

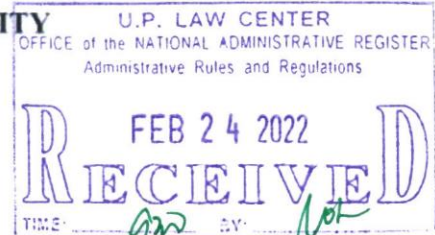


Kaagapay ng Komunidad sa Maginhawang Pamumuhay



CMP CORPORATE CIRCULAR NO. 21 - 057
Series of 2021

SUBJECT : GUIDELINES FOR TURNKEY CMP MODALITY



Section One – Introduction

1.1 Background and Purpose

Approved through Board Resolution Nos. 767 and 898, the Turnkey CMP Modality was created to accelerate the delivery of housing services to low-income families from the formal and informal sectors of Philippine society. This modality utilizes the People's Plan approach wherein the Community Association (CA) chooses the site where they intend to relocate, partners with the developer to build and develop its housing project, applies for a CMP loan to finance the project, and monitors the project's development and construction.

These guidelines shall be the reference of the CAs for its availment of a shelter financing loan under the Turnkey CMP modality. These shall likewise be applicable for the chosen housing project of the CA whether undeveloped, developed, or ongoing.

1.2 Definition of Terms

For the purpose of these guidelines, the following terms shall be construed as follows:

1. Community Association (CA) - a legally organized association registered with the Department of Human Settlements and Urban Development (DHSUD) and applying for the CMP that is primarily composed of underprivileged and homeless citizens.
2. Developer - refers to a natural or juridical person or firm that owns, buys and/or improves raw land with labor and capital, and arranges for utilities and essential services, in order to provide housing projects, which the community planned and designed to be built for their association.
3. Developed Lots - refers to a built-up area to which all development and construction work has been completed, such as all public or private roadways necessary to provide sufficient access to such a lot and completion of all water, sanitary, and sewer facilities.
4. External Appraiser - refers to the person or organization that would provide impartial, and unbiased opinions about the value of the completed project.
5. House Construction – the process of building or assembling infrastructure, primarily those used to provide shelter.

6. Site Development – improvement of the project site pertaining to establishment of roads, construction of drainage and sewerage system and installation of water and electrical system.
7. People's Plan Approach – refers to the process/actions/activities wherein the organized communities contribute to the conceptualization and implementation of their housing settlement plan, with SHFC empowering them on the monitoring and supervision of their housing project.
8. Pilot Phase – refers to the construction of a minimum of 10% of the total number of the housing units to be constructed as agreed by the CA and Developer for Turnkey CMP, where 80% to 90% of the project's site development is completed with provision of basic services that have been tested and approved by the utility provider with respect to its specification and requirements. The basic services shall be those stated under Section 21 of the Urban Development and Housing Act (RA 7279).
9. SHFC-Accredited Developer – refers to a developer duly accredited by SHFC's Partner Relations Division (PRD).
10. Turnkey CMP – completed housing units based on either of the following scenarios:
 - 10.1. Turnkey CMP Complete Package – the developer develops the entire project from lot acquisition, site development, and house construction.
 - 10.2. Turnkey CMP Site Development and House Construction – the developer develops the project site and constructs the housing units, with the land already purchased in the name of the CA whether financed by SHFC or otherwise; land provided for by another stakeholder through donation; or land under usufructuary arrangement with SHFC or other stakeholders.
 - 10.3. Turnkey CMP House Development – the developer constructs the housing unit, with the land and site development provided for by another stakeholder; either the land and site development already purchased in the name of the CA whether financed by SHFC or otherwise; land and site development provided for by another stakeholder through donation; or land and site development under usufructuary arrangement with SHFC or other stakeholders.

1.3 Process Framework

The Turnkey CMP Modality shall be implemented following the general process flow that involves the undertakings below:

1. CA and the developer negotiate and agree on a housing project under the ambit of a People's Plan Approach;
2. CA and the developer submit the documents to SHFC for financing;
3. Developer submits the documents for provisional accreditation;
4. SHFC conducts due diligence on the mortgageability, concept and plans, designs and specifications if equivalent to the project cost, and conducts initial valuation of the project cost and site suitability study;
5. CA undertakes capacity building and empowerment requirement;

6. SHFC presents the project to the SHFC Credit Committee, Management Committee, Executive Committee and the Board of Directors, for issuance of a Letter of Guaranty for a minimum of 10% of the total number of units, pending the final accreditation of the developer and the third-party appraisal. Subsequent LOGs shall be issued subject to the evaluation and acceptance of the constructed units and another approval of the Board;
7. SHFC and CA inspect and approve the Pilot Phase of the Turnkey CMP project;
8. External appraiser conducts an appraisal;
9. SHFC issues the final accreditation of the developer;
10. SHFC processes and releases the loan to the SHFC-accredited Developer.

