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## **Pag-IBIG Fund to consult stakeholders as it mulls raising monthly savings in 2021**

Pag-IBIG Fund is considering raising the decades-old P100 monthly savings in 2021 to answer the increasing demand for its low-interest housing and calamity loans. Top executives of the agency, however, explained that they will hold consultations first and vowed improved members' benefits if the savings hike is to proceed.

Secretary Eduardo D. del Rosario, Chairman of the Housing and Urban Development Coordinating Council (HUDCC) and Pag-IBIG Fund Board of Trustees said that the Fund achieved another banner year in 2018 as the agency earned P33.17 billion in net income. The increase in the demand for loans, however, may soon outpace the growth in collections derived mostly from the mandatory P100 monthly savings of its members.

In the Pag-IBIG Fund Chairman's Report held recently, del Rosario said that Pag-IBIG plays a major role in the government's housing efforts because the Fund is recognized as the single largest source of housing loans in the country. In 2018 alone, the Fund released P75.31 billion in housing loans.

"We offer the lowest housing loan and calamity loan interest rates. The demand for housing loans alone has seen consistent double digit growth over the recent years as it averaged 19.8 percent growth since 2016. So we're exploring all sources of additional funding. We might have to increase the P100 monthly savings in order to continue providing the low interest rates. But because President Rodrigo Roa Duterte has standing orders to consider the plight of the Filipino workers, this will not happen immediately. If we have to increase, the increase will happen in two, maybe three years, from now because we have to consult our stakeholders first," said Chairman del Rosario.

Pag-IBIG Fund Chief Executive Officer Acmad Rizaldy P. Moti explained that the monthly savings remained unchanged since 1986, which means that P100 monthly contribution from each Filipino worker has never been adjusted despite the inflation over a span of 32 years. The availment of housing loans, on the other hand, has been growing at a faster pace. He said that they expect the upward trend to continue in the next few years and project the demand to increase by 10 percent every year. If the growth exceeds their projection, only then will they consider raising the monthly savings.

"In order to sustain our low housing loan and calamity loan interest rates, we may have to raise the monthly contributions to P200. We can also borrow money from other institutions to raise more funds, but doing this will affect our low interest rates," CEO Moti said.

"We reiterate that if the increase is needed, this will be implemented in 2021 at the earliest. But as early as now we want to assure our members that the benefits will definitely improve if the monthly savings is raised from the current levels. Members will enjoy bigger savings after maturity. They will also get bigger cash loans as a result of the bigger savings. This member-centric thinking is at the core of our Lingkod Pag-IBIG values. After all, we are only administrators of the workers' fund. The real owners of Pag-IBIG Fund are its members," he added. (END)

### **For Reference:**

**Atty. Karin-Lei N. Franco-Garcia**  
Vice President  
Public Relations and Information Services Group

**Domingo C. Jacinto, Jr.**  
Manager  
Public & Media Affairs Department

**PRESS RELEASE**