


FOURTEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
First Regular Session)

8 MAY 15 2005

SENATE

RECEIVED BY: 

S. No. 2284

Introduced by Senator Antonio "Sonny" F. Trillanes IV

EXPLANATORY NOTE

The Home Development Mutual Fund (HDMF), created pursuant to Presidential Decree No. 1752, is mandated to generate savings through membership in an integrated nationwide savings system, and to mobilize the provident funds for housing purposes. As of December 31, 2004, HDMF has generated a total asset of about P163.60 Billion, and a total nationwide membership of over 5.7 million. With this unprecedented growth, there is a need therefore to further strengthen the HDMF to better serve the needs of its members.

This bill aims to rename the HDMF into the Pag-IBIG Fund, which shall be the government financial institution primarily involved in mobilizing provident funds for shelter finance. It also seeks to declare a universal coverage by mandatory membership upon: (a) all employees covered by the SSS and GSIS, and their respective employers, including members of the Armed Forces of the Philippines and the Philippine National Police; and (b) Filipinos recruited by foreign-based employers for employment abroad. Coverage may be extended to other working groups, with or without employer contribution.

Furthermore, the bill proposes to exempt the Pag-IBIG Fund from the payment of corporate income tax to ensure that there are more funds to pay for the members' benefits. The monthly compensation base to be used in computing for the employee and employer contributions shall be initially set at Five thousand pesos (P5,000.00), but maybe adjusted from time to time by the Board of Trustees, taking into consideration actuarial calculations and rates of benefits, subject to approval by the President of the Philippines.


In view of the foregoing, immediate approval of this bill is hereby requested.


ANTONIO "SONNY" F. TRILLANES IV
Senator

FOURTEENTH CONGRESS OF THE)
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Introduced by Senator Antonio "Sonny" F. Trillanes IV

AN ACT
FURTHER STRENGTHENING THE PAG-IBIG FUND AND FOR OTHER PURPOSES

Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

1 **SECTION 1. Title.** - This Act shall be known as the "Pag-IBIG Fund Law of 2008."

2

3 **SEC. 2. Declaration of Policy.** - It is the policy of the State to establish, develop,
4 promote and integrate a nationwide sound and viable mutual provident savings system suitable to
5 the needs of the employed and other earning groups, and to motivate them to better plan and
6 provide for their housing needs, by membership in the Pag-IBIG Fund, with mandatory
7 contributory support of the employers in the spirit of social justice and the pursuit of national
8 development.

9

10 **SEC. 3. Statement of Objectives.** - Towards this end, the State shall integrate all laws
11 relating to the Pag-IBIG Fund to effectively achieve the following objectives:

12 (a) To improve the quality of life of its citizens by providing them with sufficient
13 shelter;

14 (b) To provide for an integrated nationwide provident savings system; and

15 (c) To provide housing through mobilization of funds for shelter finance.

16

17 **SEC. 4. Definition of Terms.** - The following term shall mean:

1 (a) “Employer” – any person, natural or juridical, domestic or foreign, who carries on
2 in the Philippines or outside of the Philippines any trade, business, industry, undertaking or
3 activity of any kind, and uses the services of another person who is under his order as regards his
4 services; the government, its national and local offices, political subdivisions, branches,
5 agencies, or instrumentalities, including corporations owned and/or controlled by the
6 government, and the local government units;

7 (b) “Employee” – any person in the service of an employer who receives
8 compensation of such services;

9 (c) “SSS” – the Social Security System created under Republic Act No. 1161, as
10 amended;

11 (d) “GSIS” – the Government Service Insurance System created under
12 Commonwealth Act No. 186, as amended;

13 (e) “Fund” – the Pag-IBIG Fund created under this Act which is a government
14 financial institution involved in mobilizing provident funds primarily for shelter finance;

15 (f) “Board” – the duly constituted Board of Trustees of the Pag-IBIG Fund;

