

**REPUBLIC OF THE PHILIPPINES
HOUSE OF REPRESENTATIVES
QUEZON CITY**

**FIFTEENTH CONGRESS
FIRST REGULAR SESSION**

H.B. No. 4628

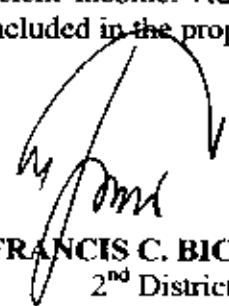
Introduced by **HON. AL FRANCIS C. BICHARA**

EXPLANATORY NOTE

It has been the declared policy of the State to undertake and provide a continuing housing program which will make available at affordable costs decent housing to the underprivileged and homeless citizens¹. To carry out this policy, Congress enacted, among other laws, Republic Act No. 9679 otherwise known as the "*Home Development Mutual Fund Law of 2009*". The said law was aimed at further strengthening the Fund by making it compulsory for all employees earning at least One Thousand (P1,000.00) a month, including house helpers and self-employed individuals, to be covered by the program. The employers of these said employees are likewise required to provide counterpart contributions.

Apparently, this would indeed increase the savings of the Fund, thereby allowing it to more effectively perform its housing and provident finance mandates. Nevertheless, a thorough consideration of the circumstances would reveal that still, the advantages would only redound to those members of the society who are gainfully employed—and this is clearly not in keeping with the aforesaid policy of the State considering that most of the underprivileged and homeless citizens are those underemployed or unemployed.

For this reason, the undersigned proposes further amendment to Republic Act No. 9679. This amendment would expand the coverage of the Fund's Housing Loan Program so as to include members' extended families who are non-members or with no sufficient income. Additional measures to ensure full and regular payment of these loans are hereby included in the proposal.



AL FRANCIS C. BICHARA
2nd District, Albay

¹ Sec. 9, Article XIII of the 1987 Philippine Constitution

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Introduced by **HON. AL FRANCIS C. BICHARA**

AN ACT AMENDING SECTION 11 OF REPUBLIC ACT NO. 9679, OTHERWISE KNOWN AS "HOME DEVELOPMENT MUTUAL FUND LAW OF 2009" BY EXPANDING THE COVERAGE OF THE PAG-IBIG HOUSING LOAN SO AS INCLUDE THE NON-EARNING IMMEDIATE FAMILY MEMBERS OF PAG-IBIG MEMBERS, AND FOR OTHER PURPOSES.

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

SECTION 1. Section 11 of Republic Act 9679 which reads thus:

"Section 11. A member of good standing shall be eligible to apply for housing loans, under such terms and conditions as may be authorized by the Board of Trustees taking into account ability to pay. The Board of Trustees shall institute policies to ensure that lower income members obtain housing loans."

is hereby amended by adding a new section which shall be read as follows:

"SECTION 11-A. TACKING OF LOAN. – MEMBERS IN GOOD STANDING MAY APPLY FOR HOUSING LOANS WHICH MAY TACK IN OR INCLUDE THAT OF HIS/HER FAMILIES NOT TO EXCEED THREE IN NUMBERS. FAMILY MUST BE WITHIN THE SECOND DEGREE OF CONSANGUINITY OR AFFINITY, IRRESPECTIVE OF WHETHER THEY ARE THEMSELVES MEMBERS OF PAG-IBIG OR NOT, PROVIDED THAT THE FOLLOWING REQUIREMENTS CONCUR:

- A. THE PAG-IBIG MEMBER CONCERNED HAS PAID CONTRIBUTIONS EQUIVALENT TO AT LEAST 24 MONTHS PRIOR TO THE FILING OF THE APPLICATION FOR HOUSING LOAN;**
- B. IS NOT MORE THAN 50 YEARS OLD AT THE TIME OF THE MATURITY OF THE LOAN, AND IS INSURED, WITH THE FAMILY MEMBERS TACKED IN HIS LOAN AS BENEFICIARIES;**
- C. HAS NO EXISTING OUTSTANDING LOAN;**
- D. HAS NO PAG-IBIG HOUSING LOAN THAT WAS FORECLOSED, CANCELLED, BOUGHT BACK OR SUBJECTED TO DACION EN PAGO;**
- E. HAS NO OUTSTANDING PAG-IBIG MULTI-PURPOSE LOAN IN ARREARS AT THE TIME OF LOAN APPLICATION;**
- F. HAS PASSED SATISFACTORY BACKGROUND/CREDIT AND EMPLOYMENT/BUSINESS CHECKS;**
- G. NOTWITHSTANDING THE TACKING, THE TOTAL AMOUNT OF LOAN MUST NOT EXCEED TWO MILLION PESOS (P2,000,000.00) OR SUCH OTHER AMOUNT THAT THE BOARD MAY DETERMINE IN THE FUTURE AS THE REVISED MAXIMUM AMOUNT OF LOAN AVAILABLE TO THE MEMBERS.**

H. SUCH OTHER REQUIREMENTS AS THE BOARD OF TRUSTEES MAY PRESCRIBE.”

SECTION 2. The same law is hereby further amended by adding a new section which shall read as follows:

“SECTION 11-B. TACKED LOANS, PURPOSES. THE FAMILY MEMBERS SO TACKED IN THE LOANS OF A PAG-IBIG MEMBER MAY USE THE PROCEEDS THEREOF FOR THE SAME PURPOSE AS THAT OF THE ORIGINAL LOAN, OR FOR A DIFFERENT PURPOSE PROVIDED THAT THE SAME IS AMONG THOSE AUTHORIZED BY THE BOARD OF TRUSTEES SUCH AS, BUT NOT LIMITED TO THE FOLLOWING: PURCHASE OF A FULLY DEVELOPED LOT, PURCHASE OF A RESIDENTIAL HOUSE AND LOT, TOWNHOUSE OR CONDOMINIUM UNIT, CONSTRUCTION OR COMPLETION OF A RESIDENTIAL UNIT ON A LOT OWNED BY A PAG-IBIG MEMBER, AND HOME IMPROVEMENT.”

Provided That with the introduction of the two (2) new sections, Republic Act No. 8679, otherwise known as the Home Development Mutual Fund Law of 2009, is hereby renumbered accordingly.

SECTION 3. Repealing Clause. All Acts or part of Acts, Executive Orders and their implementing rules inconsistent with the provision of this Act are hereby repealed, amended or modified accordingly.

SECTION 4. Separability Clause. If any provision of this Act is declared invalid, the remainder of this Act or any provision not affected thereby shall remain in force and in effect.

SECTION 5. Effectivity Clause. This Act takes effect fifteen (15) days after its complete publication in the Official Gazette or in two (2) newspapers of general circulation, whichever comes earlier.

Approved.