



## About the Program

The program is open to all Filipinos & non-Filipinos, residing & working in the U.S. who are interested in purchasing residential real estate in the Philippines. Borrowers may avail of only one loan under the program.

Properties that can be acquired under the program are residential lot/s, house & lot, condominium unit or, townhouse/row house within a developed area anywhere in the Philippines. Acceptability of the property to be financed shall be determined from an appraisal report by bank/in-house appraisers.

Proceeds of the loan shall be released lump sum in US Dollars or in Philippine Pesos (converted at the Bank's prevailing buying rate for telegraphic transfers).

The loan will be collateralized by a Standby Letter of Credit (L/C) to be issued by PNB Manila. The L/C, in turn, will be secured by a real estate mortgage on the property to be acquired.

### Other Loan Purposes Covered by the Program . . .

1. Construction of a house on lot owned by the borrower or another person (usually a relative) who is willing to mortgage the lot in favor of PNB.
2. Improvements/renovation on an existing house owned by the borrower.
3. Refinancing of a Philippine Peso home mortgage loan.

### WHO CAN BORROW . . .

- Filipinos residing & working abroad who have maintained their Filipino citizenship
- Natural-born Filipinos residing & working in the U.S. who have lost their Filipino citizenship (limited to a maximum area of 1,000 sqm)
- US citizens & nationals of foreign countries who are non-Filipinos & residing in the U.S. (limited to the acquisition of condominium units only where the common areas are owned by the Condominium Corporation, i.e. alien interest in such corporation should not exceed 40% as required by Philippine law)

### HOW MUCH CAN YOU BORROW . . .

- Depending on your paying capacity or actual need, the **maximum amount** you can borrow is US\$500,000.00
- The **minimum loanable amount** is US\$10,000 for purchase of lot only, for house improvement & for refinancing/take-out of existing housing loan with Philippine financial institutions; &, US\$20,000 for purchase of house & lot/condominium unit/townhouse or row house; and for house construction; subject to minimum loanable limits of project to be financed.

- The loan will usually be limited to a maximum of 60% of the appraised value of the lot (as determined by the Bank's appraisers) for purchase of lot only; 80% of the appraised value (as determined by the Bank's appraisers) for previously owned properties or for properties sold by non-accredited developers; or 80% of the selling price\* for housing units sold by PNB-accredited developers

\*per reservation agreement (RA) or contract to sell (CTS)

### REPAYMENT TERMS . . .

- Maximum of 20 years for a house & lot/condo unit/house construction; 10 years for purchase of lot only. The term of the loan is fixed.
- Repayment of your loan shall be in US dollars. Payments will be made against a monthly statement of account which shall be sent approximately 2 weeks prior to each monthly due date.
- Payments commence one month after a lump sum loan release (for lot or house and lot package) or one month after the initial loan release for house construction.
- Monthly amortization for house constructions will increase as staggered releases are made.

### INTEREST RATES . . .

- For a 10-yr term, 9% per annum (p.a.) fixed for 10 yrs
- For a 20-yr term, 9% p.a. fixed for 10 yrs; &, variable interest rate thereafter at 3% over Wall Street Journal Prime Rate from the 11<sup>TH</sup> to 20<sup>TH</sup> repayment yr, at which time, the amount of your monthly amortization shall adjust upward or downward depending on the movement of the US prime rate.

### HOW TO APPLY . . .

1. Send a complete application package to PNB-Los Angeles Branch together with supporting **documents and fees**. This will include:
  - LOAN APPLICATION\* – which includes your Personal Financial Statement, Collateral Appraisal/Reappraisal Authorization, & Credit and Financial Information Authorization (\*request from PNB-Los Angeles Branch or download forms from the PNB-Los Angeles Branch's Own-a-Philippine-Home Loan Program webpage at [www.pnb.com.ph](http://www.pnb.com.ph))
  - Last 2 yrs Federal Income Tax Returns (if self-employed, 3 yrs with complete schedules)
  - Last 2 yrs W-2 (not required, if self-employed)
  - Last 2 consecutive mos. pay slips (not required, if self-employed)
  - Last 2 consecutive mos. bank statements – same period as pay slips

- In order to obtain a proper appraisal on the property, the loan applicant should submit or obtain from the seller/developer then submit the following documents to PNB:
  - a) Copy of existing original certificate of title (OCT)/ transfer certificate of title (TCT)/ condominium certificate of title (CCT)
  - b) Declaration of real property on land & improvement or house (if any)
  - c) Approved Survey or Lot Plan certified by Geodetic Engr
  - d) Location/Vicinity Map
  - e) Reservation Agreement or Contract To Sell, if any
  - f) For house construction or improvement:
    - (i) Complete architect's plans & specifications of the proposed house/project, &
    - (ii) Bill of materials - cost estimate with detailed quantity take-off of each structure.

(The Bank reserves the right to require submission of additional documents as needed to complete the credit evaluation & property appraisal.)

### Effective July 1, 2009:

⇒ **Processing Fee** (non-refundable): \$150 / For construction loan, \$200  
⇒ **Appraisal Fee:** \$150 / For construction loan, \$300 (refundable only if an appraisal cannot be undertaken for reasons beyond the control of the bank appraisal unit)

2. Upon receipt of the complete application package, PNB Los Angeles shall evaluate the creditworthiness of the loan applicant. Evaluation will be conducted in accordance with existing credit standard, taking into particular consideration the applicant's character (on approved credit), capacity to pay & stability of residence/employment. If he/she is qualified, an appraisal report will be requested through PNB Manila.
3. Once the loan is approved by the branch credit committee or Head Office credit committee/s, the decision will be conveyed to the applicant in writing.
4. Upon final approval, legal documentation will be prepared. Loan related documents will be signed by the borrower in the US. The real estate mortgage (REM) & L/C related documents may be signed by the borrower in the US or an "Attorney-in-Fact" (AIF) in the Philippines. The mortgage & L/C related documents or the Special Power of Attorney appointing an attorney-in-fact (if applicable only), will require authentication by the Philippine Consulate. A deposit for miscellaneous loan fees & expenses towards loan closing and 1% origination fee will be collected upon signing of the loan/legal documents.
5. Upon receipt by PNB Manila of all signed documents, the real estate mortgage is registered & annotated on the title (in the name of the borrower or accommodation mortgagor/grantor of collateral, as the case may be), the L/C is issued & loan proceeds are released to the seller. Real property titles are kept at PNB Manila for safekeeping & copies are forwarded to PNB-LA for the branch's & borrowers' files.