



Pag-IBIG Fund

Citizen's Charter

December 2016

SHORT-TERM LOAN AVAILMENT

(In compliance with Republic Act 9485 on the Anti-Red Tape Act of 2007)

CREATION OF Pag-IBIG Fund

The birth of Home Development Mutual Fund (HDMF), more popularly known as the Pag-IBIG Fund, was an answer to the need for a national savings program and an affordable shelter financing for the Filipino worker. The Fund was established on 11 June 1978 by virtue of Presidential Decree No. 1530 primarily to address these two basic yet equally important needs. Under the said law, the Social Security System (SSS) shall administer the funds of private employees, while the Government Service Insurance System (GSIS) shall administer the funds of government employees.

Less than a year after on 1 March 1979, Executive Order No. 527 was signed. The order directed transferring the administration of the Fund to the National Home Mortgage Finance Corporation (NHMFC), which was one of the operating agencies of the then Ministry of Human Settlements.

Seeing the need to further strengthen the stability and viability of the two funds, Executive Order No. 538 was issued on 4 June 1979, merging the funds for private and government personnel into what is now known as the Pag-IBIG Fund. However, it was only on 14 December 1980 when Pag-IBIG was made independent from the NHMFC with the signing of PD 1752, which is recognized as the HDMF Charter. With the improved law in effect, the Fund's rule-making power was vested in its own Board of Trustees. Likewise, PD 1752 made Pag-IBIG membership mandatory for all SSS and GSIS member-employees.

Months after former President Corazon C. Aquino assumed leadership of the country, Pag-IBIG contributions were suspended from May to July 1986. On 1 August 1986, former President Aquino directed the resumption of Pag-IBIG membership under Executive Order No. 35. Membership was still on a mandatory basis but under more liberal terms. The employee and employer contribution rates were reduced, and the Maximum Fund Salary was raised from P3,000 to P5,000.

1 January 1987 marked the return of the Pag-IBIG Fund to a voluntary program under Executive Order No. 90. It was during the years as a voluntary fund that Pag-IBIG introduced innovative benefit programs that heeded the calls for expansion of membership, and addressed the immediate financial as well as housing needs of its members.

After eight years as a voluntary fund, Pag-IBIG membership reverted to mandatory on 17 June 1994 when President Fidel V. Ramos signed Republic Act 7742. The new law became effective on 1 January 1995.

More than a decade after RA 7742 was implemented, the Pag-IBIG Fund continues to be a strong partner in realizing Filipino workers' dreams. Recognizing HDMF's contributions and the need to further strengthen its capability as the biggest source of housing finance in the country to date, President Gloria Macapagal-Arroyo signed into law Republic Act No. 9679 or the Home Development Mutual Fund Law of 2009 on 21 July 2009, and making Pag-IBIG membership mandatory for all, including Filipinos

employed by foreign-based employers. Now more than ever, Filipino workers will enjoy the benefits that are available only to Pag-IBIG members.

Pag-IBIG is an acronym which stands for *Pagtutulungan sa Kinabukasan: Ikaw, Bangko, Industriya at Gobyerno*. To this day, the Pag-IBIG Fund continues to harness these four sectors of the society to work together towards providing Fund members with adequate housing through an effective savings scheme.

VISION

For every Filipino worker to save with Pag-IBIG Fund and to have a decent shelter.

MISSION

To generate more savings from more Filipino workers, to administer a sustainable Fund with integrity, sound financial principles, and with social responsibility, and to provide accessible funds for housing of every member.

VALUES

The governing values that will steer the Pag-IBIG Fund in pursuit of its vision include Integrity, Excellence, Professionalism, and Service.

SHORT-TERM LOAN (STL) PROGRAMS

MULTI-PURPOSE LOAN PROGRAM (MPL). This program aims to provide financial assistance to Pag-IBIG members for house repair, minor home improvement, home enhancement, tuition or educational expenses, health and wellness, livelihood; or other purposes.