1.4 Scope of Application

These guidelines shall apply to prospective Turnkey CMP projects approved by the Executive Committee or the SHFC Board of Directors, subject to the following approved SHFC Delegation of Authority:

Loan Amount	Level of Approval Authority
Up to 10 Mn	Credit Committee
Above PhP 10 Mn to PhP 15 Mn	Executive Committee
Above PhP 15 Mn	Board of Directors

The SHFC Construction Manual may apply suppletorily to these guidelines.

Section Two – Stakeholder Eligibility

This Section covers the eligibility criteria of the different stakeholders involved in the implementation of the Turnkey CMP Project.

2.1 Community Association (CA)

The eligibilities specified under BR Nos. 767 and 898 shall be applied to Turnkey CMP, unless otherwise stated, and shall comply with the following particulars:

1. The membership of the CA shall consider the following:
 - 1.1. Those living in danger zones;
 - 1.2. Those affected by government infrastructure projects;
 - 1.3. Those affected by court-ordered demolitions;
 - 1.4. Victims of disaster or calamity (natural or man-made);
 - 1.5. Families from a common sector or group needing resettlement assistance.

The CA shall secure an LGU-certified or a Partner Funding Agency-certified list of its members, and shall have a well-defined project management structure or indicators that can show manageability as indicated in the CA's Organizational Profile;

2. The CA must already have partnered with a developer through an agreement. If the chosen developer is yet to be accredited, it may apply for a provisional accreditation and comply with the requirements for final accreditation as specified under Section 2.2.1; and
3. The CA, being the primary decision-maker in the process, shall issue a written and signed resolution that specifies a record of important decisions, particularly the selection of their preferred developer, the technical plans, and the total cost for each beneficiary.

2.1.1 Capacity Building and Empowerment Activities

The CA shall have the necessary core competencies after undergoing the capacity building and empowerment activities conducted by SHFC. A Building Committee shall likewise be constituted by the CA to undergo training/s specific to monitoring and supervising the Pilot Phase and subsequent phases of the project with the guidance of SHFC.

The following are the core competencies and corresponding documents required from the CA in order to be issued a Certificate of Readiness to Occupy:

Core Competency	Objective/s	Proof of Competency
a. Competency on ensuring that the utilities such as water and electricity are in place, functioning and connected to every household or building units.	To acquire the technical knowledge to inspect whether utilities are in place, functioning and connected to every housing or building units, through capacity building or training.	a. Capacity building or training attendance certified by the SHFC Engineering Group. b. Filled up punch list for utilities per MB certified by SHFC Regional Engineering Department (RED).
b. Competency on ensuring that houses or building units are built in accordance with standards of the plan and specification. Additionally, the units are in good condition, free from damage and ready for occupancy.	To acquire the technical knowledge to inspect whether the houses or building units are built in accordance with the standards of the plan and specification. Additionally, to ensure that housing or building units are in good condition, free from damage and ready for occupancy, through capacity building or training.	a. Capacity building or training attendance certified by the SHFC Engineering Group. b. Filled up punch list for houses or building units per MB certified by SHFC RED.

<p>c. Competency on ensuring that the members are knowledgeable of their roles, responsibilities and rights within the organization, community and the society.</p>	<p>To acquire the knowledge on the community member's roles, responsibilities and rights, through the following trainings of each members:</p> <ol style="list-style-type: none"> 1.) Magna Carta of Homeowners Association training and have secured a copy of the community by-laws. 2.) Leadership training 3.) Values formation 4.) Estate Management 5.) Financial Literacy 6.) Climate change, hazards and disaster risk reduction 7.) Gender and development 	<p>Attendance sheet per training certified by the Program Development and Enhancement Department of SHFC.</p>
<p>d. Competency on ensuring that the leaders are equipped with basic knowledge on managing and operating the community organization.</p>	<p>To capacitate the leaders on managing and operating the community organization through the following trainings of each leaders:</p> <ol style="list-style-type: none"> 1.) Reportorial trainings such as but not limited to: crafting of secretary certificate, board resolutions, annual report, minutes and other related reportorial documents. 2.) Financial management training such as but not limited to: cash disbursement and receipt, cash flow management and any related topics. 3.) Community planning such as but not limited to: crafting of 1- year operational plan, 3-year development plan and any related topics. 4.) Community policy crafting training. 	<p>Attendance sheet per training certified by the Program Development and Enhancement Department of SHFC.</p>

