

**[HDMF AMENDED RULES AND REGULATIONS
IMPLEMENTING REPUBLIC ACT NO. 8501, 24
APRIL 2002, April 24, 2002]**

**AMENDED RULES AND REGULATIONS IMPLEMENTING REPUBLIC
ACT NO. 8501**

Pursuant to the authority of the Board of Trustees of the Home Development Mutual Fund to make and change needful rules and regulations under Section 13 of Presidential Decree No. 1752, as amended in relation to Section 5 of R.A. 8501, Rules III and IV of the Rules and Regulations implementing Republic Act No. 8501 are hereby amended in order to give more life and meaning to the Condonation of penalties provided for under R.A. 8501.

SECTION 1. Rule III of the Rules and Regulations Implementing Republic Act No. 8501 is hereby amended to read as follows:

Rule III

Condonation of Penalties Under Section 2 of Republic Act 8501

SECTION 1. Who May Apply Under This Rule. — Any housing loan borrower or in the event of his death, his heirs or successors-in-interest who has unpaid penalties on his housing loan with the Fund as of the effectivity of R.A. 8501 and has not yet availed of any previous Condonation program from any government institution or agency involved in the National Shelter Program, may apply for the Condonation of penalties under this Rule. A housing loan borrower or in the event of his death, his heirs or successors-in-interest, who failed or refuse to pay his monthly amortization due to structurally defective or substandard housing unit and/or subdivisions lacking basic amenities such as water, light, drainage, good roads others as required by law, may likewise apply for condonation of penalties under this Rule.

SECTION 2. Condonation of Penalties After Full Payment. — All unpaid penalties of said housing loan shall be condoned after full payment by the housing loan borrower of all due and demandable arrearages composed of the principal and interest.

SECTION 3. Restructuring and term of the Loan. — The unpaid due and demandable arrearages, **as well as the litigation/cancellation and other expenses incurred by Pag-IBIG Fund which remain unpaid**, after partial payment, shall be restructured within the remaining period of the loan.

SECTION 4. Application of Pag-IBIG Savings or Member's Total Accumulated Value (TAV). — **In lieu of the down payment**, a delinquent Pag-IBIG housing loan borrower **who has not previously availed of TAV offsetting** may opt for the following:

1. Apply at most forty percent (40%) of his TAV to his outstanding housing loan

balance if he has an outstanding Pag-IBIG multi-purpose loan (MPL), and has not previously offset his TAV against his MPL.

2. Apply his entire TAV to his outstanding housing loan balance if he has no outstanding MPL. The member shall however, be qualified to avail himself of a multi-purpose loan only after two (2) years.

SECTION 5. Interest Rate. — The interest rate on the restructured loan shall be the rate on the original loan.

SECTION 6. Effect of Default. — In the event of default, the total outstanding housing loan shall immediately become due and demandable.

SECTION 7. Borrowers who avail of loan restructuring may remit their monthly payments for the restructured loans through the salary deduction scheme, the issuance of PDC's on annual basis or over the counter - Accommodation checks will also be accepted.

SECTION 8. Availment Procedure. —

A. Delinquent Pag-IBIG housing loan borrowers who opt to avail of the Condonation and loan restructuring shall submit the duly accomplished Application Form together with an updated Statement of Account to any Pag-IBIG NCR Branch/Regional Office.

B. The borrower may opt to apply his TAV to his outstanding loan balance **in lieu of the down payment.**

C. The loan arrearages to be restructured shall be considered as an additional loan and shall be covered by a new PN. The borrower's ledgers for the original and restructured loan **shall be consolidated.**

D. Applicants for loan restructuring shall pay the following fees:

1. Processing Fee of P200.00
2. First year's premium for mortgage redemption.
3. Notarization **and other related expenses.**

SECTION 9. Filing of Application for Condonation. — **A housing loan borrower, his assigns or successors-in-interest or in the event of his death, his heirs or their legal representatives may file the application for Condonation under this Rule at anytime. However, only unpaid penalties of the housing loan up to December 31, 2002 shall be subject of condonation.**

SECTION 2. Rule IV of the Rules and Regulations Implementing Republic Act No. 8501 is hereby amended to read as follows:

Rule IV

Condonation of Penalties on Loan Obligation Under Section 3 of R.A. 8501

SECTION 1. Who May Apply for Condonation under this Rule. — Any member