16 (g) “Membership Term” – a period of twenty (20) years commencing from the first
17 day of the month to which the member’s initial contribution to the Fund applies: Provided, That
18 he shall have contributed a total of two hundred forty (240) monthly contributions at the time of
19 maturity;

20 (h) “Permanent Total Disability” – loss or impairment of a physical and mental
21 function resulting from injury or sickness which completely incapacitates a member to perform
22 any work or engage in any business or occupation as determined by the Fund;

23 (i) “Net Fund Asset” – the total assets of the Fund less current liabilities;

24 (j) “Investible Funds” – shall mean funds available after deducting cost of operations
25 and expenses, administrative and general expenses, reserves for benefit claims, provisions for a
26 sinking fund for the return of member’s equity upon maturity, and reserve for loan repayments.

1 (k) “Employment” – any service performed by an employee for his/her employer
2 within the Philippines: Provided, however, That any foreign government, international
3 organization or their wholly-owned instrumentality employing workers in the Philippines or
4 employing Filipinos outside of the Philippines, shall enter into an agreement with the Fund for
5 the inclusion of their employees as members of the Fund: Provided, further, That the term of
6 such agreement conform with the provisions of this Act;

7 (l) “Member” – an employee coverable under this Act and pays the mandated
8 contributions;

9 (m) “Contributions” – the amount payable to the Fund by the members and their
10 employers, in accordance with this Act;

11 (n) “Compensation” – basic monthly salary plus mandated cost of living allowance;

12 (o) “Dependents” – refer to legal dependents of a deceased member, as defined under
13 the Family Code;

14

15 **SEC. 5. *Fund System*** – To carry out the purposes of this Act, the Pag-IBIG Fund is
16 hereby created. The Fund is a mutual provident savings system for private and government
17 employees and other earning groups, supported by matching mandatory contributions of their
18 respective employers with housing as the primary investment.

19 The Fund shall be a body corporate, with principal office in Metro Manila, and shall
20 replace the Home Development Mutual Fund established under Presidential Decree No. 1752, as
21 amended.

22

23 **SEC. 6. *Fund Coverage***. – Coverage in the Fund shall be mandatory upon: (a) all
24 employees covered by the SSS and the GSIS, and their respective employers, notwithstanding
25 any waiver of coverage previously issued, including the uniformed members of the Armed
26 Forces of the Philippines, the Bureau of Fire Protection, the Bureau of Jail Management and

1 Penology, and the Philippine National Police; and (b) Filipinos employed by foreign-based
2 employers.

3 Coverage may also be extended to other working groups, with or without employer
4 contributions, as may be determined by the Board of Trustees.

5

6 **SEC. 7. Fund Generation and Contributions.** – The funds of the Fund shall be
7 generated by the provident savings that the covered employees shall contribute for the purpose
8 every month, and the equal amounts that their respective employers shall mandatorily contribute.

9 Covered employees and employers shall contribute to the Fund based on the monthly
10 compensation of covered employees as follows:

11 “Employees earning not more than one thousand five hundred pesos (P1,500.00) per
12 month – one percent (1%).

13 “Employees earning more than one thousand five hundred pesos (P1,500.00) per month –
14 two percent (2%).

15 “All employers – two percent (2%) of the monthly compensation of all covered
16 employees.

17 The maximum monthly compensation to be used in computing employee and employer
18 contributions shall not be more than five thousand pesos (P5,000.00): *Provided*, That the
19 maximum monthly compensation may be adjusted from time to time by the Board of Trustees,
20 through rules and regulations adopted by it, taking into consideration actuarial calculations and
21 rates of benefits, *subject to the approval of the President of the Philippines.*

22 Notwithstanding any contract to the contrary, an employer shall not deduct, directly or
23 indirectly, from the compensation of its employees covered by the Fund, or otherwise recover
24 from them, the employer’s contribution with respect to such employees.

25

26 **SEC. 8. Membership Term.** – Membership in the Fund shall be for a period of twenty
27 (20) years: *Provided*, That the member shall have contributed a total of two hundred forty (240)

1 monthly contributions at the time of maturity, except when earlier terminated by reason of
2 retirement, disability, separation from the service due to health reasons, insanity, death, departure
3 from the country or other causes as may be provided for by the Board of Trustees.

