

**[ CIRCULAR NO. 402, May 29, 2018 ]**

**DETERMINATION OF LOANABLE AMOUNT BASED ON CAPACITY TO PAY AND LOAN-TO-APPRAISED VALUE RATIO UNDER PAG-IBIG FUND END-USER HOME FINANCING PROGRAM**

*Adopted: 22 May 2018  
Date Filed: 29 May 2018*

Pursuant to approval of the Management Committee, the following guidelines on the Determination of the Loanable Amount Based on Capacity to Pay and Loan-to-Appraised Value (LTV) Ratio Under Pag-IBIG Fund End- User Home Financing Program is hereby issued:

1. Loanable Amount Based on Capacity to Pay

The loanable amount shall be limited to an amount for which the monthly repayment shall not exceed thirty-five percent (35%) of the borrower's gross monthly income. In case of tacked loans, the individual gross monthly income of at most three (3) borrowers shall be considered.

2. Loanable Amount Based on LTV Ratio

The ratio of the loan amount to the appraised value of the collateral shall not exceed the following:

<b>Loanable Amount</b>	<b>LTV Ratio</b>
<b>Up to the Economic Housing Limit <sup>[a]</sup></b>	<b>95%</b>
<b>Over the Economic Housing Limit up to P6,000,000</b>	<b>90%</b>

The foregoing provisions shall repeal Item Nos. 4.1.2 and 4.2.1 of Pag-IBIG Fund Circular No. 396, or the Modified Guidelines on the Pag-IBIG Fund End- User Home Financing Program. All other terms and conditions of the said Circular that are consistent with the above provisions shall continue to be in full force and effect.

This Circular takes effect after fifteen (15) calendar days following the completion of its publication in the Official Gazette or in a newspaper of general circulation.

(SGD) ACMAD RIZALDY P. MOTI  
*Chief Executive Officer*

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<sup>[a]</sup> For developer-assisted housing loans up to the prevailing maximum limit for socialized housing loan, the LTV ratio shall be 100%; provided, the developer's