

MALACAÑANG

Manila

ADMINISTRATIVE ORDER NO. 72

PROVIDING FOR A MANDATORY PAYROLL DEDUCTION SYSTEM OF AMORTIZING HOUSING LOAN PAYMENTS IN THE GOVERNMENT SECTOR

WHEREAS, the provision for shelter, as a basic social need has become a major government concern;

WHEREAS, the continuous provision for housing being pursued by the government, as part of its medium-term development plan, is largely dependent on a strong housing finance system, which will make available housing credit and loan facility for some acquisition to middle and low-income families;

WHEREAS, the adoption of a salary deduction scheme for the payment of housing loan amortization shall certainly enhance collection capability of NHMFC, thereby increasing the pool of funds which will again be available for home-lending purposes;

WHEREAS, in accordance with its policy and procedural guidelines, the Government Service Insurance System (GSIS), has required compulsory salary deduction for loan payments of GSIS members availing of its various loan programs, including housing loans.

NOW, THEREFORE, I, FIDEL V. RAMOS, President of the Republic of the Philippines, do hereby order as follows:

SECTION 1. When the government employee has agreed in writing that payment of his lot/housing loan amortization to NHMFC shall be under the payroll-deduction system, all employers in the government sector, its political subdivision and instrumentalities including government-owned and controlled corporations are directed to implement such mode of payment.

SECTION 2. The implementation of the salary deduction scheme for housing loan payments, shall comply with the statutory requirements under Section 41 of the General Provisions of the 1993 General Appropriation Act, that the net take home pay of the employees after all the deductions shall not be lower than One Thousand Pesos (P1,000.00).

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SECTION 3. Agreements as to collection servicing of housing loan payments can be negotiated between NHMFC and the agency concerned; Provided, that the service fee to be paid shall not be more than One Percent (1%) of total collections.

SECTION 4. This Order shall take effect immediately.

DONE, in the City of Manila, this 29th day of July in the year of our Lord, Nineteen Hundred and Ninety Three. /s/



By the President


TEOFISTO L. GUINSONA, JR.
Executive Secretary 