4 Resignation, separation or suspension from employment may not necessarily constitute a
5 ground for membership termination, except for suspension of contributions.

6
7 **SEC. 9. *Provident Character.*** – The Fund shall be private in character, owned wholly by
8 the members, administered in trust and applied exclusively for their benefits. All the personal
9 and employer contributions shall be fully credited to each member, accounted for individuality
10 and transferable in case of change of employment. They shall earn dividends as may be provided
11 for in the implementing rules. The said amounts shall constitute the provident fund of each
12 member, to be paid to him, his estate or beneficiaries upon termination of membership, or from
13 which peripheral benefits for the member may be drawn.

14
15 **SEC. 10. *Housing Features.*** – A member of good standing shall be eligible to apply for
16 a housing loan, with such terms as may be authorized by the Board of Trustees, taking into
17 account ability to pay. The Board of Trustees shall institute policies to ensure that lower-income
18 members obtain such housing loans. The Board may, upon recommendation of the chief
19 executive officer, deputize any member of the Fund’s legal staff to act as special sheriff in
20 foreclosure cases, in the sale or attachment of the debtor’s properties, and in the enforcement of
21 court writs and processes in cases involving the Fund. The Special Sheriff of the Fund shall
22 make a report to the proper court after any action taken by him, which shall treat such action as if
23 it were an act of its own sheriffs in all respects.

24
25 **SEC. 11. *Implementing Body.*** – The Pag-IBIG Fund created under this Act, shall
26 implement the provisions hereof.

27

1 **SEC. 12. Powers and Functions of the Fund.** – The Fund shall have the powers and
2 functions specified in this Act and the usual corporate powers:

3 (a) To formulate, adopt, amend and or rescind such rules and regulations as may be
4 necessary to carry out the provisions and purposes of this Act, as well as the effective exercise of
5 the powers and functions, and the discharge of duties and responsibilities of the Fund, its officers
6 and employees;

7 (b) To adopt or approve the annual and supplemental budget of receipts and
8 expenditures including salaries ad allowances of the Fund personnel; and to authorize such
9 capital and operating expenditures and disbursements of the Fund as may be necessary and
10 proper for the effective management and operation of the Fund;

11 (c) To submit annually, not later than March 15, a report to the President of the
12 Philippines and to the Congress of the Philippines of its activities and the state of the Fund
13 during the preceding year, including information and recommendations for the development and
14 improvement thereof;

15 (d) To invest its funds in accordance with this Act;

16 (e) To acquire, utilize, or dispose of, in any manner recognized by law, real or
17 personal properties in the Philippines or elsewhere, necessary to carry out the purposes of this
18 Act;

19 (f) To set up its own accounting and computer systems; to conduct continuing
20 actuarial and statistical studies and valuations to determine the financial viability of the Fund and
21 its projects; to require reports, compilations and analysis of statistical and economic data, as well
22 as make such other studies and surveys as may be needed for the proper administration and
23 development of the Fund;

24 (g) To have the power of succession; to sue and be sued; and to adopt and use a
25 corporate seal;

26 (h) To enter into and carry out contracts of every kind and description with any
27 person, firm or association or corporation, domestic or foreign;

