



Pag-IBIG Fund: The Philippines' Provident Fund for Housing

- Overview: Pag-IBIG Fund as a Social Security Agency
- Issues Being Addressed
- Housing Finance Innovations
- Outcome
- Prospects for the Future

Pag-IBIG Fund as a Social Security Agency



Mandates



To generate savings through membership in an integrated nationwide savings system.

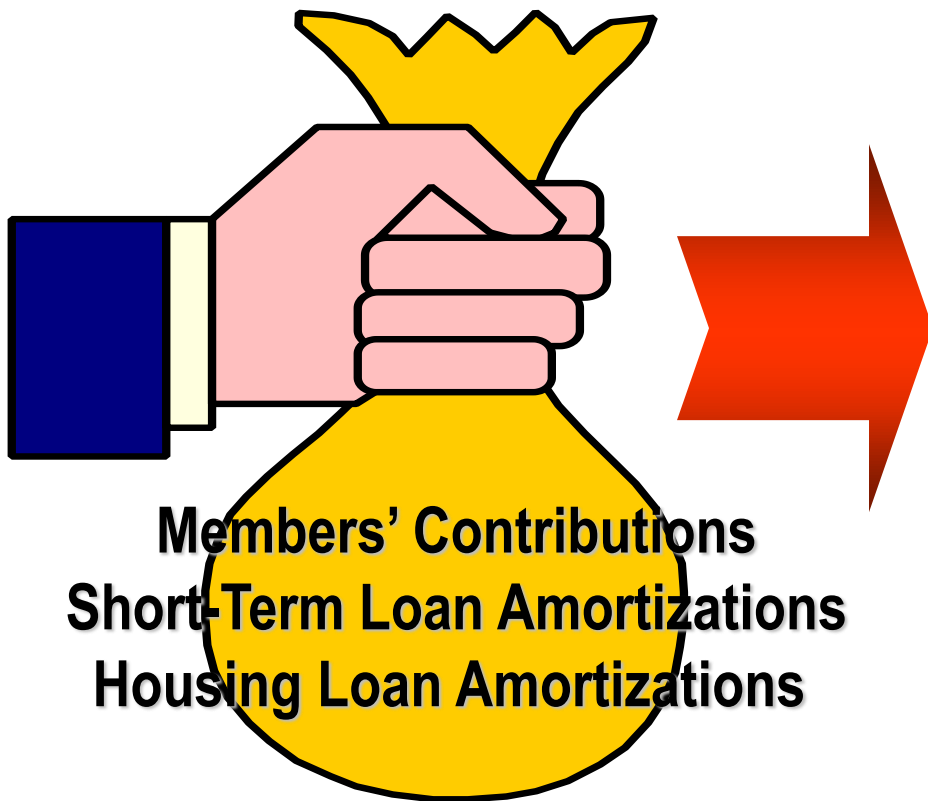
To mobilize the provident funds of its members for housing purposes.

Pag-IBIG Fund as a Social Security Agency



Pag-IBIG's Business

Fund Sources



Fund Usage

Provident Benefits

Short-Term Loans

Provident Claims

Death Benefit

Housing Finance

End-user Financing

Institutional Loans

Reserve Funds

Investment Portfolio

Pag-IBIG Fund as a Social Security Agency



Benefits

- Provident Benefit: withdrawal of member's Total Savings consisting of personal and employer contributions as well as dividends
- Additional Death Benefit: Php 6,000 (US\$ 127.89) upon death of the member
- Housing Loan: maximum of Php 2 million (US\$42,628.47)
- Short-Term Loan: as much as 80% of the member's TAV, depending on total monthly contributions

2008 Pag-IBIG Branches



LUZON NORTH GROUP

- (1) **Tuguegarao**
 - Isabela Ext. (1)
 - Nueva Vizcaya Ext. (2)
- (2) **Baguio**
- (3) **La Union**
 - Dagupan Ext. (3)
 - Vigan Ext. (4)
 - Ilocos Norte Ext.(5)
- (4) **San Fernando**
- (5) **Malolos**
- (6) **Dinalupihan**
 - Cabanatuan Ext.(6)

PROVIDENT NORTH GROUP

- (17) **Ortigas**
 - Antipolo SC (1)
 - San Jose Antipolo Ext.(10)
- (18) **Kamias**
- (19) **Cubao**
- (20) **Manila**
- (21) **Caloocan**

