

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

FIFTEENTH CONGRESS
First Regular Session

House Bill No. 4038

Introduced by **Honorable Carmelo F. Lazatin**

EXPLANATORY NOTE

Article XIII Section 9 of the 1987 Philippine Constitution states that the State is mandated to undertake a *"continuing program of urban land reform and housing which will make available and affordable cost decent housing and basic services...."*

As a manifestation of commitment, the national government, in the 1st UN Conference on Human Settlements or better known as Habitat 1, recognized the importance of providing decent shelter to the people and that housing is a national responsibility.

And many years after this famous Habitat 1 Conference, the national government is still hard pressed to meet the growing need for decent housing by many, especially those families who fall in the low and middle income bracket.

With these, it is important for the national government continuously enhance its program on housing.

One sound and efficient way to address the above problem is to improve further the housing program services of the Home Development Mutual Fund or better known as PAG-IBIG. And as the present global economic crisis unfolds and affects the nation, it is necessary to provide some relief to the Filipino salaried wage earners in the form of lower interest rates on housing loans.


CARMELO F. LAZATIN

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AN ACT IMPROVING THE HOUSING PROGRAM SERVICES OF PAG-IBIG

Be it enacted by the Senate and the House of representatives of the Philippines in Congress assembled:

Section 1. The Home Development Mutual Fund created under Presidential Decree 1752 is hereby renamed as PAG-IBIG FUND.

Section 2. Declaration of Policy. - The PAG-IBIG Fund, or simply PAG-IBIG, shall be the primary government institution that is tasked to meet the needs of low income and middle income wage earners for decent housing through the creation of a provident savings system for employees, private and public, who shall be the members, supported by matching contributions of their respective employers, with housing as the primary investment. The system may cover self-employed and other working groups, as herein provided.

Section 3. Housing Loan Interest Rates.- To achieve the policy set herein, PAG-IBIG shall institute a progressive interest rate system on its housing program. The rate of interest shall depend on two factors: the amount of loan for housing and the number of years of the loan program.

Amount of Loan	No. of Years	Interest Rate
Up to P400,000.00	1 yr. to 5 yrs.	2% per annum
	6 yrs. to 10 yrs.	3% per annum
	11 to 15 yrs.	4% per annum
	16yrs. to 30 yrs.	5% per annum
Over P400,000.00 up to P750,000.00	1 yr. to 5 yrs.	4% per annum
	6 yrs. to 10 yrs.	5% per annum
	11 to 15 yrs.	6% per annum
	16yrs. to 30 yrs.	7% per annum
Over P750,000.00 up to P2,000,000.00	1 yrs. To 5 yrs.	8% per annum
	6 yrs. to 10 yrs.	9% per annum
	11 to 15 yrs.	10% per annum
	16yrs. to 30 yrs.	10.5% per annum

Section 4. Loan Amount Limitations. The maximum loanable amount of a married couple for housing is only up Two Million Philippine Pesos (P2,000,000.00) and in no way PAG-IBIG shall entertain and process two separate housing loan applications from a married couple.

Sec. 5. Repealing Clause. — All laws, executive orders, rules or regulations, or any part thereof, inconsistent with any provisions of this Act are hereby repealed or modified accordingly.

Sec. 6. Effectivity. — This Act shall take effect fifteen (15) days after its complete publication in at least two (2) national newspapers of general circulation.

Approved,