

PROMISSORY NOTE WITH RESTRUCTURING AGREEMENT

PROMISSORY NOTE

P 475,787.28
(Amount)

Date December 03, 2020

For value received, I/We (the **BORROWER / BORROWER** and **CO-BORROWER/S**) hereby unconditionally promise to pay jointly and severally, without need of notice or demand, **Pag-IBIG Fund** or its assignee/transferee, the sum of Four Hundred Seventy Five Thousand Seven Hundred Eighty Seven Pesos and Twenty Eight Centavos (P475,787.28), Philippine Currency, the total restructured loan (interest bearing, non-interest bearing and accrued interest). The interest-bearing portion of the restructured loan (outstanding principal balance and interest bearing arrearages, foreclosure expenses and advances made by **Pag-IBIG Fund**) in the amount of Four Hundred Sixty Six Thousand Seven Hundred Seventy Seven Pesos (P466,777.00) shall bear interest at the rate of Six and Three Hundred Seventy Five percent (6.375%) per annum and shall be paid in 340 monthly amortizations, together with my/our insurance premiums as follows:

MONTHS	INSURANCE		INTEREST BEARING PRINCIPAL & INTEREST	TOTAL
	SRI	NON-LIFE		
1-328	106.10	67.40	2,998.53**	3,172.03
329-340	*	*	2,998.53**	2,998.53***

**The monthly payment shall exclude insurance premiums on the last year of the loan term.*
***The principal and interest shall be based on Pag-IBIG Fund's prevailing interest rate at the time of repricing.*
****At end of term, any remaining balance on restructured loan shall be added to the last monthly amortization/installment due.*

to commence on March 28, 2021. Subsequent installments/amortizations shall be paid every 28th day of the month until the loan shall have been fully paid. Pag-IBIG Fund shall re-price the interest rate of my/our loan every 3 year/s based on the prevailing market rate in the Fund's Full Risk – Based Pricing Framework at point of re-pricing. Upon re-pricing, the monthly amortization shall accordingly be adjusted based on the outstanding balance of the loan at point of re-pricing.

The non-interest bearing portion of the restructured loan in the amount of Nine Thousand Ten Pesos and Twenty Eight Centavos (P9,010.28), Philippine Currency shall be paid anytime during the loan term and shall not be subject to penalty.

Any unpaid portion of the **Restructured Loan** shall be paid at the end of term.

The **Pag-IBIG Fund** or its assignee/transferee reserves the right to increase, within the limits allowed by law, with notice to the **BORROWER / BORROWER** and **CO-BORROWER/S**, the rate of interest herein stipulated as well as fees and charges on loans and advances at any time depending on whatever policy it may adopt in the future during the period of the loan. In the event the applicable maximum rate of interest is reduced by law or by Monetary Board, the Pag-IBIG Fund may, without need of notice to the **BORROWER / BORROWER** and **CO-BORROWER/S**, reduce the interest rate in accordance with the said law or by order of the Monetary Board. In either case, the adjustment in the interest rate agreed upon shall take effect on or after the effectivity of the increase or decrease in the maximum rate of interest.

In any event of default as provided for in the Restructuring Agreement, the **Pag-IBIG Fund** or its assignee/transferee can declare the entire principal amount outstanding on the Note and the accrued interests, including charges, fees, penalties, and other obligations of whatever kind and nature under the Restructuring Agreement immediately due and payable; presentment, demand, or other notice of any kind being therein expressly waived. In addition, I/we agree to pay a penalty of one-twentieth of one percent (1/20 of 1%) of the total amount due for every day of delay until full payment thereof.

In case I/we fully settle the loan prior to its maturity through availment of refinancing facility offered by other financial institutions, I/we agree to pay a service fee as may be determined by **Pag-IBIG Fund** or its assignee/transferee at the time of full payment.

If any action is brought to collect this Note, the **Pag-IBIG Fund** or its assignee/transferee shall be entitled to collect costs and expenses of the proceedings, including but not limited to, Attorney's Fees equivalent to at least 25% of the total amount due.

I/We agree that any suit arising from this Note shall be filed exclusively with the proper courts of the City of Makati, if executed within the National Capital Region, or in the city/municipality where the **Pag-IBIG Fund**, its assignee or transferee, conducts its business through its branches.