LUZON SOUTH GROUP

- (22) **Lucena**
- (23) **Batangas**
 - Calapan Ext. (11)
- (24) **Calamba**
 - Palawan Ext. (12)
- (25) **Legazpi**
 - Masbate Field SC (2)
- (26) **Naga**
 - Daet Field SC (3)

VISAYAS GROUP

- (27) **Iloilo**
 - Kalibo SC (4)
 - Roxas Ext. (13)
- (28) **Bacolod**
- (29) **Cebu**
 - Dumaguete Ext.
- (30) **Mandaue**
 - Tagbilaran Ext.
- (31) **Tacloban**
 - Catbalogan Ext.
 - Ormoc SC

MINDANAO SOUTH GROUP

- (32) **Davao**
- (33) **Tagum**
- (34) **General Santos**
- (35) **Cotabato**
 - Kidapawan SC

MINDANAO NORTH GROUP

- (12) **Zamboanga**
 - Dipolog Ext. (7)
- (13) **Pagadian**
- (14) **Cagayan de Oro**
 - Malaybalay Ext. (8)
- (15) **Iligan**
- (16) **Butuan**
 - Surigao Ext. (9)

PROVIDENT SOUTH GROUP

- (7) **Makati I**
- (8) **Makati II**
- (9) **Imus**
- (10) **Pasay**
- (11) **PAG-IBIG OVERSEAS GROUP (PIOG)**

Membership Level



In Millions



1.30
1989

2.2
1995

7.2
2008*

455%
growth rate
from 1989

*As of August 2008

Issues being addressed



Mismatch between fund sources and loan packages. Loan entitlement of members have increased despite the stagnant rate of contributions, which have not changed since 1986.

Pooling of Savings for Housing

- Members' savings are pooled together to finance a housing loan (HL).
- Based on an average savings of US\$452.02, HLs are financed in this manner:
 - 14 members : US\$ 6,394.27
 - 35 members : US\$ 15,985.68
 - 94 members : US\$42,628.47

**Based on 30 Sept. 2008 forex rate of US \$ 1 : Php 46.917*

Issues Concerning Collections



- Government loans are dole-outs.
- No need to pay them.

Tapat ako sa Pag-IBIG Fund.

"Kaya rin mabait na mamamayan ang pagpapalagay sa Pag-IBIG Fund dahil dito ako na may tahanan. Naging pamilya ang pagpapalagay sa Pag-IBIG Fund dahil dito ako na may tahanan. Naging pamilya ang pagpapalagay sa Pag-IBIG Fund dahil dito ako na may tahanan."

• Benhur Garcia
Member of Pag-IBIG Fund
Public Sector Member

Tapat sa Pag-IBIG Fund, Tapat sa Mamamayan.

Sa iyong katapatan sa pagbayad, anak mo rin ang makikinaabang.

Nasa iyong katapatan bilang miyembro ang sagot. Kung lahat ng makikinaabang sa Pag-IBIG launa ay tapat sa pagbayad, tuloy-tuloy ang paglaki ng pondo racin, tuloy-tuloy ang paglalay ng benepisyo hindi lamang sa ngayon, hanggang sa suunod na henerasyon.

• Benhur Garcia
Member of Pag-IBIG Fund
Public Sector Member

Tapat sa Pag-IBIG Fund, Tapat sa Mamamayan.

"Salamat sa inyong katapatan, ang bukas ay may Pag-IBIG."

John Matthew Divalante, 4 yrs. old

Salamat sa inyong katapatan bilang miyembro, tuloy-tuloy ang paglaki ng pondo racin, tuloy-tuloy ang paglalay ng benepisyo para sa lahat, hindi lamang sa ngayon, hanggang sa suunod na henerasyon.

Magbayad po natin nang tapat sa Pag-IBIG Fund. Magbayad po natin nang tapat sa Pag-IBIG Fund.

"Nang dahil sa Pag-IBIG may magandang bukas sa kanila."

Raymond Divalante, Father

Tapat sa Pag-IBIG Fund, Tapat sa Mamamayan.

Tapat ako sa Pag-IBIG Fund.

"Maging ang pagpapalagay sa Pag-IBIG Fund dahil dito ako na may tahanan. Naging pamilya ang pagpapalagay sa Pag-IBIG Fund dahil dito ako na may tahanan. Naging pamilya ang pagpapalagay sa Pag-IBIG Fund dahil dito ako na may tahanan."

