

## MEMORANDUM OF AGREEMENT

### KNOW ALL MEN BY THESE PRESENTS:

**HOME DEVELOPMENT MUTUAL FUND**, a government financial institution duly organized and existing by virtue of R.A. No. 9679, with principal address at 358 Petron Mega Plaza, Sen. Gil Puyat Ave., Makati City, duly represented herein by its Chief Executive Officer, **ATTY. DARLENE MARIE B. BERBERABE**, hereinafter referred to as "**Pag-IBIG Fund**",

and

**DEVELOPMENT BANK OF THE PHILIPPINES**, a government financial institution created and operating pursuant to Executive Order No. 81 dated December 3, 1986, as amended by Republic Act (R.A.) No. 8523 dated February 14, 1998, with principal address at DBP Building, Sen. Gil Puyat Avenue corner Makati Avenue, Makati City, herein represented by its President and Chief Executive Officer, **Gil A. Buenaventura**, hereinafter referred to as **DBP**;

### WITNESSETH: That

**WHEREAS**, in order to provide a more efficient and convenient payment channel to **Pag-IBIG Fund**'s registered employers, **Pag-IBIG Fund** has decided to adopt and implement an electronic and web-based collection platform via BancNet'seGOV Facility, of which **DBP** is a participating bank, herein referred to as "**DBP Electronic Collection Facility**";

**WHEREAS**, **DBP** has agreed to provide **Pag-IBIG Fund** a web-based collection solution which will enable **Pag-IBIG Fund** to accept payments with the corresponding data files from the employers and **DBP** shall likewise provide reports necessary for **Pag-IBIG Fund** to efficiently monitor payments made under the system;

**NOW THEREFORE**, for and in consideration of foregoing premises and the mutual covenants and conditions hereinafter set forth, the parties hereto have agreed, as they hereby agree, as follows:

### ARTICLE I OBJECTIVES AND UNDERTAKING

1. This Agreement has been entered into by the Parties with the primary purpose and objectives of providing **Pag-IBIG Fund** and its registered employers an electronic online payment and collection facility developed by **DBP** utilizing the BancNeteGOV Portal as an Accredited Agent Bank (AAB).
2. The Parties shall work to establish and create a web-based solution for internet originated payments and collections supported by all necessary facilities for the effective and efficient management and handling of the

collection of **Pag-IBIG Fund** contributions and loan amortizations due from registered employers and member-borrowers.

## **ARTICLE II COMMITMENTS AND UNDERTAKINGS**

In order to attain the objectives of this Agreement, each Party hereby commits itself as follows:

**Pag-IBIG Fund** shall:

1. Mandate all its registered employers to open a Current /Savings Account with zero (0) opening and maintaining balance with **DBP** where its remittances for **Pag-IBIG Fund** shall be debited;
2. Mandate all its registered employers to utilize the **DBP Electronic Collection Facility** for the remittance of contributions and loan amortizations due to **Pag-IBIG Fund**;
3. Provide **DBP** with all the necessary data and information, as well as other pertinent technical requirements, specifications, procedures and facilities for the installation and development of the **DBP Electronic Collection Facility**;
4. Open and maintain a Current/Savings Account with **DBP** in order to implement the objectives of this Agreement. The Current/Savings Account shall be an interest-bearing account subject to **DBP's** Rules and Regulations and in accordance with applicable Bangko ng Sentral ng Pilipinas guidelines;
5. Allow **DBP** to put on hold a period of ten (10) days on the daily collections remitted to the Current/Savings Account of **Pag-IBIG Fund**; and
6. Accept and post all transactions and/or payments sent by **DBP** in accordance with the terms and conditions set herein.

**DBP** shall:

1. Handle the opening of Current/Savings Accounts with zero (0) opening and maintaining balance for **Pag-IBIG Fund** registered employers where remittances for **Pag-IBIG Fund** shall be debited;
2. Provide **Pag-IBIG Fund** with the **DBP Electronic Collection Facility** which shall allow **Pag-IBIG Fund** to accept remittances of contributions and loan amortizations from registered employers electronically;
3. Secure all the necessary approvals, permits, and clearances from the Department of Finance, Bangko Sentral ng Pilipinas and other government agencies for the implementation of the project;

4. Accept, for and in behalf of **Pag-IBIG Fund**, remittances of membership contributions and loan amortizations from registered employers;
5. Remit all payments received for and in behalf of **Pag-IBIG Fund** based on the agreed upon float period as stipulated in **Pag-IBIG's** Agreement with BancNet for the collections coursed through BancNet's eGOV Facility;
6. Provide **Pag-IBIG Fund** an online viewing facility for proper monitoring of fund balances and collections;
7. Submit the Collection Files to **Pag-IBIG Fund** containing all the details of the remittances received by **DBP** on behalf of **Pag-IBIG Fund** following the reportorial requirements embodied in the BancNet eGOV Facility Agreement.