- 1 (i) To borrow funds from any source, private or government, foreign or domestic;
- 2 (j) To invest, own or otherwise participate in equity in any establishment, firm or
3 entity; to form, organize, invest in or establish and maintain a subsidiary or subsidiaries in
4 relation to any of its purposes;
- 5 (k) To approve appointments in the Fund except appointments to positions which are
6 policy determining, primarily confidential or highly technical in nature according to the civil
7 service rules and regulations; and to fix the compensation of the employees as may be deemed
8 necessary upon the recommendation of the President and Chief Executive Officer of the Fund,
9 subject to review and approval by the President of the Philippines;
- 10 (l) To maintain a provident fund, which consists of contributions made by both the
11 Fund and its officials and employees and their earnings, for the payment of benefits to such
12 officials and employees or their heirs under such terms and conditions as it may prescribe;
- 13 (m) To design and adopt an Employees' Retirement Plan (ERP) for its own personnel,
14 subject to review and approval by the President of the Philippines;
- 15 (n) To establish field offices and to conduct its business and exercise its powers in
16 these places;
- 17 (o) To approve restructuring proposal for the payment of due but unremitted
18 contributions and unpaid loan amortizations under such terms and conditions as the Trustees may
19 prescribe;
- 20 (p) To determine, fix and impose interest and penalties upon unpaid contributions due
21 from employers and employees;
- 22 (q) To ensure the collection and recovery of all indebtedness, liabilities and/or
23 accountabilities, including unpaid contributions in favor of the Fund arising from any cause or
24 source or whatsoever, due from all obligors, whether public or private; to demand payment of the
25 obligations referred to herein, and in the event of failure or refusal of the obligor or debtor to
26 comply with the demand, to initiate or institute the necessary or proper actions or suits, criminal,
27 civil, administrative, or otherwise, before the courts, tribunals, commissions, boards, or bodies of

1 proper jurisdiction: Provided, however, That the Fund may compromise or release, in whole or in
2 part, any interest, penalty or any civil liability to the Fund in connection with the collection of
3 contributions and the lending operations of the Fund, under such terms and conditions as
4 prescribed by the Board of Trustees;

5 (r) To design and implement other programs that will further promote and mobilize
6 savings and provide additional resources for the mutual benefit of the members with appropriate
7 returns on the savings/investments. The program shall be so designed as to spur socio-economic
8 take-off and maintain continued growth;

9 (s) To conduct continuing actuarial and statistical studies and valuations to determine
10 the financial condition of the Fund and taking into consideration such studies and valuations and
11 the limitations herein provided, readjust the benefits, contributions, interest rates or the allocation
12 or reallocation of the funds to the contingencies covered; and

13 (t) To exercise such powers and perform such acts as may be necessary, useful or
14 incidental to carry out the provisions of this Act.

15

16 **SEC. 13. Board of Trustees.** – The corporate powers and functions of the Fund shall be
17 vested in and exercised by a Board of Trustees appointed by the President of the Philippines,
18 composed of the following;

19 (a) The Chairperson of the Housing and Urban Development and Coordinating
20 Council, as the ex-officio Chairman;

21 (b) The Secretary of the Department of Finance, as the ex-officio Vice Chairman;

22 (c) The Secretary of the Department of Labor and Employment or his/her duly
23 designated undersecretary, as ex-officio member;

24 (d) The Secretary of Budget and Management or his/her duly designated
25 undersecretary, as ex-officio member;

26 (e) The President and Chief Executive Officer of the Fund, as Member;

1 (f) Six (6) appointive members, two (2) of whom shall represent the workers' group;
2 one (1) from the government sector; two (2) from the employers' group; and one (1) who has
3 adequate knowledge and experience regarding mutual provident funds: Provided, That the six (6)
4 appointive members are also members of the Fund at the time of their appointment; Provided,
5 further, That they shall be chosen from among the nominees of workers', employers', and
6 affiliated organizations; and Provided, finally, That they shall seat at the pleasure of the President
7 of the Philippines.

8 The Chairman, vice chairman, and members of the Board shall be entitled to per diem for
9 each meeting actually attended at such amount as may be fixed by the Board in accordance with
10 existing laws, rules and regulations.

