

News Release
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Borrowers won't lose homes, assures Pag-IBIG; COA Report was misread

Pag-IBIG Fund has clarified that, contrary to reports, 22,000 housing loan borrowers won't lose their homes after a report of the Commission on Audit revealed that Contracts to Sell (CTS) have yet to be converted to Real Estate Mortgage (REM).

"I want to assure Pag-IBIG housing borrowers that they do not risk losing their homes because of the non-conversion from CTS to REM. The management of Pag-IBIG Fund has put safeguards in place to ensure that the home loan borrower's rights are always protected. This is primordial as we implement the housing sector's initiatives and President Rodrigo Roa Duterte's directive to prioritize the delivery of reliable government services," said Secretary Eduardo D. Del Rosario, concurrent Chairman of the Housing and Urban Development Coordinating Council and Pag-IBIG Fund Board of Trustees.

Pag-IBIG Fund CEO Acmad Rizaldy P. Moti added that the non-conversion to REM is unrelated to the risk of losing houses.

"Borrowers have no reason to worry because regardless of the conversion status of their properties, the only way they face the risk of losing their homes is if they are not paying their monthly obligations," CEO Moti said.

"To safeguard the borrower, the CTS is assigned to Pag-IBIG Fund and annotated in the title as proof that the borrower purchased that property. Two, Pag-IBIG can sanction developers who fail to meet the conversion timeline. Lastly and most importantly, Pag-IBIG itself can do the conversion by using the retention fee deducted from the developer to make sure that these titles will be transferred under the names of the borrowers," he continued.

While COA's observations on the CTS-REM conversion was widely reported, it was largely ignored that state auditors gave Pag-IBIG another unqualified opinion which is the best opinion that a government agency or corporation can get from COA.

"We rendered an unqualified opinion on the fairness of presentation of the financial statements of the HDMF for the years ended December 31, 2017 and 2016 in accordance with [Philippine Financial Reporting Standards] PFRS. Some of the audit observations impact on the balances of the accounts presented in the financial statements. However, in aggregate, they do not exceed the material level set for the 2017 audit of accounts and transactions to warrant a qualified or adverse opinion," the Auditor's Opinion read.

Pag-IBIG Fund has now earned its sixth straight unqualified opinion from COA, breaking yet another record in the Fund's 37-year history. (END)