INIÑA BALEAN BULALACAO

<div>BORROWER</div> <div>ID No. _____</div> <div>Date of Issue _____</div> <div>Expiry Date _____</div> <div>With my marital consent:</div> <div>SPOUSE</div>	<div>CO-BORROWER</div> <div>ID No. _____</div> <div>Date of Issue _____</div> <div>Expiry Date _____</div> <div>SPOUSE</div>	<div>CO-BORROWER</div> <div>ID No. _____</div> <div>Date of Issue _____</div> <div>Expiry Date _____</div> <div>SPOUSE</div>
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AND BY WAY OF SECURITY TO THE RESTRUCTURED LOAN GRANTED, THE BORROWER / THE BORROWER AND HIS/HER CO-BORROWER'S HEREBY EXECUTE THIS:

RESTRUCTURING AGREEMENT

This **RESTRUCTURING AGREEMENT** made and entered into by:

INIÑA BALEAN BULALACAO, of legal age, Filipino, single/married to _____, and with residence and postal address at 18 EXEQUIEL ST STO NIÑO MARIKINA 1800 hereinafter referred to as the **BORROWER**.

- and -

(IF WITH CO-BORROWER/S)

_____, of legal age, Filipino, single/married to _____, and with residence and postal address at _____ hereinafter referred to as the **CO-BUYER**.

- and -

_____, of legal age, Filipino, single/married to _____, and with residence and postal address at _____ hereinafter referred to as the **CO-BUYER**.

- and -

The **Home Development Mutual Fund** (also known as *Pag-IBIG Fund*), a government financial institution organized and existing under and by virtue of Republic Act No. 9679, with principal office at Petron MegaPlaza, 358 Sen. Gil Puyat Avenue, Makati City, represented in this act by its _____, hereinafter referred to as the "**Pag-IBIG Fund**".

WITNESSETH:

WHEREAS, the **BORROWER / BORROWER and CO-BORROWER/S** has applied for the restructuring of his/her outstanding housing loan obligation under Pag-IBIG Fund Special Loan Restructuring Program.

WHEREAS, the **Pag-IBIG Fund** finds the application in order and agrees to restructure the outstanding obligation of the **BORROWER / BORROWER and CO-BORROWER/S**.

NOW, THEREFORE, for and in consideration of the foregoing premises and the covenants hereunder set forth to secure the Promissory Note executed above, the Parties hereby agree and bind themselves as follows:

ARTICLE I. THE RESTRUCTURED LOAN

Section 1. **Amount of Restructured Loan.** The **BORROWER / BORROWER and CO-BORROWER/S** acknowledge/s that his/her/their total outstanding loan obligation (hereinafter referred to as the **Restructured Loan**) to the **Pag-IBIG Fund** is Four Hundred Seventy Five Thousand Seven Hundred Eighty Seven Pesos and Twenty Eight Centavos (P475,787.28), Philippine Currency which is broken down as follows:

The interest bearing principal portion (outstanding principal balance and interest bearing arrearages, foreclosure expenses and advances made by Pag-IBIG Fund) of the Restructured Loan is Four Hundred Sixty Six Thousand Seven Hundred Seventy Seven Pesos (P466,777.00), Philippine Currency (hereinafter referred to as the **Interest-Bearing Principal**).

The non-interest bearing principal portion (accrued interest incurred during the grace period) is Nine Thousand Ten Pesos and Twenty Eight Centavos (P9,010.28), Philippine Currency (hereinafter referred to as the **Non-Interest-Bearing Principal**).

Section 2. **Interest Rate.** The interest bearing portion of the restructured loan of the **BORROWER / BORROWER and CO-BORROWER/S** shall be charged with an interest rate of 6.375% per annum. However, for socialized housing loan/installment accounts with rates lower than 6.375%, the original rate of _____% shall be retained until _____. Thereafter, the repricing scheme provided in the prevailing guidelines prior to approval of the application for the restructuring program shall be applied.

Section 3. **Re-pricing.** The interest rate shall be repriced every three (3) years, reckoned from the date of approval of the application for loan restructuring.

Notwithstanding the provision of the foregoing paragraph, the interest rate shall still be subject to a periodic review every year considering the following factors- **Pag-IBIG Fund** cost of funds and the average savings rate of the preceding year. Adjustments, if there are any, shall be made every ____ January of the following year.

