

**[ HDMF (Pag-IBIG FUND) CIRCULAR NO. 332,  
October 29, 2013 ]**

**GUIDELINES IMPLEMENTING THE Pag-IBIG HEALTH AND  
EDUCATION LOAN PROGRAMS (Pag-IBIG HELPs)**

Pursuant to the approval of the Pag-IBIG Fund Board of Trustees during its 295th meeting held last 2 July 2013, the "Guidelines Implementing the Pag-IBIG Health and Education Loan Programs (Pag-IBIG HELPs)" is hereby issued:

**I. OBJECTIVES**

The program aims to:

1. Provide additional benefits to members by extending financial assistance in payment for educational and health related expenses of the member and/or his beneficiaries.
2. Extend goodwill to our members.

**II. COVERAGE**

These guidelines shall cover all Pag-IBIG I members.

**III. DEFINITION OF TERMS**

For the purpose of implementing this program, the following terms shall be defined as follows:

1. Actual Need shall refer to educational or medical expenses, or cost of a healthcare plan to be incurred by the borrower or beneficiary net of financial aid, grant or discount.
2. An Active Member shall refer to a member with at least five (5) monthly mandatory savings within the last six (6) months prior to date of application.
3. Beneficiary shall refer to a person who shall benefit from the loan proceeds that will be released under the Pag-IBIG HELPs in payment for products and services offered by the educational or medical institution, or Health Maintenance Organizations (HMOs).
4. Desired Loan Amount shall refer to the amount indicated in the loan application form.
5. Discount/Rebate shall refer to the amount allowed by the partner-merchant to be deducted from the assessed costs of products or services that it will provide.
6. Educational Expenses shall refer to total fees charged by an educational institution indicated in the assessment form.
7. Equated Monthly Installment (EMI) shall refer to the installment amount to be paid by the borrower.
8. Financial Aid/Grant shall refer to financial assistance or support provided by: Partner schools' scholarship programs, Government Scholarship Grant (DOST,

LGUs, etc), PhilHealth, PCSO, etc.

9. Healthcare Plan shall refer to any plan or organized format for delivering health care services, such as but not limited to in-patient, out-patient, emergency, preventive care, optional dental care, and other needs pertaining to the health security of the member or his dependents/beneficiaries.
10. Maintenance Medication shall refer to medical treatment with medication on a regular basis for a chronic or long-term medical condition.
11. Medical Expenses shall include costs of diagnosis, treatment and other forms of health care of patients, including but not limited to, doctor's fees, fees for clinical and ancillary services rendered, charges for room, meals, medical supplies, medicines, and payments for use of equipment.
12. Partner-merchant shall refer to the accredited educational and medical institution, and health maintenance organizations by the Fund.
13. Total Accumulated Value (TAV) shall refer to the sum of the mandatory member's savings and employer's counterpart, when appropriate, and the corresponding dividends credited thereto.

#### **IV. LOAN PURPOSE**

To provide loan facility to Pag-IBIG members in payment for the following:

- Educational Expenses;
- Medical Expenses; and/or
- Healthcare Plan from HMOs accredited by the Fund.

#### **V. BORROWER ELIGIBILITY**

A Pag-IBIG Member may avail of the Pag-IBIG HELPs, provided he satisfies the following:

1. Has at least twenty-four (24) monthly mandatory savings (MS);
2. An active Pag-IBIG member at the time of application;
3. If with Pag-IBIG Housing Loan, the account must be updated as of date of application; and
4. If with existing MPL and/or Calamity Loan, the account/s must be updated as of date of application.

#### **VI. LOAN AMOUNT**

A qualified borrower shall be entitled to the lowest of the following:

##### **1. Loan Entitlement**

Equivalent to ninety percent (90%) of TAV less outstanding balance on MPL and/or Calamity Loan, if any.

##### **2. Capacity to Pay**

An eligible borrower's loan shall be limited to an amount for which statutory deductions, monthly repayment of principal and interest, and other obligations will not render the borrower's net take home pay to fall below the minimum requirement as prescribed by the General Appropriations Act (GAA) or company policy, whichever is applicable.

The member's net take home pay refers to the member's monthly compensation net of statutory deductions, other authorized deductions,

outstanding loan obligations, and computed monthly repayment for loan being applied for. Statutory deductions shall refer to income tax withheld as well as contributions/premiums for GSIS/SSS, Pag-IBIG and PhilHealth.

**3. Actual Need; or**

**4. Desired loan Amount**

**VII. INTEREST**

The loan shall be charged an interest based on the full risk based pricing framework.

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**VIII. LOAN PERIOD**

The loan shall be repaid over a period of six (6) months or twelve (12) months at the option of the borrower, with two (2) months grace period.

**IX. LOAN RELEASE**

The loan proceeds shall be released through check payable to the Partner- Merchant for the account of the beneficiary of the Pag-IBIG HELPs.

If the provider is not a Partner-Merchant, check shall be payable to the borrower.

**X. LOAN PAYMENTS**

1. The loan shall be paid in equal monthly installments in such amounts as may fully cover the principal and interest over the loan period. Said amortization shall be made, whenever feasible, through salary deduction.
2. In instances where salary deduction is not feasible, loan amortization payments to Pag-IBIG Fund shall be made through any of the following modes:
  - 2.1 Over-the-Counter;
  - 2.2 Thru accredited collection partners; and
  - 2.3 Other modes that may be approved by Pag-IBIG Fund in the future.
3. Promissory Note/Agreement Number must be indicated in the remittance form or Pag-IBIG Fund Receipt (PFR).
4. Payments shall be remitted to the Pag-IBIG Fund on or before the fifteenth (15<sup>th</sup>) day of the third (3<sup>rd</sup>) month following the DV/check date.
5. The borrower may fully pay the outstanding balance of the loan prior to loan maturity.
6. The borrower shall pay directly to Pag-IBIG Fund or its accredited collecting agents in case the borrower is unable to pay through salary deduction due to any of the following circumstances, such as but not limited to:
  - 6.1 Suspension from work;
  - 6.2 Leave of absence without pay;
  - 6.3 Insufficiency of net take home pay at any time during the term of the loan;
  - 6.4 In case of resignation or termination, wherein outstanding balance is not fully settled by the separation pay; provided, an agreement has been made between the employer and the borrower to effect