• Benhur Garcia
Member of Pag-IBIG Fund
Public Sector Member

Tapat sa Pag-IBIG Fund, Tapat sa Mamamayan.

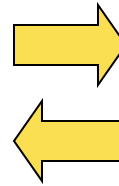
TAPAT SA PAG-IBIG FUND CAMPAIGN

Housing Finance Innovations



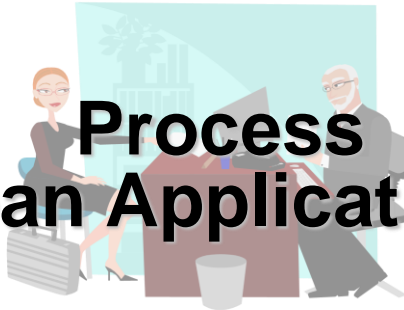
Risk-Sharing

Developer



Pag-IBIG Fund

**Process
Loan Applications**



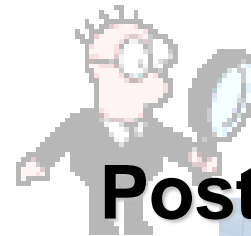
Faster takeout



**Two-year
Buyback Period**



**Post-takeout
Inspection**



**Developers'
Warranties**



Housing Finance Innovations



Organizational Set-up

Then



**Loans
Origination**

Now



**Loans
Origination**



**Loans Management /
Collection**



**Loans Management /
Collection**



Mahalaga kayo sa amin.



Hangad naming kayo'y mapaglingkuran ng lubusan.
Kaya't mas inilalapit namin sa inyo ang aming
mga serbisyo. Para sa inyong mga katanungan,
mungkahi o opinyon, tumawag lamang sa

Pag-IBIG
724-4244

Lunes hanggang Biyernes, 8:00am-5:00pm

o kaya'y mag text sa

2990Pag-IBIG
(2990-7244244)

para sa mga Globe subscribers

0917-8922990

para sa Smart, Talk & Text, at Sun Cellular
subscribers at sundin ang format na
<Pag-IBIG mensahe>.

