December 18, 2009, the **Guidelines Implementing the Modified Pag-IBIG II (MP2) Membership Program** are hereby issued.

A. OBJECTIVE

To give Pag-IBIG I members, whose gross monthly income exceeds P5,000.00, another savings option that would provide them with a yield higher than those given under their existing membership with the Fund.

B. COVERAGE

Membership under the Modified Pag-IBIG II (MP2) Program shall be voluntary upon all **Pag-IBIG I members** whose gross monthly income exceeds five thousand pesos (P5,000.00).

C. CONTRIBUTIONS

The member may contribute a minimum of five hundred pesos (P500.00) per month. **Payments shall be recorded as of payment date.**

D. DIVIDEND RATE

A member shall be entitled to flexible dividend rates, which shall be determined within the first quarter of every year and approved by the Board of Trustees; provided that the said rate shall be higher than that of Pag-IBIG I.

E. MEMBERSHIP MATURITY

1. The member under the Modified Pag-IBIG II shall be entitled to receive his/her Total Accumulated Value (TAV) under this program at the end of the **five (5) year membership term. The TAV shall comprise of his contributions and its corresponding dividends.**
2. Withdrawal of contributions prior to maturity shall be allowed under any of the following circumstances:
 - a. total disability or insanity

- b. separation from service by reason of health
 - c. death
3. **Upon maturity, a member may opt to continue his/her Modified Pag-IBIG II membership for another five years.**

F. OTHER PROVISIONS

1. **No new membership application for the Pag-IBIG II Program created under Circular No. 72 and its amendments shall be accepted upon issuance of these guidelines. Similarly, members with maturing Pag-IBIG II savings shall not be allowed to extend the term of their membership under the said program. Said member may opt to withdraw his savings upon maturity or invest it under the MP2 Program**
2. **The MP2 Program shall be solely a savings scheme. Hence, members under the program shall not be entitled to avail of any of the Fund's lending programs unless he/she is also an active member under the Pag-IBIG I and satisfies the eligibility criteria set by the Fund.**

G. AMENDMENTS

These guidelines may be amended, revised or modified in writing by the Board of Trustees.

H. EFFECTIVITY

These guidelines take effect immediately.


JAIME A. FABIANA
Chief Executive Officer

Makati City
February 3, 2010