11
12 **SEC. 14. Powers of the Board.** – The Board shall have the following powers:

13 (a) To formulate policies, rules and regulations to carry out effectively the functions
14 of the Fund under this Act;

15 (b) To promulgate such rules and regulations as may be necessary or proper for the
16 effective exercise of the powers and functions, as well as the discharge of the duties and
17 responsibilities of the Fund, its officers and employees;

18 (c) To authorize expenditures of the Fund in the interest of effective administration
19 and operations; to adopt from time to time the budgets for said purposes;

20 (d) To approve the Fund's organization and administrative structures and staffing
21 pattern, and to establish, fix, review, revise and adjust the compensation of the employees of the
22 Fund as may be deemed necessary upon the recommendation of the President and Chief
23 Executive Officer of the Fund, subject to review and approval by the President of the
24 Philippines;

25 (e) To condone, in whole or in part, unpaid interest and penalties imposed on loans of
26 members/borrowers who, for justifiable reasons prescribed by the Board, failed to pay on time
27 any obligation due to the Fund; Provided, That such exclusive power to condone shall likewise

1 apply to penalties imposed on employers, who justifiably fail to remit when due, the required
2 contributions of and for their employees; and

3 (f) To exercise such other powers as may be necessary to carry into effect the powers
4 and accomplish the purposes for which the Fund is established.

5

6 **SEC. 15. *Rule-Making Power.*** – The Board of Trustees is hereby authorized to make
7 and change needful rules and regulations, which shall be published in accordance with law or at
8 least once in a newspaper of general circulation in the Philippines, to provide for, but not limited
9 to, the following matters:

10 (a) The effective administration, custody, development, utilization and disposition of
11 the fund or parts thereof, including payment of amounts credited to members or to their
12 beneficiaries or estates;

13 (b) Grounds for and effects of termination of membership other than by completion
14 of term;

15 (c) Fund earnings and their distribution, investment and/or plowing back for the
16 exclusive benefit of the members;

17 (d) Interim disbursements of accumulated values to members of ameliorate and
18 similar purposes;

19 (e) Housing and other loan assistance programs to members;

20 (f) Adjudication and settlement of claims and disputes and the procedures for the
21 same on any matters involving the interests of members in the Fund;

22 (g) Optimize the effectiveness of the initial coverage drive through phased
23 implementation based on reasonable classification of employers and/or employee groups; and

24 (h) Other matters that, by express or implied provisions of this Act, shall require
25 implementation by appropriate policies, rules and regulations.

26

1 **SEC. 16. *Powers and Duties of the President and Chief Executive Officer.*** – The
2 President and Chief Executive Officer of the Fund shall, among others, execute and administer
3 the policies and resolutions approved by the Board of Trustees, prepare its agenda, and direct and
4 supervise the operations and management of the Fund. The President and Chief Executive
5 Officer, subject to the approval of the Board in case of managerial positions and above, and the
6 confirmation of the Board in case of positions below that of manager level, shall appoint the
7 personnel of the Fund, remove suspend or otherwise discipline them for cause, and prescribe
8 their duties and qualifications, and in accordance with existing civil service laws, rules and
9 regulations, to the end that only competent persons may be employed.

10
11 **SEC. 17. *Money Investments.*** – All moneys of the Fund, as are not needed to meet
12 current administrative and operational requirements shall be invested with due and prudent
13 regard for its safety, growth and liquidity needs.

14
15 **SEC. 18. *Exemption from Tax, Legal Process and Lien.*** – Notwithstanding any
16 provisions of existing law, decree, executive or administrative order, rules or regulations to the
17 contrary, the Fund and all distributions therefrom, whether of contributions, ratable income of
18 the Fund, or benefits paid to or received by the members thereof, or their heirs/beneficiaries,
19 shall be exempt from the payment of corporate income tax [and capital gains tax; Provided, That
20 the Fund shall be subject to the final tax on interest income as provided under the pertinent
21 provisions of the National Internal Revenue Code, as amended.

22 Likewise, all of the foregoing shall not be subject to attachment, garnishment, execution,
23 levy or other processes issued by the Courts, quasi-judicial agencies or administrative bodies.

24
25 **SEC. 19. *Government Guarantee.*** – The benefits prescribed in this Act shall not be
26 diminished and the Government of the Republic of the Philippines hereby guarantees the

1 payment of employees' and employers' contributions and dividends to the members when they
2 are due.

