

# FREQUENTLY ASKED QUESTIONS

## What is an Own a Philippine Home Loan (OPHL) Program?

This is a home financing program unique to PNB. It allows FILIPINOS and NON-FILIPINOS/FOREIGNERS an easy way to obtain bank financing of residential properties in the Philippines. Product is available in PNB overseas offices namely, Los Angeles, New York, Guam, Singapore, Japan, Hong Kong and Middle East.

## Who are the eligible borrowers for this home loan Program?

- Filipino citizens
- Natural-born Filipinos residing and working abroad who have lost their Filipino citizenship (limited to a maximum lot area of 1,000 sq.m. only)
- Foreigners but limited to the acquisition of condominium units only.
- at least 21 years old, not to exceed 65 years old upon loan maturity

## How much can I borrow?

- Minimum of PHP500,000.00 or its foreign currency equivalent (USD, JPY, HKD)
- Maximum of 80% of appraised value of the property or contract price

## How much should my minimum total household income be to qualify for a loan?

- Minimum of PHP 40,000 (depending on the acceptable credit ratio)

## How credit ratio is computed?

CREDIT RATIO =	Monthly amortization (loan applied for)
	*Gross monthly salary
* GROSS MONTHLY SALARY =	Annual Salary + Fixed Allowances + Bonuses
	12 months

### **What are the available loan terms?**

- Maximum of 25 years for house and lot / House Construction
- Maximum of 10 years for Purchase of Lot / Home improvement / renovation

### **What are the types of housing loan I can avail from the Bank?**

- Acquisition of residential house and lot, townhouse or rowhouse, duplex, condominium unit, or residential vacant lot
- House Construction
- Refinancing/Take-out of existing housing loan from another bank
- Reimbursement of acquisition or construction cost

### **What are the basic documentary requirements to avail OPHL?**

- Application / Identity Documents
  - OPHL Application form, Valid IDs, Marriage certificate, if applicable
- Income Documents
  - Certificate of Employment / Employment Contract indicating salary, position and tenure
  - Latest 2 months payslips / paystubs and / or bank statements where income is credited
- Collateral Documents
  - Copy of title (TCT/CTC)
  - Copy of Tax Declaration on land and/or improvement
  - Payment of appraisal fee
  - Acquisition from Accredited Developer
  - Contract to Sell; or Reservation Agreement with Computation Sheet / statement of account
  - House Construction or Renovation:
    - Bill of Materials and Estimates of Construction and Labor Cost
    - Floor and Building Plan and Building Specifications

### **How long is the processing period of my application?**

- The credit decision may be available within 10-15 days more or less after verification and submission of complete set of requirements

### **What are the acceptable collaterals?**

- Accredited housing projects of Bank accredited real estate Developers
- Residential properties owned and/or acquired by the bank
- Acceptable properties under the Policy on Real Estate Offered as collateral/security

### **What are the insurance requirements for OPHL?**

- Mortgage Redemption Insurance (MRI)
- Fire Insurance on the Improvement (FI)
- Contractor's all risk, for construction loan (CARi)

### **What is MRI?**

- MRI is a term insurance coverage for the borrower with the Bank as beneficiary.

Example:

Cecilia Montemayor – Borrower

PNB – bank where the borrower has an existing housing loan

If the borrower dies, PNB will be paid by the insurance company and loan is considered as paid in full.

### **How much is my MRI coverage?**

- MRI coverage should be equal to loan amount. Amount of coverage decreases yearly based on a schedule of pre-determined/pre-computed decreasing balance of the loan.

### **What are the rates?**

- Prevailing interest rate at the time of availment.

### **When will my rate change?**

- This will depend on the arrangement made when the loan was booked.
- Repricing of rate is every end of the fixing period.  
If rate fixing is 5 years, on the 6<sup>th</sup> year rate will be repriced based on the rate set by PNB.

### **How can I pay for my loan?**

- Auto Debit Arrangement (ADA) – payment will be automatically deducted from your PNB Account
- Submission of Postdated checks (PDC)

### **How can I pay thru ADA?**

- Open an account at PNB Branch
- Enroll the account as your settlement account for your housing loan

### **How are my payments/amortizations collected?**

- Equal monthly amortization of principal and interest to be collected One (1) month after loan release

For more information kindly visit [www.pnb.com.ph/ophl](http://www.pnb.com.ph/ophl)