Borrower Eligibility

1. Has made at least twenty-four (24) membership savings (MS).
 - For members who have withdrawn their MS due to membership maturity and/or optional maturity, the reckoning date of the updated 24 MS shall be the first MS following the month the member is qualified to withdraw his MS; and
 - **A member, whose MS are still short of the required number of MS, may be allowed to apply for MPL, provided his total savings is at least equivalent to 24 MS based on the mandatory rate inclusive of employee and employer counterpart.**
2. **Has at least one (1) MS for the last six (6) months prior to date of loan application;**
3. If with existing Pag-IBIG Housing Loan, the account must not be in default as of date of application; and
4. If with existing MPL and/or Calamity Loan, the account/s must not be in default as of date of application.

Loan Amount

A qualified Pag-IBIG member shall be allowed to borrow an amount based on the lowest of the following: desired loan amount, loan entitlement, capacity-to-pay.

1. Loan Entitlement

Maximum of 80% of Total Accumulated Value (TAV).

2. Capacity to Pay

An eligible borrower's loan shall be limited to an amount for which statutory deductions, monthly repayment of principal and interest, and other obligations will not render the borrower's net take home pay to fall below the minimum requirement as prescribed by the General Appropriation Act (GAA) or company policy, whichever is applicable.

If the borrower has an existing Calamity Loan, the loanable amount shall be the difference between 80% of the borrowers TAV and the outstanding balance of his Calamity Loan; provided, it does not exceed the borrower's loan entitlement.

Interest Rate

The loan shall be charged with an interest based on the prevailing guidelines of the program.

Loan Term

A maximum period of twenty-four (24) months, with a grace period of two (2) months.

Loan Renewal

After payment of at least six (6) monthly amortizations.

The proceeds of the new loan shall be applied to the borrower's outstanding MPL obligation and the net proceeds shall then be released to the borrower.

In case of full payment prior to loan maturity, a borrower shall be allowed to apply for a new loan anytime.

CALAMITY LOAN PROGRAM. This program aims to provide financial assistance to Pag-IBIG member-victims in calamity-stricken areas, as declared by the Office of the President or the Sangguniang Bayan.

Borrower Eligibility

1. Has made at least twenty-four (24) membership savings (MS).
2. **Has at least one (1) MS for the last six (6) months prior to date of loan application.**
3. If with existing Pag-IBIG Housing Loan, the account must not be in default as of date of loan application;
4. If with existing MPL and/or Calamity Loan, the account must not be in default as of date of loan application; and
5. Is a resident of the area which is declared calamity-stricken.

Availment Period

Within ninety (90) days from the declaration of state of calamity.

Loan Amount

A qualified Pag-IBIG member shall be allowed to borrow an amount based on the lowest of the following: desired loan amount, loan entitlement, capacity-to-pay.

1. Loan Entitlement

The loanable amount shall be 80% of the member's Total Accumulated Value (TAV).

2. Capacity to Pay

An eligible borrower's loan shall be limited to an amount for which statutory deductions, monthly repayment of principal and interest, and other obligations will not render the borrower's net take home pay to fall below the minimum requirement as prescribed by the General Appropriation Act (GAA) or company policy, whichever is applicable.

If borrower has an existing MPL, the loanable amount shall be the difference between 80% of the borrowers TAV and the outstanding balance of his MPL.

Interest Rate

The loan shall be charge interest based on the Fund's Risk-Based Pricing Framework for the entire duration of the loan including the grace period.

Loan Term

The loan shall be amortized over a period of twenty-four (24) months with a grace period of three (3) months.

Loan Renewal

Should another calamity occur in the same area, a borrower may renew his calamity loan anytime. The outstanding balance of his existing loan, together with any accrued interests, penalties and charges, shall be deducted from the proceeds of the new loan.

OTHER LOAN PROVISIONS

1. The MPL and Calamity Loan shall be treated as separate and distinct from each other. Hence, the member shall be allowed to avail of an MPL while he still has an outstanding Calamity Loan and vice versa. In no case, however, shall the aggregate Short-Term Loan exceed 80% of the borrower's TAV.
2. For borrower's with existing Calamity Loan at the time of availment of MPL or vice versa, the outstanding loan balance of Calamity Loan shall not be deducted from the proceeds of the MPL.

