



REPUBLIKA NG PILIPINAS
KAGAWARAN NG PANANALAPI
KAWANIHAN NG INGATANG-YAMAN
(BUREAU OF THE TREASURY)
INTRAMUROS, MAYNILA

Funding the Republic

Memorandum

To : All Government Securities Eligible Dealers

Date : March 02, 2010

Subject : Home Development Mutual Fund Pag-IBIG Housing Bonds

Please be advised that the Home Development Mutual Fund (HDMF) will auction on March 09, 2010, P12.0B worth of 5-year plus one (1) day Pag-IBIG Housing Bonds with issue date on March 11, 2010. Below are the indicative terms and conditions of the issue:

Issuer : Home Development Mutual Fund (the “HDMF” or “Pag-IBIG”)

Issue Amount: : Pesos: Up to Twelve Billion (Php 12,000,000,000.00)

Use of Proceeds : To fund other financing requirements of the HDMF, including among others, the housing programs of the HDMF and the Pag-IBIG Bonds maturing in May 2010.

Mode of Offering : Dutch Auction

Issue Price : At par (100%)

Auction Date : March 09, 2010

**Settlement/
Issue Date** : March 11, 2010

Principal Repayment: At par on Maturity Date

Tenor/Maturity Date: Five (5) years and one (1) day from Issue date.

ISIN : HDMF0515C038

Coupon Rate : Fixed interest rate equivalent to the bid rate awarded during the Dutch Auction using the Bureau of the Treasury’s Automated Debt Auction Processing System (“ADAPS”) facility

Benchmark Rate : The 5-year PDST-F at or about 11:16 a.m. on the Auction Date

Coupon Payment : Semi-annual in arrears based on a 30-day month and 360-day year

Security : The principal and coupon payments due on the Bonds shall be secured by the irrevocable and unconditional guarantee of the HGC.

The HGC cash guarantee provided herein shall carry with it full and unconditional guarantee of the Republic of the Philippines by virtue of Section 18 (b) of R.A. 8763

- Sinking Fund** : The HDMF shall set up a Bond Sinking Fund to be maintained and managed by BTr, which shall be used for the redemption of the bond upon maturity
- Taxation** : Interest earned on the bonds shall be exempt from all taxation up to the extent of the approved HGC guarantee (8.5% per annum).
- Documentary stamp tax on original issue shall be for the account of the Issuer
- Eligibilities** : (i) alternative compliance with P.D. 717 (Agri-Agra-Law);
(ii) sufficient compliance with Sec. 18 of R.A. 7279 or the Urban Development Housing Act of 1992; and
(iii) admitted asset of insurance companies, as capital or reserve investment
- Form of Bond** : Scripless
- Registrar and Paying Agent** : Bureau of the Treasury
- Other Features** : Negotiable and transferable

Please be guided accordingly.

ROBERTO B. TAN
Treasurer of the Philippines

LMS/SOD/EBB/ESB/ellen