Housing Finance Innovations



Other Avenues for Collection

**Overseas
Remittance Facility**



On-line Payment



Collecting Banks



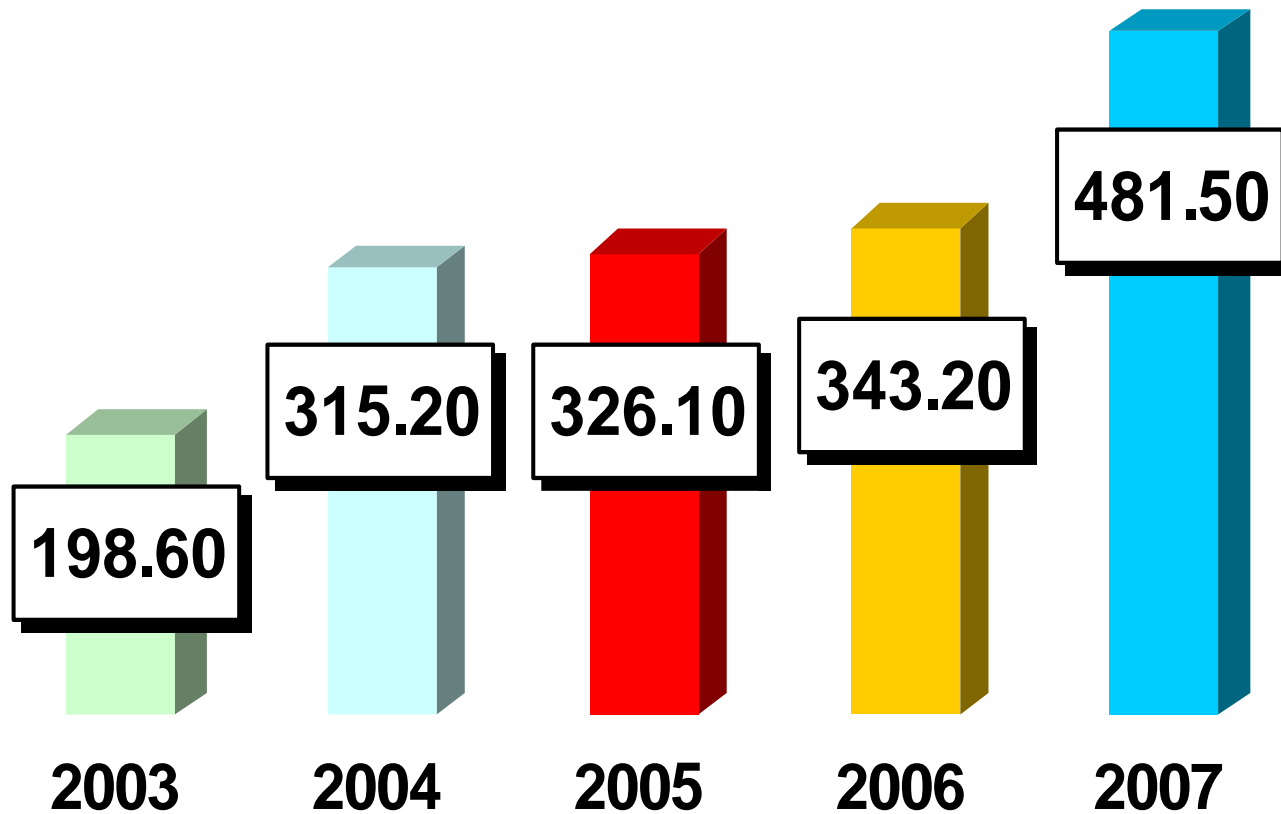
Member-Borrower Friendly Loan Features

- Higher loan-to-collateral ratio: as much as 100% for loans up to P750,000
- Lower interest rates: as low as 6% per annum
- Longer repayment term: maximum of 30 years
- Faster takeout/loan release: within 7 days from submission of complete mortgage documents

Housing Loan Takeouts 2003-2007



(in million US \$)

