

15 March 2024

**OFFICE OF THE NATIONAL
ADMINISTRATIVE REGISTER
(ONAR)**

Room 208, Second Floor,
Bocobo Hall, UP Law Center
UP Diliman, Quezon City

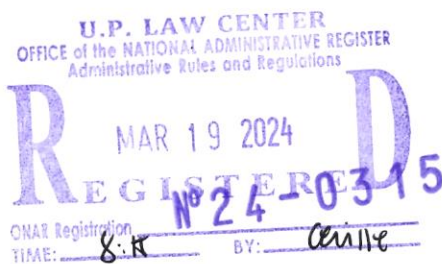
Dear Sir/Madam:

Greetings!

Pursuant to Section 3 of Book VII of the Administrative Code, which requires every agency in the Government to file with the University of the Philippines Law Center certified copies of every rule adopted by it, we are hereby transmitting three (3) Certified True Copies of the Social Housing Finance Corporation's (SHFC) "REVERSAL OF UNDISTRIBUTED COLLECTION" (Corporate Circular CMP No. 23-064 Series of 2023).

Thank you.

Very truly yours,



ATTY. KAROLINE J. ABELLO-TORDECILLA
Acting Board Secretary
Office of the Board Secretary

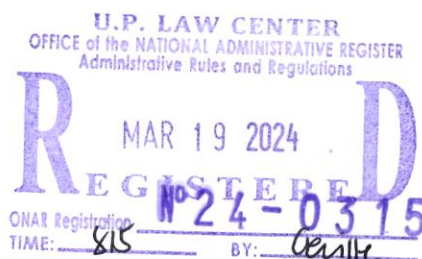


Kaagapay ng Komunidad sa Maginhawa ng Pamamahay

CORPORATE CIRCULAR CMP NO. 23 - 064
Series of 2023

TO: ALL COMMUNITY ASSOCIATIONS
Community Mortgage Program

SUBJECT: REVERSAL OF UNDISTRIBUTED COLLECTION



Undistributed Collection (UC) refers to the amortization payments made to the SHFC by Community Associations/Member Beneficiaries (CAs/MBs) but not yet posted and applied to the rightful borrowers' accounts. It adversely affects the fair presentation of some account balances in the Financial Statement of SHFC.

The UC has always been part of the major observations of the Commission on Audit (COA). As of August 22, 2023, the UC that remained unapplied to Loan Installment Receivables and other affected accounts amounted to P294,894,581.00M.

The delay in posting amortization payments is due to unmatched, illegible, incomplete or no Abstract of Collection, payors not in the Masterlist and other findings. Despite efforts by the SHFC Operations Group, there are documents that CAs/MBs can no longer submit; thus, payments remain unapplied to the proper ledgers until now.

In the interest of service and to enable SHFC to post the amortization payments accurately to the ledgers of MB, the following guidelines shall be implemented:

For AOC-Related UC:

1. All payments supported by original copies of Community Mortgage Receipt (CMR), Mortgage Bank Receipt (MBR), Remittance Report (RR) and Abstract of Collection (AOCs), shall be honored and reflected in the ledgers of the MBs.
2. As a matter of policy, those AOC with a discrepancy of P500 and below shall be automatically and proportionately applied among the MBs named in the AOC;
3. SHFC shall honor new or reconstructed AOC, subject to CA submission of the following:
 - a.) General Assembly Resolution containing the following:
 - Confirmation that the signatories to the required GA and Board Resolution are still the recognized officers by DHSUD;
 - There are no objections from all the MBs on the recomputed AOC;
 - Attendance sheet which shall be validated by SHFC

b.) Board Resolution containing the following:

- Circumstances of the loss of AOC;
- The recomputation of the AOC which shall be attached as Annex to the Board Resolution;
- Waiver/Quit Claim rendering SHFC free and harmless from any and all future claims;
- Refund of any amount in case of a rightful claim;

c.) Updated GIS or documentation of no election;

For Pavors not in the Masterlist:

4. For the undocumented or applicant substitutes, the CAs shall submit the Board Resolution and Secretary Certificate indicating the names and account numbers of the original MBs, who were replaced. The payments shall be credited in favor of the original MBs.
5. For the approved substitutes, the concerned branches through the Branch Manager of Accounts Management Group (AMG) shall submit to the Finance and Comptrollership Dept. (FCD) the Amendments to the Masterlist of Beneficiaries and Loan Apportionment (MBLA) and the Certificate of Approved Substitute, for the necessary adjustment in the system. The payment shall be credited in favor of the approved MB.

The non-submission or non-compliance by the CAs within thirty (30) days of notice shall mean a waiver of the rights under existing laws, SHFC through the FCD shall proportionately apply the CAs payments in favor of all its MBs, except those already fully paid. In case of discrepancy in the amount indicated in the AOC, such discrepancy shall be proportionately applied to the MBs named in the AOC.

For One Year Updating Scheme:

All payments intended for the One Year Updating application that failed to fully materialized, shall be applied as regular payment pursuant to the executed Deed of Undertaking. The concerned branches through the Branch Manager of AMG shall submit to FCD the list of these accounts for the corresponding adjustment after thirty (30) days from the denial of the application.

All Corporate Circulars, Memoranda, Office Orders and issuances inconsistent with any provision of this Circular are deemed modified or repealed accordingly.

For immediate implementation.

FEDERICO A. LAXA

President and Chief Executive Officer

Date: October 25, 2023

[Handwritten signature]