Section 4. **Loan Term.** The **Restructured Loan** shall be payable within a period of Twenty Eight and 4/12 (28.33) years in accordance with the terms and conditions provided for in the Promissory Note executed above.

Section 5. **Penalty.** In case the **BORROWER / BORROWER and CO-BORROWER/S** fail/s to pay the full monthly amortization and/or other loan obligations when due, excluding the non-interest bearing component of the restructured loan, he/she/they shall pay a penalty of one-twentieth of one percent (1/20 of 1%) of the amount due for every day of delay until full settlement thereof. No penalty shall be charged from 15 September 2020 to 31 December 2020 for late payment of monthly amortization/installment or any part thereof.

Section 6. **Payments.** All payments provided in this Agreement shall be made in lawful currency of the Philippines at the Pag-IBIG Fund's branches or through any collection system implemented by Pag-IBIG Fund.

The **Interest-Bearing Principal** shall be paid by the **BORROWER / BORROWER and CO-BORROWER/S** in equal monthly amortizations over the loan term in such amounts as may fully cover the principal, interest, insurance premiums and other loan obligations of the **BORROWER / BORROWER and CO-BORROWER/S**.

On the other hand, the **Non-Interest-Bearing Principal** may be paid in partial or in full anytime during the loan term and shall not be subject to penalty.

Should the due date fall on a non-working day in the Pag-IBIG Fund Branch where the housing account is maintained, the monthly amortization/installment may be paid until the next working day.

In case there is deficiency in the amortization/installment payment for a particular month, the unpaid portion of the amount due shall be charged with the applicable penalty stated in Section 5 of this Agreement. Any remaining amount thereof shall be applied to the amortization for that month according to the following order of payments: (1) Penalty, if applicable, (2) SRI Premiums / Non-Life Insurance Premiums, (3) Interest, (4) Interest Bearing Principal.

The **BORROWER / BORROWER and CO-BORROWER/S** shall be allowed to prepay his/her **Restructured Loan** in full or in part without prepayment penalty, pursuant to Republic Act No. 7394, otherwise known as "The Consumer Act of the Philippines", but subject however to a service fee as may be fixed by the Fund.

In case of accelerated payments, any amount paid in excess of the required monthly payment shall be treated as advance amortization and shall be applied on the next amortization date. However, unless expressly requested by the **BORROWER / BORROWER and CO-BORROWER/S** and provided the amount to be applied is equivalent to at least one monthly amortization, said amount shall be applied to the interest-bearing principal. If the interest-bearing principal is already fully paid, excess payments shall be applied to the non-interest-bearing principal.

The treatment of excess payment the **BORROWER / BORROWER and CO-BORROWER/S** prefer/s must be noted/properly disclosed in the Pag-IBIG Fund Official Receipt (PFOR).

Any unpaid portion of the **Restructured Loan** shall be paid at the end of the loan term.

Section 7. **Security.** Until the title to the property subject of the Contract To Sell mentioned above is transferred in the name of the **BORROWER/ BORROWER and CO-BORROWER/S** and the Real Estate Mortgage over the said property executed by the **BORROWER/ BORROWER and CO-BORROWER/S** in favor of **Pag-IBIG Fund** is registered with the concerned Registry of Deeds, the **BORROWER/ BORROWER and CO-BORROWER/S** agree/s that the Deed of Assignment / Deed of Assignment of CTS with Special Power of Attorney dated _____ and docketed in the Notarial Register of Atty. _____ as Doc. No. _____, Page No. _____, Book No. _____, Series of _____, covering that Contract to Sell dated _____ mentioned in the second WHEREAS clause hereof involving that certain condominium unit/parcel of land with all the improvements existing thereon located at _____ which is embraced in and more particularly described in TCT/CCT No. _____, and registered in the Registry of Deeds of _____ under Entry No. _____ on _____, which secured the original loan, insofar as its terms are germane and consistent with the terms of this Restructuring Agreement, shall remain valid, subsisting and in full force and effect, and the property/ies subject matter of the said CTS or Deed of Assignment / Deed of Assignment of CTS with Special Power of Attorney, whichever is applicable, shall secure the **Restructured Loan** herein granted.