### **ARTICLE III IMPLEMENTATING GUIDELINES**

1. **DBP**, in accepting the remittances on behalf of **Pag-IBIG Fund**, does not in any way guarantee that the amount remitted by the registered employer is the correct amount due or the correct payment for the state period or the employees covered therein, it being understood that by virtue of the foregoing collection arrangement, **DBP** shall not be required to verify with **Pag-IBIG Fund** the correctness of the amount paid. **DBP** shall, however, ensure that the amount paid corresponds to the figures reflected in the system-generated acknowledgement receipt which is displayed in each successful transaction.
2. **DBP** agrees to provide **Pag-IBIG Fund** an electronic facility for downloading of Collection Files to **Pag-IBIG Fund** containing all the details of the remittances received by **DBP** on behalf of **Pag-IBIG Fund** and other electronic files that may be required by **Pag-IBIG Fund**.
3. **DBP** shall undertake, in proper coordination with **Pag-IBIG Fund**, an information dissemination campaign regarding arrangements embodied in this Agreement.

### **ARTICLE IV EFFECTIVITY**

The Agreement shall be effective as of the date hereof and shall be enforceable until terminated by either Party upon sixty (60) days prior written notice served to the other party. Upon such termination, **DBP** shall remit to **Pag-IBIG Fund** all collections due to the latter, if any, and the relevant reports, records and documents required, pursuant to this Agreement.

### **ARTICLE V COMPLAINTS**

1. Except for **DBP's** failure to credit the Current/Savings Account for any payments received pursuant to and under the Agreement, **Pag-IBIG**

**Fund** shall be responsible for handling and/or settlement of registered employer's complaints. For this purpose, all registered employers who have complaints against **Pag-IBIG Fund** shall be referred/directed by **DBP** to **Pag-IBIG Fund**.

2. Any questions/complaints of **Pag-IBIG Fund** with regard to this Agreement shall be handled by the **DBP** Financial Center.

## **ARTICLE VI CONFIDENTIALITY**

Both parties shall treat all customer, process, internet payment design, data and information as strictly confidential and shall not disclose any such data or information to any third Party without prior written consent of the other Party, except to the extent that such data or information is already in the public domain or is acquired from a third Party who is not in breach of any confidentiality undertaking or obligation with respect to the same, or where such disclosure is required by law, valid judicial order or process.

## **ARTICLE VII MISCELLANEOUS PROVISIONS**

1. This Agreement shall be subject to a periodic review every after six (6) months and may be modified, amended or rescinded at any time for the mutual benefit and upon mutual agreement in writing of the Parties hereto.
2. It is understood and agreed that no employer-employee relationship shall exist or arise between **Pag-IBIG Fund** and the **DBP** representative/s and other workers who may be contracted by the latter to carry out the services of **DBP** under this Agreement. **DBP** shall hold **Pag-IBIG Fund** free and harmless from any claims and causes of action relating to the employment status of the **DBP's** representatives and workers who shall remain accountable solely to **DBP** in the performance of their duties.
3. The failure of the Parties to insist upon a strict performance of any of the terms, conditions and covenants hereof shall not be deemed a relinquishment or waiver of any right or remedy a Party may have, not shall it be construed as a waived of any subsequent breach or default or the terms, conditions and covenants herein contained, which shall be in full force and effect. No waiver by either Party shall be deemed to have been made unless expressed in writing and signed by a duly authorized representative thereof.
4. If any of the provisions of this Agreement be declared invalid or illegal, such invalidity or illegality shall not in any way affect the remaining provisions hereof or any vested right which may have already accrued in favor of the Parties.
5. During the period when collections and payments made in accordance with this Agreement are not yet credited to the **Pag-IBIG Fund** Current/Savings Account, risk of loss of the amounts collected

electronically shall be the sole responsibility of **DBP**, without prejudice to the **DBP's** right to avail of its legal remedies against the person responsible for the loss.

