



PRESS RELEASE

Pag-IBIG Fund's interest for affordable housing lowest at 3%

Pag-IBIG Fund lowered its rates to only 3% per annum from the previous 4.5% per annum under the affordable housing program (AHP) for the first five years of loans up to P450,000 over a maximum 30-year repayment period.

Secretary Eduardo D. del Rosario, Chairperson of the Housing and Urban Development Coordinating Council (HUDCC) and Pag-IBIG Fund Board of Trustees, said that this is Pag-IBIG Fund's contribution to the housing sector's BALAI Filipino (Building Adequate, Livable, and Inclusive Filipino Communities) program and to the directive of President Rodrigo Roa Duterte to provide housing opportunities to every Filipino family, regardless of their income and status in life.

"With the lower interest rates on the affordable housing program, monthly amortizations for loans worth P450,000 will amount to only P1,897.22 from the previous P2,280. The total monthly amortization was reduced by almost 5% due also to other reforms like lower fire and allied perils insurance premium," Secretary del Rosario said. With the low rates on offer, low-income and minimum-wage earners can buy their own home at about the same price as renting one.

Pag-IBIG Fund Chief Executive Officer (CEO) Acmad Rizaldy P. Moti said that the affordable housing program was created especially for the unserved and underserved sectors.

"With Pag-IBIG Fund's annual tax savings, we have enough funds to subsidize the low rates under the AHP, which is designed primarily for low-income and minimum-wage earners. These are the members earning not more than P15,000 a month in NCR and members in the regions earning not more than P12,000. Private lenders do not usually serve home loan borrowers in these income brackets but in Pag-IBIG Fund, we welcome them and have a housing program specifically designed to help them buy their own home. Ang mababang interest rate sa affordable housing program ay isa sa mga biyaya ng pagbabago mula sa Pag-IBIG Fund," Mr. Moti said.

Pag-IBIG Fund Deputy CEO for Home Lending Operations Cluster Marilene C. Acosta added, *"We are always looking to make home ownership an achievable dream for our low-income earners. We have removed the savings requirement in our housing loans and we have cut down to half the loan application requirements from 14 documents to just 7 documents."*

Pag-IBIG Fund also reduced its interest rates for 1-year and 3-year repricing period to 5.375% and 6.375%, respectively. These are Pag-IBIG Fund's lowest ever interest rates under its regular housing loan program.

In 2017, Pag-IBIG Fund approved P81.8 billion in housing loans, equal to the financing of 98,311 homes. Of the amount approved, P65.1 billion was released to benefit 80,964 members. Of these members, over 30% or 24,705 members availed of socialized housing equal to an aggregate amount of P8.9 billion, while 11% or 9,178 borrowed a total of P3.3 billion at the reduced interest rate of 3%. (END)

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