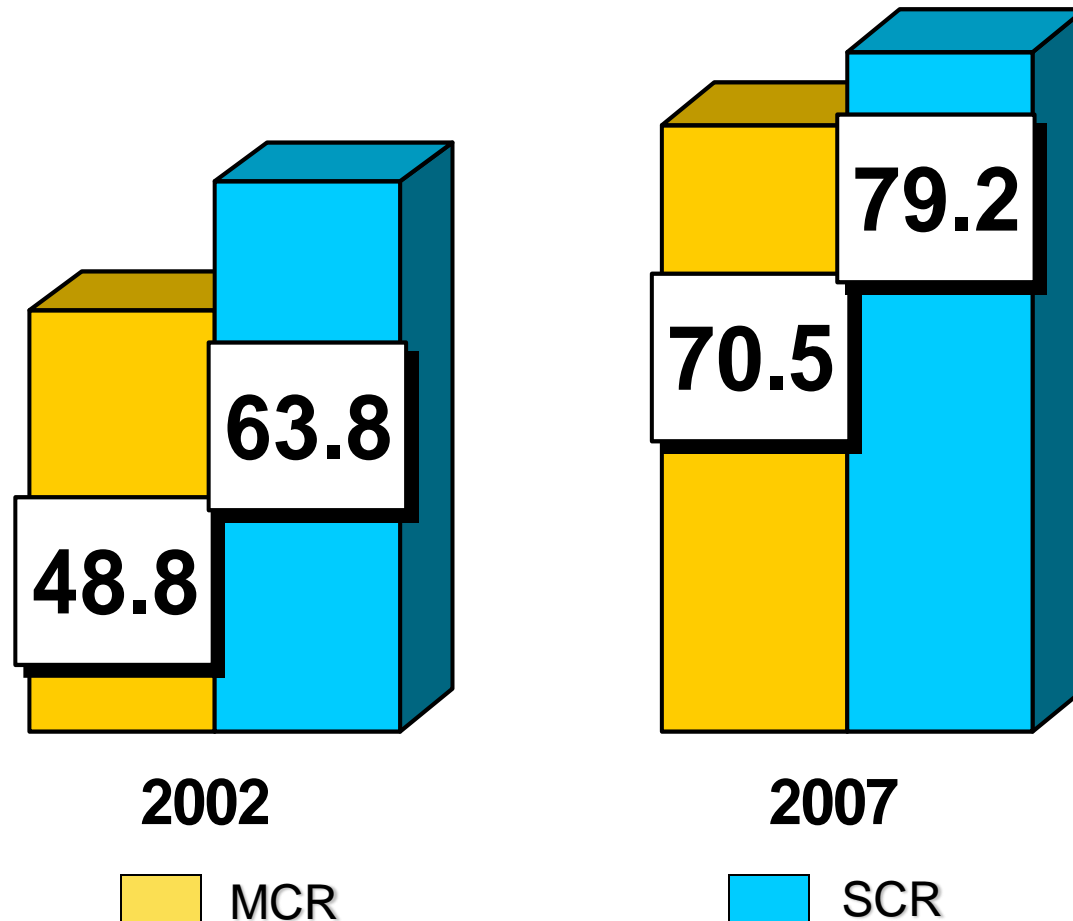


**Based on 30 Sept. 2008 forex rate of US \$ 1 : Php 46.917*

2007 Performing Loans Ratio



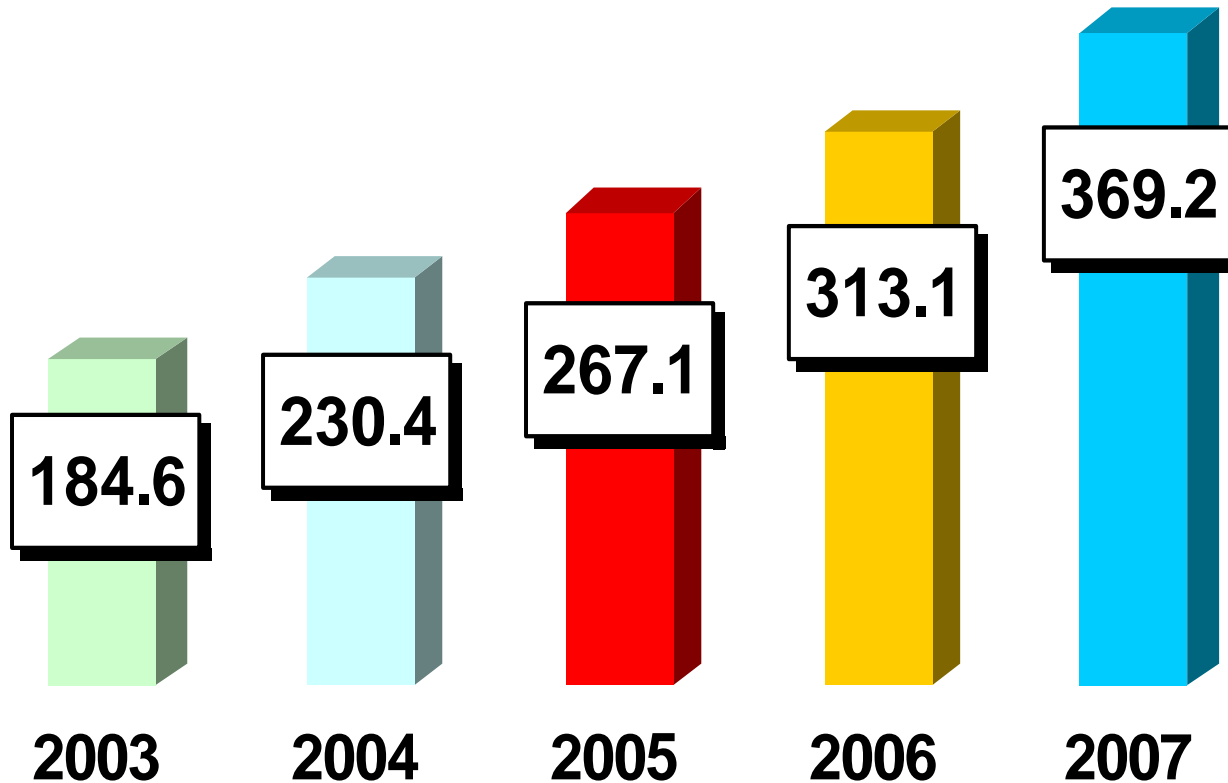
(in percent)



HL Collections



(in million US \$)