6. **DBP** shall be relieved from the performance of its obligations and the payment of penalties under this Agreement in the event of force majeure.
7. This Agreement and the documents referred to herein or executed contemporaneously herewith constitute the entire Agreement of the Parties with respect to the subject matter hereof and shall supersede any prior expressions of intent or understanding with respect to this transaction.
8. Neither Party may assign or delegate its rights, duties or obligations under this Agreement without the prior written consent of the other Party. Notwithstanding the foregoing, a Party may assign this Agreement to an affiliate, subsidiary or any entity owned or controlled by the assigning Party, or pursuant to the merger, consolidation or corporate reorganization upon notice to **DBP**.
9. **Pag-IBIG Fund** at its own expense, agrees to indemnify and hold **DBP**, its directors, officers and employees, free and harmless from any and all losses, damages or liabilities, of whatever kind and nature, including Attorney's fees, which **DBP** may suffer in connection with this Agreement for causes attributable to the fault or negligence of **Pag-IBIG Fund** and/or its employees. Likewise, **DBP**, at its own expense, shall indemnify and hold **Pag-IBIG Fund**, its directors, officers and employees free and harmless with respect to losses, damages or liabilities, including Attorney's fees, to the extent based upon (i) personal injury or property damage caused by the fault or negligence of **DBP** or its employees, or (ii) any breach or wilful, intentional or negligent actions or failures by **DBP** or its employees.
10. This Agreement shall be governed and construed in accordance with the laws of the Philippines.
11. All disputes, claims and controversies between the Parties arising from the interpretation or application of this Agreement shall be administratively settled or adjudicated in the manner provided under PD 242 in relation to relevant provisions of R.A.9285 and the Administrative Code of 1987.
12. The waiver or failure of a Party to exercise any right provided for herein shall not be deemed a waiver of any further right hereunder. The rights and remedies of a Party set forth in this Agreement are in addition to any rights or remedies the **Pag-IBIG Fund** may otherwise have at law or in equity.
13. All provisions hereof relating to proprietary rights, confidentiality and non-disclosure and indemnification shall survive the completion of the collection services or any earlier termination of this Agreement.

14. In case of unresolved conflicts in the interpretation and implementation of this Agreement, the Parties agree to submit such dispute/s to arbitration laws, rules and regulations.

**IN WITNESS WHEREOF**, the parties through their respective authorized representative have hereinto signed in this Agreement this \_\_\_\_\_ day of \_\_\_\_\_, 2015 at \_\_\_\_\_, Philippines.

**HOME DEVELOPMENT  
MUTUAL FUND**

**DEVELOPMENT BANK OF THE  
PHILIPPINES**

By:

By:

**ATTY. DARLENE MARIE B. BERBERABE**  
Chief Executive Officer

**GIL A. BUENAVENTURA**  
President and CEO

**SIGNED IN THE PRESENCE OF**

**EMMA LINDA B. FARIA**  
DCEO, Support Services Cluster

**ANTHONY T. ROBLES**  
EVP, Branch Banking Sector

**ACKNOWLEDGMENT**

**REPUBLIC OF THE PHILIPPINES)**  
\_\_\_\_\_)

At the above stated place, on the \_\_\_\_\_ day of \_\_\_\_\_ 2015, before me personally appeared:

**NAME**

**GOVERNMENT-ISSUED  
IDENTIFICATION.NO.**

**EXPIRY**

**ATTY. DARLENE MARIE  
B. BERBERABE**

Known to me and to me known to be the same persons who executed the foregoing instrument and they acknowledged to me that the same is their free and voluntary act and deed as well as the entities they respectively represent.

This instrument consists of \_\_\_\_ pages, including this page whereon this Acknowledgement is written and signed by the parties and their witnesses on each and every page thereof.

WITNESS MY HAND SEAL this \_\_\_\_ day of \_\_\_\_\_, 2015 at \_\_\_\_\_.

Notary Public

Doc. No. \_\_\_\_\_  
Page No. \_\_\_\_\_  
Book No. \_\_\_\_\_  
Series of 2015

**ACKNOWLEDGMENT**

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**GIL A. BUENAVENTURA**

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