

Past Dues/Late Payments ...

All late payments (10 days or more after due date) shall be subject to a late payment charge equal to 5% of the late installment.

The Bank will attempt to collect on delinquencies for a maximum of 90 days during which a sequence of demand letters will be sent to the borrower. If no attempt is made by the borrower to contact the Bank and settle outstanding obligations, on the 90th day the Bank will draw against the Standby Letter of Credit collateralizing the loan. At this point the loan is transferred to the Philippines and booked as a **10 DAY PESO DEMAND LOAN** subject to Philippine Peso rates and Peso Loan procedures. If still unpaid within the 10 day Peso Loan period, immediate foreclosure on the property will be implemented.

Estimated Monthly Payment Required (Per \$1,000.00)

| Int. Rate | Monthly Paymt 10 years | APR for 10-year Term | Monthly Paymt 20 years | APR for 20-year Term |
|-----------|------------------------|----------------------|------------------------|----------------------|
| 7.00 | - | - | 7.76 | 7.194 |
| 7.25 | - | - | 7.91 | 7.446 |
| 7.50 | - | - | 8.06 | 7.698 |
| 7.75 | - | - | 8.21 | 7.950 |
| 8.00 | - | - | 8.37 | 8.203 |
| 8.25 | - | - | 8.53 | 8.454 |
| 8.50 | - | - | 8.68 | 8.707 |
| 8.75 | - | - | 8.84 | 8.959 |
| 9.00 | 12.67 | 9.351 | 9.00 | 9.211 |
| 9.25 | - | - | 9.16 | 9.463 |

APR = Annual Percentage Rate for a \$60,000 loan

Annual Percentage Rate (APR)

The Annual Percentage Rate (APR) is the percentage relationship of the total finance charges to the amount of your loan. It is a measure of the cost of credit, expressed as a yearly rate. It includes interest as well as other finance charges such as points, appraisal fee, Letter of Credit (LC) issuance fee, LC wire fee and notarial fee.

Example: Borrower's loan is \$60,000.00, payable in 10 years at fixed interest rate of 9% p.a. Examples of prepaid finance charges are the following: Points - \$600.00, Appraisal fee - \$150.00, Loan documentation fee - \$100, LC Issuance fee - \$100.00, LC Wire fee - \$40.00 and Notarial fee - \$10.00. Annual Percentage Rate (APR) for this loan is 9.351%.

Example: Borrower's loan is \$60,000.00, payable in 20 years and fixed interest rate of 9% p.a. for the 1st 10 yrs of the loan. Initial APR (from the 1st to 10th yr) for this loan is 9.000%. The APR will change at the start of the 11th yr when the new variable or adjustable rate per annum is determined.

Frequently Asked Questions ...

If I have already purchased a house and lot and currently paying a Philippine Peso mortgage in the Philippines, can I still avail of the "Own a Philippine Home Loan" ?

Yes. PNB's Own a Philippine Home Loan" can be used to refinance existing Peso mortgages. Refinancing through PNB's program will usually result in a lower interest rate and lower monthly amortizations.

We can refinance your existing peso mortgage loans up to 100% of the outstanding balance of the loan provided that the outstanding balance (the take out amount) does not exceed 60% of the appraised value of the lot or 80% of the appraised value of the house & lot or condo unit.

What if I am a Filipino citizen but my husband/wife is not? Are we eligible to purchase property with your loan program?

Yes. However, under Section 7, Article XII of the Philippine Constitution, foreigners may not acquire private land. Therefore, title to the property will be in the name of the Filipino spouse. For condominium units, the certificate of title may be in the names of both Filipino and foreigner spouses.

We want the house and lot to be in the name of our mother in the Philippines but we, her children, wish to borrow and pay the loan here in the U.S. Can we avail of your loan ?

Yes. But your mother would have to sign the real estate mortgage (REM) contract as a "Grantor of Collateral/Accommodation Mortgagor". This means that although she is not a borrower and does not have to pay back the loan if her children default, she is authorizing the use of the property she owns as "collateral" and is fully aware of the risk of foreclosure on the property if her children do not repay the loan.

Is this loan open only to residents of the United States? YES.

What if I am a temporary worker in the U.S. on a temporary working visa (H1/J1), can I purchase property under your program ?

The answer to this shall be determined on a case to case basis, depending on the prospective stability of U.S. employment, the current and future assets of the borrower and other factors. In general, this program was created for those Filipinos and foreigners who are PERMANENTLY residing &/or working in the U.S. & wish to buy Philippine real estate. It is this stable stream of future dollar income which the bank shall look to as its primary source of repayment on the loan.

What if I am a former Filipino and have now become an American, what kind of property may I purchase under your program?

As a former Filipino citizen, you are entitled to purchase private real property with a maximum of 1,000 square meters. On the other hand, foreigners, or children of Filipino parents born in the U.S., are entitled only to purchase condominium properties wherein common areas are owned by the condominium corporation.



PHILIPPINE NATIONAL BANK

New York Branch

561 7th Avenue, 2nd Floor, New York, NY 10018
Tel. (212) 790-9600 • Fax (212) 382-2238
Email: newyork@pnb.com.ph

OWN A PHILIPPINE HOME LOAN PROGRAM



EQUAL HOUSING LENDER

www.pnb.com.ph/newyork

About the Program ...

The program is open to all Filipinos and non-Filipinos residing and 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/rowhouse 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 a 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 and working abroad who have maintained their Filipino citizenship
- Natural-born Filipinos residing and working in the U.S. who have lost their Filipino citizenship (limited to a maximum area of 1,000 square meters)
- U. S. citizens and nationals of foreign countries who are non-Filipinos and 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\$10,000.00 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 and lot/condo unit/house construction; 10 years for purchase of a lot only. The term of the loan is fixed.
- Repayment of your loan shall be in U.S. 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. for 10 yrs.; & variable interest rate thereafter at 3% over Wall Street Journal Prime Rate from the 11th to 20th 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 –New York 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 New York Branch or download forms from this website www.pnb.com.ph)
 - Latest 2 years Federal Income Tax Returns (3 yrs with complete annexes, if self-employed).
 - Last two (2) yrs W-2 (not required, if self-employed)
 - Last two (2) consecutive mos. pay slips (not required, if self-employed)
 - Last two (2) consecutive months 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 the 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.)

- \$150.00 non-refundable PROCESSING FEE/
For CONSTRUCTION Loan: \$ 200.00
- \$150.00 APPRAISAL FEE/
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 New York shall evaluate the creditworthiness of the loan applicant. Analysis will be conducted in accordance with existing credit standards, taking into particular consideration the applicant's character, 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 Head Office, 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 U.S. The real estate mortgage (REM) and L/C related documents may be signed by the borrower in the U.S. or, an "Attorney-in-Fact" (AIF) in the Philippines. The mortgage and L/C related documents or the Special Power of Attorney appointing an AIF (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/execution of the loan/legal documents.
5. Upon receipt by PNB Manila of all signed documents, the real estate mortgage is registered and annotated on the title (already in the name of the borrower or accommodation mortgagor/grantor of collateral, as the case maybe), the standby L/C is issued and loan proceeds are released to the seller. Real estate property titles are kept at PNB Manila for safekeeping and copies are forwarded to PNB New York for the branch's and borrower's files.