SHORT-TERM LOAN (STL) AVAILMENT *(Complex Transaction)*

Schedule of Availability of Service
Monday to Friday, 8:00 a.m. - 5:00 p.m.
(No Noon Break)

Processing Time

- 3 working days - New and Loan Renewal *(Processing of loan application up to release of loan proceeds through Cash Card/Payroll Account Card)*
- 1 working day - Additional WD if through check releasing
- 2 working days - Additional WDs if subject to further validation with partner bank
- 20 working days - Additional working day if with record from other branch/es

Processing Fee: None

Requirements

1. Duly accomplished Multi-Purpose Loan Application Form (MPLAF) or Calamity Loan Application Form (CLAF)
(Downloadable from the Pag-IBIG website, www.pagibigfund.gov.ph)
2. Photocopy of at least two (2) valid IDs
3. Proof of Income
 - Formally-employed
 - *The “Certificate of Monthly Net Income” portion at the back of the application form must be accomplished by the employer or submit photocopy of latest payslip duly authenticated by company’s authorized representative.*
 - Self-Employed or Individual Payors
Photocopy of any of the following:
 - *Business/Mayor’s Permit;*
 - *Commission Vouchers;*
 - *Other valid proof of income.*
4. For releasing of loan proceeds thru Payroll Account/Disbursement Card, submit photocopy of deposit slip (for newly opened account)/Payroll Account/Disbursement Card.
 - If through Citibank Prepaid Card, submit photocopy of Package Unit ID.
 - For application thru employer, the photocopy of Payroll Account/Disbursement Card shall be duly certified by the employer.
 - For individual application, the Payroll Account/Disbursement Card shall be presented for authentication.

***Additional Requirements for Calamity Loan and
List of Valid IDs Acceptable to the Fund (refer to page 9)***

Procedure

<p>STEP 1</p>	<ul style="list-style-type: none"> ▪ Submit accomplished Multi-Purpose Loan Application Form (MPLAF, HQP-SLF-001) or Calamity Loan Application Form (CLAF, HQP-SLF-002) and required supporting documents. ▪ Get STL Acknowledgement Receipt (SAR, HQP-SLF-003). <p>NOTE: Prior to submission of loan application, the member-applicant must be registered online and with Pag-IBIG Membership Identification (MID) Number or Registration Tracking Number (RTN).</p>	<p style="text-align: center;"><u>Responsible Person</u></p> <p style="text-align: center;">Members Services Officer</p>
<p>STEP 2</p>	<ul style="list-style-type: none"> ▪ On scheduled date, get loan proceeds: <ul style="list-style-type: none"> - If released through Check, present SAR and 2 valid IDs at Cashier. - If released through Payroll Account/ Disbursement Card, verify and withdraw at any accredited ATM/Bank. 	<p style="text-align: center;">Cashier (Disbursement)</p> <p style="text-align: center;">ATM/Bank</p>
<p>END OF TRANSACTION</p>		

ADDITIONAL REQUIREMENTS FOR CALAMITY LOAN

1. For formally-employed members,
 - *Declaration of Being Affected by Calamity (FLS006)*
2. For farmers, including landlords, fisher folks and livestock farmers,
 - *Certification from the Municipal Agricultural Office (MAO) that their products were damaged/killed due to the calamity.*
3. For business owners/market vendors,
 - *Certification from the Market Vendors Association or certification from the Municipal Mayor (if not member of the association) attesting that he is engaged in the selling of farm products, vegetable, meat, fish and that his source of livelihood was affected by the calamity.*
4. For Pag-IBIG members or any of his immediate family members afflicted by diseases such as diarrhea, cholera, skin diseases, paralytic shellfish poisoning (red tide bloom), heat cramps, heat exhaustion, heat stroke, chickenpox, measles and hypertension,
 - *A Medical Certificate from the Doctor stating that such disease/illness is brought by the onset of calamity.*

NOTES:

- a. *Original copies of photocopied required documents must be presented for authentication.*
- b. *Employed member-borrower may not present original copies of the photocopied required documents provided that said documents is duly certified by the employer.*
- c. *For filing of application thru a representative, submit the following:*
 - *Notarized Special Power of Attorney (SPA)*
 - *At least two (2) valid IDs of both parties*

