

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

Circular No. 438

TO : **ALL CONCERNED**

SUBJECT : **GUIDELINES ON THE GRANT OF THE 60-DAY GRACE PERIOD
ON SHORT-TERM LOAN AND HOUSING ACCOUNTS UNDER THE
BAYANIHAN II**

Pursuant to Republic Act No. 11494, otherwise known as the “Bayanihan to Recover as One” Act, the following **Guidelines on the Grant of the 60-Day Grace Period on Short-Term Loan and Housing Accounts Under the Bayanihan II** is hereby issued:

I. OBJECTIVES

This Guidelines aims to:

1. Prescribe the general rules and procedures for the implementation of the Grace Period pursuant to Republic Act No. 11494 or the Bayanihan to Recover as One Act (Bayanihan II); and,
2. Provide further reprieve to eligible Pag-IBIG Fund borrowers/buyers, who are affected by the Coronavirus Diseases (Covid-19) Pandemic, through the grant of the Grace Period on their Short-Term Loan (STL) and/or housing accounts;

II. COVERAGE

1. A Sixty (60) – Day Grace Period shall be granted to the following accounts reckoned from 15 September 2020 to 14 November 2020, pursuant to Section 4 (uu) of the Bayanihan II:
 - 1.1. STL accounts [Multi-Purpose Loan, Calamity Loan];
 - 1.2. Housing loan / installment accounts that are documented under Contract-to-Sell (CTS), Deed of Conditional Sale (DCS) or Real and Estate Mortgage (REM); and
 - 1.3. Institutional housing loan accounts.
2. STL and housing accounts that are more than nine (9) months in arrears as of 14 September 2020 shall not be entitled to the 60-day Grace Period.
3. A borrower/buyer with multiple loan/installment accounts shall be granted a Grace Period for every account, subject to the terms and conditions provided in this Guidelines.

III. TERMS AND CONDITIONS

1. All loans with principal and/or interest that will fall due within 15 September 2020 to 14 November 2020 shall be entitled to the Grace Period without incurring interest on interests, penalties, fees or other charges.
2. The loan/installment term shall be extended for the number of months corresponding to the Grace Period but the amount of monthly STL amortization and/or Housing amortization / installment, interest rate and other terms of the account shall remain the same.
3. The borrower/buyer shall start paying the amortization/installment due on the next due date after the Grace Period; provided, the accrued interest during the said period shall be paid within the remaining loan/installment term.

For housing loan borrowers/buyers who will exceed the age seventy (70) at the end of term or its extension, the remaining principal and interest shall be paid on the last amortization/installment due date.

4. Housing loan borrowers/buyers shall pay the required premiums for the Sales/Mortgage Redemption Insurance, and Non-Life Insurance coverage upon the expiration of the Grace Period. The insurance premiums which form part of the monthly amortization/installment due and payable during the Grace Period shall have priority over the amortization due.
5. For housing loan accounts that are subject to staggered releases, the interim interest shall still be deducted from every release of loan proceeds. For newly-taken out accounts within the Grace Period, the borrower/buyer shall start paying the monthly amortization/installment on the next due date after 14 November 2020.
6. No penalty shall be charged from 15 September 2020 to 31 December 2020 for late payments of monthly amortization/installment or any part thereof.
7. The grant of the Grace Period shall not preclude the borrowers/buyers from paying their obligations as they fall due during the prescribed period should they so desire.
8. The borrower/buyer may still apply for other Pag-IBIG Fund programs, which may be beneficial to him/her, notwithstanding the grant of the Grace Period.

IV. 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 based on the procedures and business rules for this Guidelines. Matters that are not thereby satisfactorily resolved shall be escalated to the next higher approving authority.

V. AMENDMENTS

Amendments to this Guidelines shall be approved by the Senior Management Committee pursuant to the authority bestowed on it by the Fund's Board of Trustees to formulate and issue guidelines and procedures in furtherance of the objectives of this program consistent with the mandate of the Fund under its Charter and existing laws.

VI. EFFECTIVITY

This Circular takes effect immediately upon its publication in the Official Gazette or in a newspaper of General Circulation.



ACMAD RIZALDY P. MOTI
Chief Executive Officer

Makati City,
14 October 2020
