



# PNB PUBLIC AUCTION: BIDDING RULES AND CONDITIONS

This event is organized by the Philippine National Bank for the sole purpose of publicly auctioning PNB foreclosed properties in the various cities and provinces nationwide.

## Pre-Auction Registration

1. All participating bidders must fill-out a Registration Form prior to the start of the auction. If the bidder has a Broker/Referrer, the bidder must acknowledge and indicate the name of his Broker/Referrer in the Registration Form and the "Broker/Referrer Form".
2. Brokers/Referrers must be registered with PNB to be eligible for commission. If they are not yet registered, they must fill-out the appropriate registration forms at the registration booth prior to the start of the auction.
3. Brokers/Referrers must be present during the auction to be eligible for commission.
4. The bidder may or may not be physically present during the Auction. If the bidder is not physically present, a representative with an authorization letter or Special Power of Attorney (SPA) from the bidder may bid for and in his behalf.
5. Falsification or misrepresentation of any information shall be a ground for the cancellation of the transaction.
6. Bidders must submit the Registration Form and present the TWENTY FIVE THOUSAND PESOS (25,000.00) Show Money (Cash or Manager's Check payable to the PNB's name). After registration, the participant will then be given a bidder number.
7. Bidders that cannot attend the auction proper may opt to submit in advance to any RAMC office a sealed envelope containing the purchase proposal form with his/her best bid amount, show money in the form of MC or corresponding AA/AP deposit slip, buyer's information sheet and proof/source of income. The sealed envelope should bear the corresponding Item Number and date of auction for reference purposes.

## Auction Proper

8. The auction will be conducted by an Auctioneer. The Auctioneer reserves the right to withdraw or update the status of the properties at any time prior to, during or after the auction process in the event that discrepancies are found.
9. Bidding starts when the Auctioneer announces the Minimum Bid Price of a particular property. If a sealed bid for the particular item was received by the Bank prior the auction, this will be opened first by the Auctioneer in front of other bidders.
10. During the bidding process, the Auctioneer will have the sole discretion to increase the increments to any amount during the bidding process.

## Documentation

11. The highest complying bidder shall then proceed to a representative of PNB Special Assets Management Group to accomplish the Purchase Proposal. If the highest bidder is the one who submitted a sealed envelope, the bidder will be notified accordingly.
12. The required deposit must be paid and other necessary documents be submitted by the highest bidder to the Bank not later than SEVEN (7) DAYS from the date of auction. Failure to pay the required deposit and submit the required documents within the prescribed period or outright withdrawal of offer shall invalidate the bid and the show money shall be forfeited in favor of the Bank.
13. If the Purchase Proposal is approved, the highest bidder will be given a "Notice of approval" which indicates the terms of the sale transaction and the balance to be paid, if any.
14. Rights of Next Qualified Bidders – In cases where the winning Bidder is not able to comply with the necessary requirements within the prescribed period, the next qualified highest Bidder will be informed of his/its right to purchase the property at his/its last/highest bid price.

## Available Terms of Payments

An auctioned property\* may be purchased either in cash or instalment basis.

### • For Cash Payment:

The balance must be paid within thirty (30) calendar days from receipt of the Notice of Approval or as otherwise indicated in the approval.

### • For Instalment Payment:

The show money shall form part of the down payment. Additional payment to complete the required down payment, as started in the Purchased Proposal, must be tendered within seven (7) calendar days from receipt of the Notice of Approval.

\*This excludes motor vehicles and other chattels which are on cash basis only.

## Other Terms and Conditions

13. The auctioned properties are sold on an "as is where is" basis. As such, PNB makes no warranty as to the boundaries, technical description of the property, as well as its legal condition such as the existence of any claims, suits or action involving the same. Bidders are advised to exercise due diligence before the auction.
15. It is also understood the PNB makes no warranty on the authenticity and accuracy of the title of the property.
16. Furthermore, buyers are responsible for the eviction of occupants on the property, if any, and for the repair of the property, if needed.
17. PNB will take care that the payment of real estate taxes (Creditable Withholding Tax only up to the extent of the selling price) and insurance premiums on the property being sold are updated. From the date of the execution of the Deed of Sale (DOS) or Contract to Sell (CTS), the real estate taxes and insurance premiums and other expenses will be for the account of the Buyer.

The buyer must reimburse PNB for the proportionate share in the real estate taxes and insurance premiums paid on the property, reckoned from the date of the date of the execution of DOS or CTS.

18. Buyer shall shoulder all other taxes, fees and expenses to be incurred in connection with the execution of the DOS, CTS or any other instruments or documents to be executed to give effect to the sale of the Property, including, but not limited to, creditable withholding tax/capital gains tax over and above the Purchase Price, transfer tax, documentary stamp tax, notarial and registration fees, etc. Likewise, the Buyer shall be responsible for the transfer/registration of the title in his/its name.

PNB reserves the right to reject any and all bids at its sole discretion, to waive any defects or informality on the bids received and to accept the bid most advantageous to PNB but does not guarantee that any award shall be made.

### **All highest complying bids will be subject to the evaluation and approval by PNB's approving authorities.**

As a Participant of the auction, I hereby confirm having read and fully understood the rules and conditions of the property auction, and I agree to follow and be bound by them.

SIGNATURE: \_\_\_\_\_

PRINTED NAME: \_\_\_\_\_

Date: \_\_\_\_\_