LIST OF VALID IDs ACCEPTABLE TO THE FUND

1. Company ID
2. Passport, issued by the Philippine or Foreign Government
3. Driver's License
4. Professional Regulation Commission (PRC) ID
5. Social Security System (SSS) Card
6. Government Service Insurance System (GSIS) eCard
7. Government Office and GOCC ID (e.g. AFP ID, Pag-IBIG Loyalty Card)
8. Integrated Bar of the Philippines (IBP) ID
9. Senior Citizen Card
10. Overseas Workers Welfare Administration (OWWA) ID
11. Overseas Filipino Worker (OFW) ID
12. Seafarer's Identification and Record Book (SIRB)
13. Postal ID
14. Voter's ID

HANDLING MEMBER'S SUGGESTIONS/COMPLAINTS

To our Valued Members/Customers:

Your opinion is of great importance to us. You may send us your suggestions, complaints or any concern through any of the following:

- **Servicing Counters**

You may visit our servicing counters stationed at Pag-IBIG branches.

For provident-related concerns, please visit the Pag-IBIG Member Services Branch (MSB) maintaining your record. However, for housing-related concerns, you may visit us at 2/F, 409 JELP Business Solutions Bldg., Shaw Boulevard, Mandaluyong City or for those in the regions, you may raise your concerns at the Housing Business Center (HBC).

- **Forms**

Please accomplish the Member Care Feedback Form (MCFF, HQP-PRF-002). This form is available at various counters of any Pag-IBIG Branch.

- **Letters**

Letters may be sent to:

The Member Relations Department
7/F, 409 JELP Business Solutions Bldg.
Shaw Boulevard, Mandaluyong City

You may also send your letters directly to the concerned Pag-IBIG Branch, addressed to the Office of the Head.

- **Emails**

Emails may be sent to contactus@pagibigfund.gov.ph. You shall receive a confirmation message that your email has been forwarded to the concerned branch/department for appropriate reply and/or action.

- **Pag-IBIG Hotline**

For your immediate concerns, you may also reach us at 724-4244 (Pag-IBIG), 24/7 (24 hours in a day, 7 days in a week). However, you may also call the Member Services II – Frontline Servicing of the concerned branch at telephone numbers indicated under List of Pag-IBIG Branches.

- **Public Assistance and Complaints Desk (PACD) Officer**

You may talk to the Officer of the Day at the PACD stationed at Pag-IBIG branches.

Rest assured that we shall carefully evaluate your concerns and shall respond to you immediately. Likewise, we shall give your complaints considerable attention according to the following:

Level	Complexity	Detail	Responsible Unit	Response Time
1	Minor	<ul style="list-style-type: none"> ▪ Complaint against personnel (misbehavior, misconduct, fixers, etc.) ▪ Resolved minor complaint but unsatisfied customer 	Branch Officer-of-the-Day (if thru MCFF) Information Officer of the Day (if thru contact points of engagement)	Within 2 hours upon receipt of complaint
2	Major	<ul style="list-style-type: none"> ▪ Complaint on services offered by MSB ▪ Complaints on directional or mistaken information ▪ Complaints on office facilities 	Concerned Division Chief/MSB Head	Within 3 working days upon receipt of complaint
3	Critical	<ul style="list-style-type: none"> ▪ Grave Complaints ▪ Complaints with threat (media/ legal/ suicide/ threat) ▪ Emergency Cases 	Concerned Assistant Department Manager/Asst. TAS Head/ Department Manager/Area Head	Within 10 working days upon receipt of complaint

Thank you for your continued support to the Fund. We look forward to bringing you and all our members a more responsive service.

LIST OF Pag-IBIG BRANCHES

Disclaimer

The provisions in this Charter may be revised or modified in accordance with new as well as amended guidelines and procedures any time without prior notice to the members. In such cases, the updated versions of the Citizen's Charter may be accessed through the Pag-IBIG Fund website at www.paaibifund.aov.ph.