3

4 **SEC. 20. *Administration Costs.*** – The Fund shall bear the costs of its administration and
5 development, in such amounts and/or limits as the Board of Trustees may deem appropriate, but
6 not exceeding two percent (2%) of the Net Funds Assets of the previous year, excluding
7 operating cost directly relating to the lending operations of the Fund.

8

9 **SEC. 21. *Audit.*** – The Chairman of the Commission on Audit shall act as the ex-officio
10 auditor of the Fund and, accordingly, is empowered to appoint a representative and other
11 subordinate personnel to perform and report on such audit duties, responsible to and removable
12 only by the Commission on Audit Chairman, without prejudice, however, to the power of the
13 Board of Trustees to contract for another mode of independent audit service, subject to the
14 concurrence by the Commission on Audit as provided for under Presidential Decree No. 1445.

15

16 **SEC. 22. *Remittance of Contributions.*** – (a) It shall be the duty of every employer,
17 private or public, to set aside and remit the contributions required under this Act in accordance
18 with a mechanism determined by the Board of Trustees.

19 (b) Every employer required to set aside and remit such contributions as prescribed under
20 this Act shall be liable for their payment, and non-payment shall further subject the employer to
21 a penalty of three percent (3%) per month of the amounts payable from the date the contributions
22 fall due until paid.

23 (c) It shall be mandatory and compulsory for all government instrumentalities, agencies,
24 including government-owned and controlled corporations to provide the payment of
25 contributions in their annual appropriations. Penal sanctions shall be imposed upon these
26 employers who fail to include the payment of contributions in their annual appropriations or
27 otherwise fail to remit the accurate/exact amount of contributions on time, or delay the

1 remittance of the required contributions to the Fund. The heads of offices and agencies shall be
2 administratively liable for non-remittance of the required contributions to the Fund.

3 (d) Failure or refusal of the employer to collect, pay, or to remit the contributions herein
4 prescribed shall not prejudice the right of the covered employee to the full housing and provident
5 benefits under this Act.

6 (e) The contributions under this Act, in cases where an employer refuses or neglects to
7 pay the same, shall be collected by the Fund in the same manner as taxes are made collectible
8 under the National Internal Revenue Code, as amended.

9 The right to institute the necessary action against the employer may be commenced
10 within twenty (20) years from the time delinquency is known or the assessment is made by the
11 Fund, or from the time the benefit accrues, as the case may be.

12

13 **SEC. 23. *Employment Records and Reports.*** – (a) Each employer shall immediately
14 report to the Fund the names, ages, civil status, occupations, salaries and dependents of and its
15 covered employees.

16 (b) Every employer shall keep true and accurate work records for such period and
17 containing such information as the Fund may prescribe, in addition to the annual register of new
18 and separated employees which shall be secured from the Fund, wherein the employer shall enter
19 on the first day of employment or on the effective date of separation, the names of the persons
20 employed or separated from employment, and such other data that the Fund may require, and
21 said annual register shall be submitted to the Fund in the month of January of each year. Such
22 record shall be open for inspection by the Fund or its authorized representatives quarterly, or as
23 often as the Fund may require.

24

25 **SEC. 24. *Penal Provisions.*** – Refusal or failure without lawful cause or with fraudulent
26 intent to comply with the provisions of this Act, as well as the implementing rules and
27 regulations adopted by the Board of Trustees, particularly with respect to registration of

1 employees, collection and remittance of employee savings as well as employer counterparts or
2 the correct amount due, within the time set in the implementing rules and regulations or specific
3 call or extension made by the Fund Management, shall constitute an offense punishable by a fine
4 of not less than, but not more than twice, the amount involved or imprisonment of not more than
5 six (6) years, or both such fine and imprisonment, in the discretion of the Court, apart from the
6 civil liabilities and/or obligations of the offender or delinquent. When the offender is a
7 corporation, the penalty shall imposed upon the members of the governing board and the
8 President or General Manager, without prejudice to the prosecution of related offenses under the
9 Revised Penal Code and other laws, revocation and denial of operating rights and privileges in
10 the Philippines, prohibition to participate in any bidding and contracts with the Fund, and
11 deportation when the offender is a foreigner. In case of government instrumentalities, agencies or
12 corporations, the treasurer, finance officer, cashier, disbursing officer, budget officer or other
13 official or employees who fails to include in the annual budget the amount corresponding to the
14 employers contributions, or who fails or refuses or delays by more than thirty (30) days from the
15 time such amount becomes due and demandable or to deduct the monthly contributions of the
16 employee shall, upon conviction by final judgment, suffer the penalties of imprisonment from six
17 (6) years, and a fine of not less than, but not more than, twice the amount involved.

