

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

LAND BANK OF THE PHILIPPINES, a government financial institution duly created and existing under and by virtue of R.A. No. 3844, as amended with principal office at the Land Bank Plaza 1598 M.H. Del Pilar Street, Malate, Manila, Philippines, represented herein by its President and Chief Executive Officer, **GILDA E. PICO**, hereinafter referred to as "**LANDBANK**";

WITNESSETH: That

WHEREAS, Republic Act No. 8792, otherwise known as E-Commerce Act of 2000 and its implementing rules mandate all government-owned and -controlled corporations to provide a method and manner of payment or settlement of fees and other obligations to the government through systems using electronic data messages or electronic documents;

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, such as, herein "**LANDBANK Electronic Collection Facility**";

WHEREAS, **LANDBANK** 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 **LANDBANK** 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:

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ARTICLE I OBJECTIVE

This Agreement has been entered into by the Parties with the primary purpose and objective of providing **Pag-IBIG Fund** and its registered employers an electronic online payment and collection facility developed by **LANDBANK**.

The Parties shall provide 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. Inform its registered employers that they may open a Current /Savings Account with no Average Daily Balance (ADB) requirement with **LANDBANK** where their remittances for **Pag-IBIG Fund** shall be debited;
2. Inform all its registered employers that they may utilize the **LANDBANK Electronic Collection Facility** for the remittance of contributions and loan amortizations due to **Pag-IBIG Fund**;
3. Provide **LANDBANK** 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 **LANDBANK Electronic Collection Facility**;
4. Open and maintain a Deposit Account with **LANDBANK** in order to implement the objectives of this Agreement; and
5. Accept and post all transactions and/or payments sent by **LANDBANK** in accordance with the terms and conditions set herein.

LANDBANK shall:

1. Handle the opening of Current/Savings Accounts with no ADB requirement for **Pag-IBIG Fund**-registered employers where remittances for **Pag-IBIG Fund** shall be debited;

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2. Provide **Pag-IBIG Fund** with the **LANDBANK 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 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. Provide **Pag-IBIG Fund** an online viewing facility for proper monitoring of fund balances and collections; and
6. Submit the Collection Files to **Pag-IBIG Fund** containing all the details of the remittances received by **LANDBANK** on behalf of **Pag-IBIG Fund** via File Transfer Protocol (FTP) or any other secured means on or before the agreed time of the following day.

ARTICLE III GUIDELINES

1. **LANDBANK**, 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, **LANDBANK** shall not be required to verify with **Pag-IBIG Fund** the correctness of the amount paid. **LANDBANK** 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. **LANDBANK** 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 **LANDBANK** on behalf of **Pag-IBIG Fund** and other electronic files that may be required by **Pag-IBIG Fund**.
3. Subject to regular security procedures, **Pag-IBIG Fund** reserves the right, and **LANDBANK**, upon prior written notice by **Pag-IBIG Fund**, agrees to allow **Pag-IBIG Fund** to examine the Current/Savings Account arising from and by virtue of this Agreement during reasonable business hours of any banking day as **Pag-IBIG Fund** may deem necessary, provided that the registered employer concerned has expressly given its consent to the disclosure of deposit information to **Pag-IBIG Fund** or waived its right under applicable bank secrecy laws. It is understood that such examination by **Pag-IBIG Fund** shall strictly be limited only to the

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records pertaining to **Pag-IBIG Fund** and such other miscellaneous payments for the account of **Pag-IBIG Fund**.

Pursuant thereto, **Pag-IBIG Fund** agrees to keep the confidentiality of any and all customer information and data obtained not pertaining to Pag-IBIG fund but in connection with or relating to such examination. It shall likewise be the responsibility of **Pag-IBIG Fund** to ensure that the employees or representatives who are recipients of the Confidential Information to keep such information strictly confidential.

4. **LANDBANK** 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 upon signing by the Parties and shall be enforceable until terminated by either Party upon sixty (60) days prior written notice served upon the other Party. Upon such termination, **LANDBANK** shall remit to **Pag-IBIG Fund** all collections due to the latter, if any, and submit to the latter the reports, records and documents required, pursuant to this Agreement and those that maybe necessary consistent with this Agreement's nature and purpose.

ARTICLE V COMPLAINTS

1. Except for **LANDBANK's** failure to credit the Deposit 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 **LANDBANK** to **Pag-IBIG Fund**.
2. Any questions/complaints of **Pag-IBIG Fund** with regard to this Agreement shall be handled by the **LANDBANK** Atrium Branch.

ARTICLE VI NON-EXCLUSIVITY CLAUSE

Nothing herein shall be construed as a grant of exclusive rights to **LANDBANK** in providing an electronic online web-based payment gateway or e-banking facilities/services for the **Pag-IBIG Fund**. It is expressly understood that the **Pag-IBIG Fund** has the right to engage the services of

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