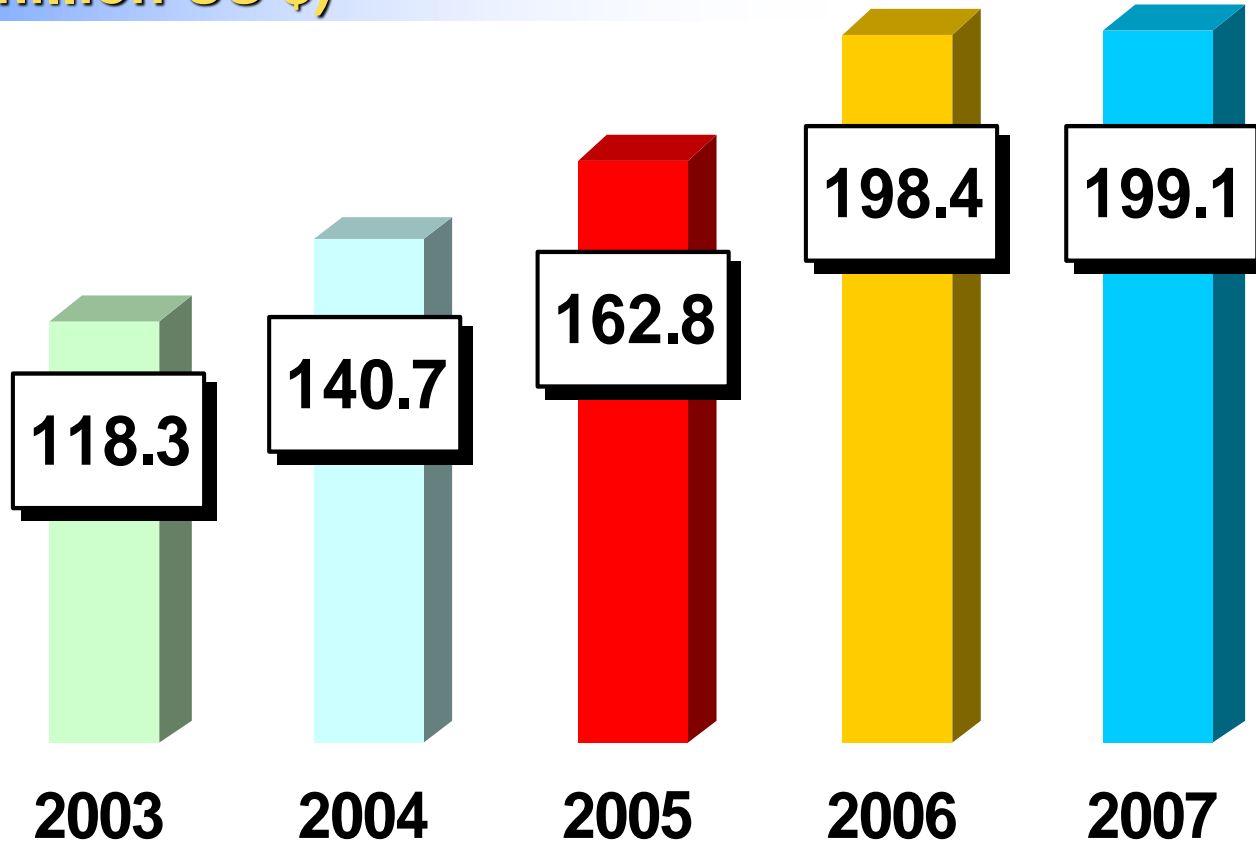


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HL Income



(in million US \$)