18

19 **SEC. 25. *Visitorial and Enforcement Powers.*** – The Fund or its duly authorized
20 representative is empowered to inspect the premises, books of accounts and records of any
21 person or entity covered by this Act, require the regular submission of reports, and act on
22 violations of any provision of this Act.

23

24 **SEC. 26. *Borrowers' Insurance Account.*** – (a) As part of its investment operations, the
25 Fund shall act as insurer of all or part of its interest on properties mortgaged to the Fund, or lives
26 of borrowers whose loans are financed by the Fund. For this purpose, the Fund shall establish a
27 separate account to be known as the "Borrowers' Insurance Account". All amounts received by

1 the Fund in connection with the aforesaid insurance operations shall be placed in the Borrowers'
2 Insurance Account.

3 (b) The Fund may insure any of its interest or part thereof with any private company or
4 reinsurer. The Insurance Commission or its authorized representatives shall make an examination
5 into the financial condition and methods of transacting business of the Fund at least once in two
6 (2) years, but such examination shall be limited to the insurance operation of the Fund as
7 authorized under this paragraph and shall not embrace the other operations of the Fund; and the
8 report of said examination shall be submitted to the Commission and a copy thereof shall be
9 furnished the Office of the President of the Philippines within a reasonable time after the close of
10 the examination: Provided, That for each examination, the Fund shall pay to the Insurance
11 Commission on amount equal to the actual expenses of the Insurance Commission in the conduct
12 of the examination: Provided, further, That the general law on insurance and the rules and
13 regulations promulgated thereunder shall have suppletory application insofar as it is not in
14 conflict with this Act and its rules and regulations.

15
16 **SEC. 27. *Implementing Rules and Regulation.*** – The implementing rules and
17 regulations to effectively carry out the provisions of this Act shall be adopted by and
18 promulgated by the Board of Trustees of the Home Development Mutual Fund not later than
19 ninety (90) days after the approval of this Act which shall be published in at least two (2)
20 national newspapers of general circulation.

21
22 **SEC. 28. *Sunset Provisions.*** – Every three (3) years after the effectivity of this Act, the
23 Congress shall conduct a “sunset review” of the Fund which shall entail systemic evaluation of
24 the Fund to determine whether or not the Fund’s performance, impact or accomplishments with
25 respect to its objectives or goals, the Fund merits continued existence. Such review shall be
26 undertaken by the Committee on Government Corporations and Public Enterprise of the Senate

1 and the Committee on Government Enterprises and Privatization of the House of Representatives
2 which have legislative jurisdiction over the Fund.

3

4 **SEC. 29. *Separability Clause.*** – If for any reason, any provision of this Act, or the
5 application thereof to any person or circumstances, is held invalid or unconstitutional, the
6 remaining provisions not affected thereby shall continue to be in full force and effect.

7

8 **SEC. 30. *Repealing Clause.*** – Presidential Decree No. 1752, as amended by Executive
9 Order Nos. 35 and 90 and Republic Act No. 7742 are hereby repealed. All other laws, decrees,
10 executive orders, or rules and regulations, or parts thereof, inconsistent with or contrary to the
11 provisions of this Act or its purposes are hereby amended or modified accordingly.

12

13 **SEC. 31. *Effectivity.*** – This Act shall take effect fifteen (15) days after the completion of
14 its publication in the Official Gazette or in at least two (2) national newspapers of general
15 circulation.

Approved,