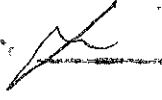


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SENATE

P.S. Res. No. 189

RECEIVED BY: 

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Introduced by Sen. S. R. Osmeña III

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RESOLUTION

DIRECTING THE SENATE COMMITTEE ON BANKS, FINANCIAL INSTITUTIONS AND CURRENCIES TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, INTO THE ALLEGED IRREGULARITIES IN THE HOUSING LOAN TRANSACTIONS BETWEEN THE PAG-IBIG FUND AND GLOBE ASIATIQUE REALTY HOLDINGS CORPORATION

**WHEREAS**, the Home Mutual Development Fund commonly known as the Pag-Ibig Fund is a government financial institution entrusted with monetary contributions from government and public sector workers ("Pag-Ibig members") and their employers primarily to finance said workers' housing needs;

**WHEREAS**, the Pag-Ibig Fund released funds to Globe Asiatique Realty Holdings Corp ("Globe Asiatique") on behalf of Pag-Ibig members who have been extended loans by Pag-Ibig to pay for the house and lot packages they purchased from Globe Asiatique;

**WHEREAS**, Globe Asiatique already received from the Pag-Ibig Fund the amount of around P7.1 billion corresponding to the housing loans of 9,951 self-employed Pag-Ibig members under the Other Working Group category who were allegedly picked and qualified by Globe Asiatique itself;

**WHEREAS**, it has been reported in the media that at least 1,400 of these housing loans are fake since the supposed buyers are either missing or denying the existence of the loans, and that at least 200 more accounts have incomplete documentation, suggesting that the Globe Asiatique had been acting purely on self-interest in qualifying the buyers just to get hold of the money from the Pag-Ibig Fund fraudulently;

**WHEREAS**, it has also been reported that BDO Capital and Investment Corp. resigned as issue manager of Globe Asiatique's planned P3.39 billion initial public

offering ("IPO") at the Philippine Stock Exchange, which offering was subsequently cancelled, and that the Philippine National Bank is suing Globe Asiatique for non-payment of loans, indicating that the Pag-Ibig Fund will have great difficulty in recovering the hundreds of millions it released to Globe Asiatique for fake loans;

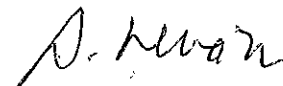
**WHEREAS**, considering these circumstances and given government's regrettable experience in housing finance, there are strong indications of irregularities in the conduct of transactions between the Pag-Ibig Fund and Globe Asiatique which, if true, not only manifest serious problems in the safety and soundness of the Pag-Ibig Fund as an institution but also warn against unscrupulous practices that exploit the vulnerabilities of the financial system for personal gain at the expense of the public; and

**WHEREAS**, there is a need to look into these transactions for the purpose of determining whether legislative measures are necessary to be instituted to address any imperfection in the laws governing the Pag-Ibig Fund and the financial system.

**NOW, THEREFORE**, in view of the foregoing and in order to protect and pursue the Senate's constitutional prerogatives,

**BE IT RESOLVED**, as it is hereby resolved, to direct the Senate Committee on Banks, Financial Institutions and Currencies to conduct an inquiry, in aid of legislation, into the alleged irregularities in the housing loan transactions between the Pag-Ibig Fund and Globe Asiatique Realty Holdings Corporation.

Adopted,

  
**SERGIO R. OSMEÑA III**

Senator