



MAR 19 2014

OFFICE ORDER

NO. 5

Series of 2014

SUBJECT: RESTRUCTURING GUIDELINES ON DELINQUENT ACCOUNTS

I. Coverage

All delinquent housing loan buyers/borrowers/lessees.

II. Terms and Conditions

Delinquent buyers/borrowers/lessees shall be allowed to restructure their total obligation under any of the following terms:

1. Total obligation payable over a maximum period of one year
 - No interest on amortization payments

2. Total outstanding obligation payable over a maximum term of fifteen (15) years or the remaining term of the loan, whichever is longer, provided that the term of the loan shall not exceed the difference between the buyer's/borrower's/lessee's age at the time of restructuring and seventy (70).
 - Minimum downpayment equivalent to ten percent (10%) of the total obligation, payable in six (6) months without interest, simultaneous with the monthly amortization
 - Interest on the balance shall be based on the Board-approved rates for sale of HGC properties as follows:

| <u>Total obligation</u> | <u>Interest rate</u> |
|-------------------------|----------------------|
| Up to P400,000.00 | 6% |
| >400,000.00 - P2Mn | 9% |
| >P2Mn | 12% |

- With prompt payor discount of one percent (1%) on the interest rate if amortization is settled on or before the due date.

- Only applications with complete documents/requirements will be processed.
- A buyer's/borrower's/lessee's may avail of loan restructuring only once under these guidelines.

III. Penalty Computation

No penalties shall be computed during the implementation of any restructuring or condonation programs promulgated by Congress.

IV. Security

The restructured loan shall be secured by the same collateral that secured the original loan.

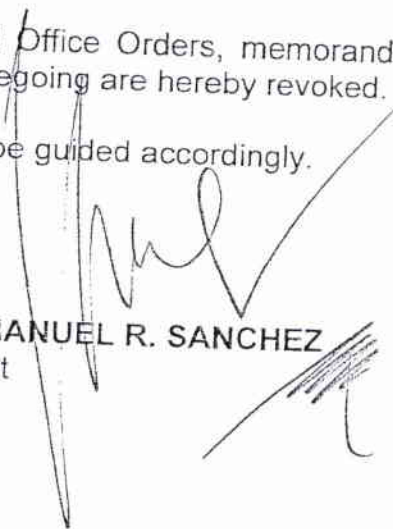
V. Implementation Period

1. This program shall be implemented beginning March 19, 2014 and may only be availed of until December 31, 2014.
2. Upon the lapse of the deadline for availment, the accounts of delinquent buyer's/borrower's/lessee's who failed to file an application for loan restructuring shall be endorsed for foreclosure or cancellation of Contract within thirty (30) days from receipt of appropriate notices.

VI. All other terms and conditions of the existing Contracts shall remain in force and effect.

VII. All Office Orders, memoranda and other issuances inconsistent with the foregoing are hereby revoked.

Please be guided accordingly.


ATTY. MANUEL R. SANCHEZ
President