

Press Release

Pag-IBIG offers lowest-ever 3% housing interest rate to minimum-wage earners

A lowest in the market housing loan interest rate is now offered to Pag-IBIG members who are minimum-wage earners.

“We are happy to announce that the Pag-IBIG Fund Board of Trustees approved the lowering of interest rate under Pag-IBIG’s affordable housing for minimum-wage earners to just 3%. This would allow more opportunities for low-income workers to realize their dream of home ownership,” said Cabinet Secretary and Pag-IBIG Chairman Leoncio B. Evasco, Jr.

The new rate is 33% lower than the previous 4.5% interest rate under the Fund’s Affordable Housing Program (AHP). Minimum-wage workers in the National Capital Region earning up to P15,000 gross monthly income, and workers in other regions with a gross monthly income of P12,000 are eligible to avail of the new interest rate for a loan not exceeding P450,000.

Pag-IBIG Fund Officer-in-Charge Acmad Rizaldy P. Moti said that the move to reduce further the housing loan interest rate under the program is in response to President Rodrigo Duterte’s directive to give the underserved sector equal access to housing opportunities.

Moti explained that Pag-IBIG Fund is able to subsidize the interest rate of minimum-wage earners mainly because of the savings the Fund earns from its tax-exempt status as provided for in its charter. He likewise cited the reforms the Fund implemented in recent years as contributing factors in the lowering of the interest rate.

“The reforms we have implemented particularly the outsourcing of collections has, for the first time, resulted in a single digit 9.45% Non-Performing Loans (NPL) Ratio of the Fund. This means that Pag-IBIG’s Performing Loans Ratio (PLR) greatly improved, reaching 90.55% as of March this year, from just 75% a few years ago,” Moti said.

Pag-IBIG has achieved unprecedented accomplishments recently, according to Moti, which reinforced the Fund’s standing as the top home financing institution in the country today.

“Pag-IBIG’s achievements redound to the advantage of Pag-IBIG members. A stronger Pag-IBIG Fund means more benefits for Pag-IBIG members, including the low interest rate for housing loans,” Moti concluded. (end)