Section 8. **Default.** The **BORROWER** shall be considered in default when he/she, or any of his/her **CO-BORROWERS**, in case of a tacked loan:

1. Fails to pay three (3) monthly amortizations/installments;
2. Fails to submit proof of payment of the Real Estate Property Tax for the year; or
3. Violates or fails to perform any of the obligations in the contracts entered into with Pag-IBIG Fund.

Similarly, in case of multiple housing loans, any event of default on any of the housing accounts shall constitute default on all of his/her other housing accounts.

Section 9. **Effects of Default.** In case of default as provided under the immediately preceding section, **Pag-IBIG Fund** has the following remedies:

1. Declare the outstanding obligation which includes the principal, accrued interest, penalties, fees and other charges immediately due and payable.
2. Charge the unpaid monthly amortizations with a penalty equivalent to 1/20 of 1% of the amount due for every day of delay.
3. Continue charging interest on the outstanding principal loan at the stipulated rate from the time it becomes due and demandable.
4. While the account remains to be due and demandable, the principal borrower and/or his/her co- borrowers shall not be granted another housing account under any of the Pag-IBIG housing programs.
5. Cancel the CTS in accordance with the existing guidelines on the matter.

The above remedies are cumulative and in the event **Pag-IBIG Fund** or its assignee/transferee has to initiate any action or proceeding, the latter shall be entitled to collect the costs and expenses of such action or proceeding including but not limited to attorney's fees equivalent to at least 25% of the total amount due.

ARTICLE II. INSURANCES, TAXES AND OTHER OBLIGATIONS

Section 1. **Insurance Coverage.** The **BORROWER / BORROWER and CO-BORROWER/S** hereby authorize/s the **Pag-IBIG Fund** or its assignee/transferee to obtain from the pool of accredited insurance companies established for this purpose by the **Pag-IBIG Fund** and for the latter's benefit the following insurance policies under such terms and conditions and duration as the **Pag-IBIG Fund** or its assignee/transferee may deem proper, to ensure payment in whole or in part of the loan, interest and such other amounts which may be due from the **BORROWER / BORROWER and CO-BORROWER/S**, to wit:

- a) Sales Redemption Insurance (SRI) which shall be based on the total **Restructured Loan** amount. In case the borrower and co-borrower/s are tacked into a single account, each shall be covered by the SRI to the extent of their obligation. Wherein the premiums shall be the aggregate premiums corresponding to the housing loan obligation of each borrower.

In the event of the **BORROWER / BORROWER and CO-BORROWER/S'** death or permanent/total disability, the entire outstanding loan together with the accrued interest, charges, fees, penalties and other obligations arising from this loan shall automatically become due and payable from the proceeds of the SRI.

- b) Non-Life Insurance obtained by the principal **BORROWER** on the subject property for an amount equivalent to the appraised value of the housing component of the residential unit or the loan amount, whichever is lower.

Section 2. **Payment of Insurance Premium.** The **BORROWER / BORROWER and CO-BORROWER/S** agree/s to pre-pay the insurance premiums annually, with the initial year's premium for the SRI shall be paid within 30 calendar days from date of

application. Failure to pay the initial year's premium shall cancel the application for loan restructuring. Pre-payments for the succeeding years shall be collected together with the monthly loan amortization of the current year.

Section 3. **Assignment of Insurance Policy.** Every insurance policy obtained in connection with this Agreement is hereby assigned to the **Pag-IBIG Fund** or its assignee/transferee notwithstanding the **BORROWER / BORROWER and CO-BORROWER/S'** failure to endorse or deliver said policy. Accordingly, in case the risk insured against occurs, the **Pag-IBIG Fund**, its assignee/transferee is hereby authorized to settle or liquidate all claims on said policy and to apply the proceeds thereof to settle the **BORROWER / BORROWER and CO-BORROWER/S'** obligations.

Section 4. **Payment of Real Estate Taxes.** In accordance to the application for special loan restructuring program, the **BORROWER / BORROWER and CO-BORROWER/S** agrees to submit proof payment of updated Real Estate Tax on or before January 31, 2021.

Also, the Real Estate Taxes on the property must be updated during the term of the **Restructured Loan**. The **BORROWER / BORROWER and CO-BORROWER/S** hereby warrants that he/she will pay the real estate taxes on the property in full and on time and will submit the official receipt of the real estate taxes paid for the preceding year not later than **June 30 of the current year**. Failure to submit proof of payment of real estate taxes for any year as herein required shall constitute an event of default/breach of contract and shall render the outstanding loan due and demandable.

