

ADDITIONAL POLICIES FOR PROCESSING UNDER HDMF CIRCULAR NO. 259

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Pursuant to Item IX of Circular No. 259 or the “Amended Omnibus Guidelines Implementing the Pag-IBIG Takeout Mechanism under the Developers’ CTS/REM Scheme,” which authorizes the Senior Management Committee to amend, modify or revise the said guidelines, the following additional policies for processing under the HDMF Circular No. 259 are hereby issued:

1. All housing loan applications shall be subject to the evaluation of the capacity to pay, where the monthly repayment on principal and interest shall not exceed forty percent (40%) of the borrower’s net disposable income.
2. Takeout proceeds for housing loan applications processed under Window 1 and Window 1 (Elite), which are in accordance with the projected delivery schedule attached to the Funding Commitment Agreement, will be released to the developer within fifteen (15) working days from delivery of loan folders, unless there are negative findings on the loan application and the borrower. Within the said period, the Fund’s evaluator/appraiser will do the following:
 - 2.1 Check completeness of loan documents;
 - 2.2 Evaluate the validity and authenticity of loan documents;
 - 2.3 Verify the borrower’s identity;
 - 2.4 Validate the borrower’s intent to avail of Pag-IBIG Housing Loan;
 - 2.5 Validate the borrower’s eligibility to avail of the loan;
 - 2.6 Evaluate the borrower’s capacity to pay;
 - 2.7 Inspect the house and lot units; and
 - 2.8 Witness the signing of loan documents by the borrower (LMA, PN, Disclosure Statement).

Pre-takeout validation of borrowers and signing of necessary loan documents by the borrowers will be conducted in a day, either in the HDMF office or the project site as arranged by the developer.

3. Documentation

All submitted folders to the Fund must be covered by a notarized Certification, signed by the Developer’s Authorized Signatory, attesting to the completeness and authenticity of the documents submitted.

4. Conversion of CTS accounts to REM

The developer shall convert accounts from CTS to REM not later than the 24[th] month from takeout for accounts under Window 1 and Window 2, or 36[th] month from the date of loan takeout for accounts under Window 1 (Elite), whichever is applicable. Notwithstanding the early conversion of CTS accounts to REM, the Buyback guaranty for developers under Window 1 or Window 1 (Elite) shall remain in full force until the end of the two year or three-year seasoning period as the case may be.

HDMF will not be issuing Notices of Conversion to the developer. Instead, the developer shall inform the Fund in

writing when will be initiating the conversion process and when he will need the documents for the said purpose.

All memoranda, rules, regulations, and other issuances inconsistent with the above policies are hereby repealed, amended or modified accordingly. All other provisions in Circular No. 259 that are not affected by the above policies are hereby adapted and made integral to this Circular.

The amendments provided in this memorandum take effect on 1 March 2011.

Adopted: 10 March 2011

(SGD.) ATTY. DARLENE MARIE B. BERBERABE

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