

ABSTRACT

PLAZA, MELODY N., Factors Affecting Payment Default of House and Lot Buyers through Pag-IBIG FUND. Master Thesis. Master in Business Administration . De La Salle University -Dasmarinas, Cavite. June 2016.

The study described and determined the factors affecting payment default of house and lot buyers through Pag-IBIG Fund.

Payment default of house and lot buyers through Pag-IBIG Fund has been increasing from an average of 43% from 2011-2014 to 62% in 2015 (LRC,2016). There has been no research in the Philippines in the area of payment default of house and lot buyers. This study aimed to identify factors affecting payment default of house and lot buyers through Pag-IBIG Fund for socialized and economic housing. The data used in this study were gathered through a survey with 365 respondents residing in the subdivisions located in General Trias, and Trece Martires City in the province of Cavite. The logit model was used to identify relationship between payment default and independent variables such as gender, age , civil status, employment/occupation, monthly income, number of dependents, average monthly savings, monthly amortization and type of family.

Gender, age, employment /occupation status, monthly income, savings, monthly amortization and type of family had significant effect on the payment default. For both socialized and economic housing, the odds ratio for buyers to default was lower for buyers with savings. For socialized housing, the odds ratio for

buyers to default was higher for male, younger, 36 - 40 years old, below PhP 16,000 monthly income and monthly amortization of 3,000 - 3,999.

For economic housing, the odds ratio for buyers to default was higher for patriarchal type of family and employed which is recommended for further study.

The reasons identified by respondents to affect payment default of socialized and economic housing were financial, behavioral/ attitude, social/family, health, economic, and external.

This study has important implications on pre-qualification practices of Pag-IBIG Fund. It is suggested that while monthly income is important in the pre qualification of Pag-IBIG Fund housing loan approval, it is equally important to consider monthly savings for both socialized and economic housing borrowers.