Section 5. **Failure to Update Tax Payment.** Upon failure of the **BORROWER / BORROWER and CO-BORROWER/S** to update tax payment, the **Pag-IBIG Fund** or its assignee / transferee may advance the same. The amount shall form part of the interest bearing-bearing principal and shall be charged the corresponding penalty in accordance with Article I Section 5 hereof.

Section 6. **Failure to Pay Premiums.** Upon failure of the **BORROWER / BORROWER and CO-BORROWER/S** to pay the insurance premiums, the **BORROWER / BORROWER and CO-BORROWER/S** shall be excluded from insurance coverage once the insurance pre-payments indicated in Article II Section 2 have completely been consumed.

ARTICLE III. MISCELLANEOUS

Section 1. **Assignment.** Without need of further notice, the **BORROWER / BORROWER and CO-BORROWER/S** hereby agree/s to the eventual assignment/transfer by the **Pag-IBIG Fund** of this Agreement and its corresponding Promissory Note/s to any of the latter's assignee/transferee. To this end, the **BORROWER / BORROWER and CO-BORROWER/S** agree/s to perform such acts and execute such documents as may be necessary to implement such assignment/transfer.

Section 2. **Separability Clause.** The declaration of any provisions of this Agreement by a court of competent jurisdiction as invalid or unenforceable shall not affect the validity or enforceability of all other provisions not otherwise so declared, and the same shall remain in full force and effect, and shall be enforceable in such manner as may be provided by law.

Section 3. **Venue of Actions.** In the event of suit arising from this Agreement, the venue of action shall be in the proper courts of the City of Makati or in the place where **Pag-IBIG Fund** (its assignee or transferee) conducts its business through its Branches or Regional Offices.

Section 4. **Discrepancies.** In case there are discrepancies in the provisions of the Promissory Note(s) and this Agreement, the Promissory Note(s) shall prevail.

Section 5. **Notices.** All correspondence of whatever kind, pursuant or relative to this Agreement, shall be sent to the **BORROWER / BORROWER and CO-BORROWER/S** at the address given herein. The mere act of the **Pag-IBIG Fund** or its assignee/transferee of sending such correspondence by registered mail or personal delivery to the postal address of the **PROPERTY** subject of this Agreement or to the **BORROWER / BORROWER and CO-BORROWER/S** address shall be valid and effective notice to the **BORROWER / BORROWER and CO-BORROWER/S** for all legal purposes. The fact the correspondence was not actually received by the **BORROWER / BORROWER and CO-BORROWER/S** or that it has been returned unclaimed to Pag-IBIG Fund shall not relieve the **BORROWER / BORROWER and CO-BORROWER/S** from the effects of such correspondence.

IN WITNESS WHEREOF, the parties have hereunto set their hands this ____ day of _____, 20____ at _____.

INIÑA BALEAN BULALACAO

_____	_____	_____
BORROWER	CO-BORROWER	CO-BORROWER
_____ ID No. _____	_____ ID No. _____	_____ ID No. _____
Date of Issue _____	Date of Issue _____	Date of Issue _____
Expiry Date _____	Expiry Date _____	Expiry Date _____

With my marital consent:

_____	_____	_____
SPOUSE	SPOUSE	SPOUSE

HOME DEVELOPMENT MUTUAL FUND
(Pag-IBIG Fund)

By:

Authorized Signatory

_____ ID No. _____

Date of Issue _____

Expiry Date _____

SIGNED IN THE PRESENCE OF:

ACKNOWLEDGMENT

REPUBLIC OF THE PHILIPPINES)
_____) S.S.

BEFORE ME, A Notary Public for and in the _____, this _____ day of _____, 20____ personally appeared the above named-persons who have satisfactorily proven to me their identities through their identifying documents written below their names and signatures, representing to me that they are the same persons who executed and voluntarily signed the foregoing Promissory Note with Restructuring Agreement and acknowledged before me as their free and voluntary act and deed.

The foregoing instrument which relates to a Promissory Note with Restructuring Agreement consisting of _____ (_____) pages including the page on which this acknowledgment is written, has been signed on the left margin of each and every page by the parties and the witnesses.

WITNESS MY HAND AND NOTARIAL SEAL.

Doc. No. _____;
Page No. _____;
Book No. _____;
Series of _____.