



ADVISORY NO. 6
(Guarantee Coverage for Restructured Housing Loans)

On June 25, 2020, the PHILGUARANTEE Governing Board approved to guarantee housing loans that will be restructured by Accredited Financial Institutions (AFIs) on or before December 31, 2020. This is being offered as part of key assistance measures to affected sectors of the COVID-19 pandemic, as well as to provide more affordable amortization to housing borrowers in this time of crisis.

The acceptance of the restructured loans for guarantee coverage shall be subject to the following terms and conditions:

1. The original loan is in current status as of March 16, 2020;
2. The loan principal of the restructured account shall not exceed the ending balance of the loan as of March 16, 2020 plus the capitalized interest during the community quarantine period;
3. Restructured tenor/term of the loan must not exceed twenty five (25) years;
4. The restructured monthly amortization shall not be higher than the original monthly amortization. It is suggested that the interest rates for restructured accounts is the same or lower than the rate of the original loan; and
5. The Loan-to-Collateral (LCR) Ratio must not exceed:

Socialized / Low-Cost	90%
Medium-Cost Housing	80%
Open Housing	70%

6. The enrollment of the restructured loans shall not be subject to additional premium fee of 0.25% as required by the existing Contract of Guarantee.

ALBERTO E. PASCUAL
President and Chief Executive Officer

Date: 30 June 2020