

[HDMF, October 27, 2000]

AMENDED RULES AND REGULATIONS IMPLEMENTING REPUBLIC ACT NO. 8501

Pursuant to the authority granted to the Board of Trustees of the Home Development Mutual Fund under Section 13 of Presidential Decree No. 1752, as amended, Rule III of the Rules and Regulations Implementing Republic Act No. 8501 is hereby amended in response to numerous requests of member-borrowers who, for various valid reasons, failed to file their application for condonation of penalties under Section 2 of R.A. 8501 before the expiration of the deadline.

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 refused to pay his monthly amortizations due to structurally defective or substandard housing units and/or subdivisions lacking in basic amenities such as water, light, drainage, good roads and others and as required by law, may likewise apply for condonation of penalties under this Rule.

Section 2. Condonation of Penalties after Full Payment/approval of application. 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 or upon approval of the borrower's application for a restructuring of his loan.

Section 3. Restructuring and term of the Loan. The unpaid due and demandable arrearages after partial payment shall be restructured within the remaining period of the loan or over ten (10) years, whichever is higher, provided that the borrower is at most age 65 at the time of loan maturity and to be paid together with the scheduled amortization for the undue balance of the