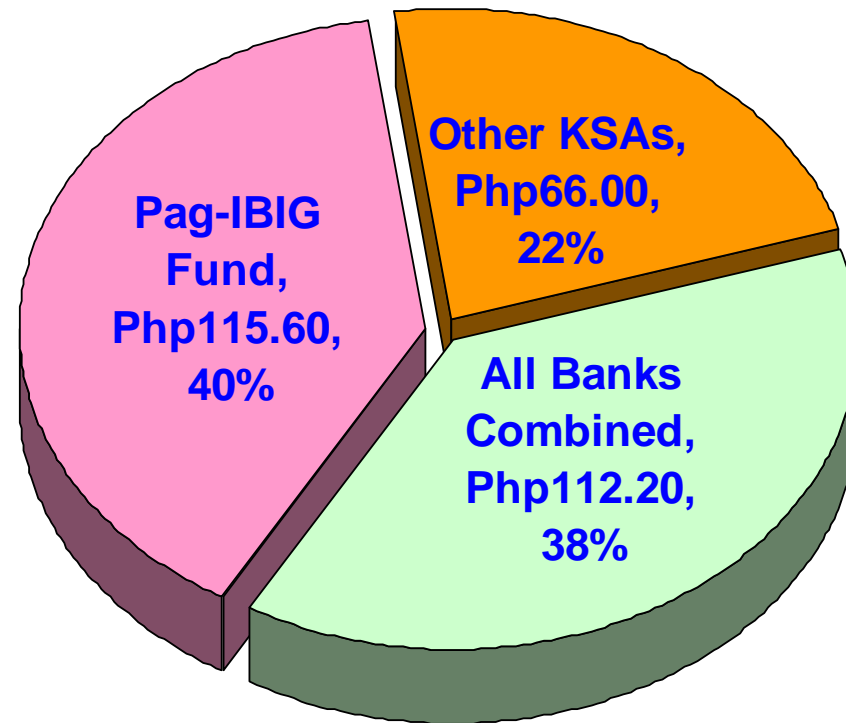


**Based on 30 Sept. 2008 forex rate of US \$ 1 : Php 46.917*

2007 Home Financing



In Billion Pesos



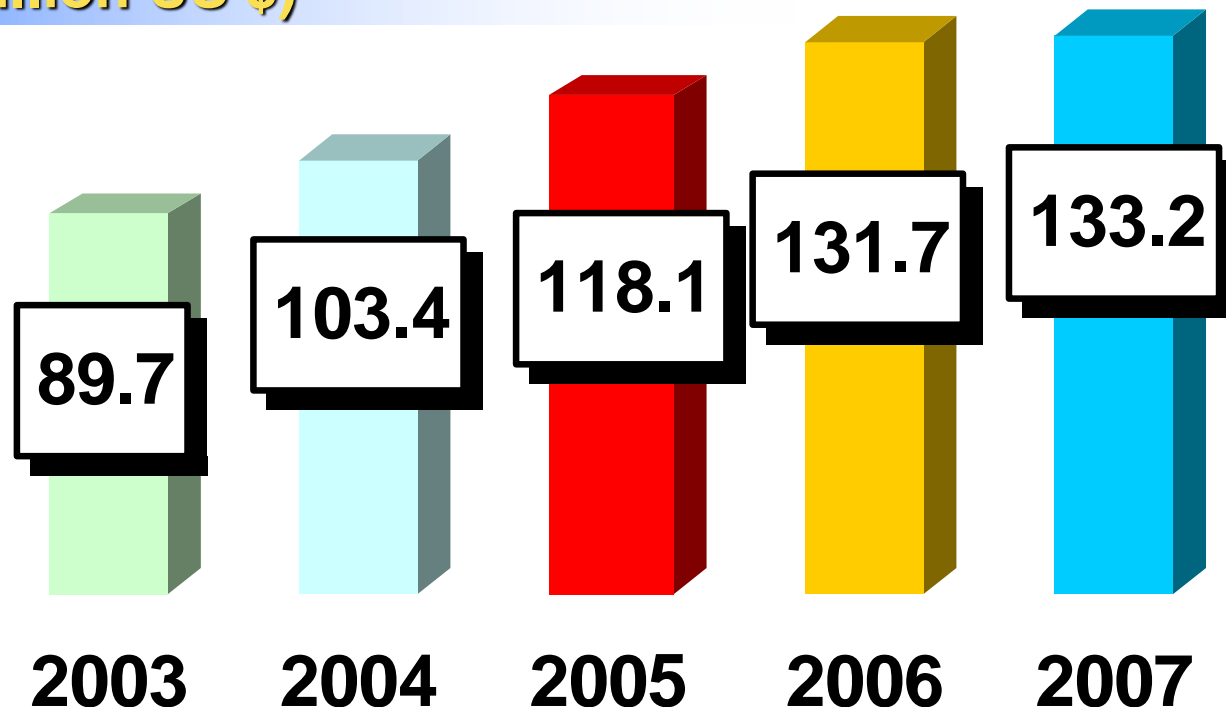
✓ ***Single Biggest Source of Home Financing***

Housing Finance Innovations



Income from Housing Investments are returned to members in the form of **Dividends**.

(in million US \$)



Prospects for the Future



- Provide shelter security to Filipino households by allocating Php 75 B (US\$ 1.6 B) to finance close to 160,000 houses in 2008-2010

References



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Thank you!