	5.) SHFC loan repayment and collection training. 6.) Child-friendly and responsive training.	
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SHFC shall provide or conduct capacity building activities, livelihood interventions, and skills development for the CA through training and seminars. SHFC may also tap the LGUs for capacity building activities. Should the LGU expressly state that they are unable to undertake the same, SHFC will provide them latitude to work with a CMP-Mobilizer (CMP-M) that is accredited by both the LGU and SHFC, in accordance with its respective accreditation procedure. The scope of work for the CMP-M shall be contingent upon the endorsement of the LGU and in accordance with CMP Corporate Circular 19-052.

CAs, which are non-political, may be allowed to engage the services of a CMP-M for capacity building and empowerment activities only. The selected CMP-M shall be subject to the accreditation criteria for mobilizers by the PDE.

2.2 SHFC-Accredited Developer

All developers who are interested to work, or who have been approached by the CA and agreed to work on a Turnkey CMP project shall undergo a Turnkey CMP Orientation conducted by the concerned SHFC Operations branch/hub. A Certificate of Completion shall be issued by SHFC to the developer who has successfully completed the orientation. It shall be an attachment to the Letter of Intent submitted by the latter to signify its participation in the Turnkey CMP project.

2.2.1 Accreditation Criteria for Developers Engaged in Turnkey CMP

Developers engaged to work on Turnkey CMP may be provided provisional accreditation upon submission of the following requirements to SHFC's Partner Relations Division (PRD), except for its track record:

1. Developers engaged in Turnkey CMP Site Development and House Construction, and Turnkey CMP House Construction shall have the Valid Philippine Contractors Accreditation Board (PCAB) license as provided in SHFC Board Resolution No. 767, approving the Turnkey CMP modalities;
2. Certificate of Ownership of Equipment;
3. Pictures of the Developer's Office; and,
4. List and pictures of on-going and completed projects.

Developers engaged in Turnkey CMP Full Package whose PCAB license application is on-going may be accommodated for provisional accreditation subject to the submission of any of the following proof of financial capacity:

1. Audited Financial Statement;
2. Certification of credit line from the bank or reputable suppliers

Meanwhile, the following are the additional requirements for its final accreditation:

1. Construction and acceptance of Pilot Phase;
2. Inspection of office, equipment, and on-going and completed projects; and,
3. Valid PCAB license for Developers engaged in Turnkey CMP Full Package with on-going PCAB license during the issuance of provisional accreditation.

The construction and acceptance of its Pilot Phase shall likewise be acknowledged in lieu of other requirements, as may be deemed appropriate.

Once accredited, developers who intend to work with SHFC again shall be required to update their accreditation requirements with PRD for subsequent projects.

2.2.2 Cancellation of Accreditation of the Developer

The following shall be the grounds for cancellation of the accreditation issued by SHFC to the developer:

1. Cases of abandonment of CA without formal termination of contract;
2. Submission of spurious documents/statements;
3. Deviation from approved plans and specifications, or providing downgraded/substandard specifications without approval from the CA, SHFC and/or LGU;
4. Misrepresentation during pre-qualifications or accreditation;
5. Sub-contracting work outside of the exceptions without CA and SHFC approval;
6. Lending of PCAB license to another contractor; and,
7. Refusal to rectify the non-compliance of specifications of building design.

2.2.3 Permits and Licenses Secured by the SHFC-Accredited Developer (Project Inclusions)

The SHFC-Accredited Developer shall be responsible for securing and paying the necessary costs associated with permits and licenses, which shall include but not be limited to the following: the conduct of relocation surveys, subdivision survey, approval with the land management, land reclassification, land conversion, Preliminary Approval and Locational Clearance (PALC), Development Permit, building permits, electrical permits, occupancy permits, and Fire Safety Inspection Certificate, unless granted exemption by the local government.

It is understood that work on the project shall not start without the above enumerated permits and licenses.

Section Three – Project Valuation and Approval Phase

This Section covers the Project Valuation and Approval Phase, which encompasses all activities, and requisites that must be completed, as well as the documentary requirements that must be submitted prior to the approval of the Turnkey CMP project. An initial project valuation and site suitability study shall be conducted by SHFC as part of its due diligence and review process.

3.1 Loan Examination and Mortgage Examination

Upon successful negotiation and agreement between the CA and its chosen developer, the concerned SHFC branch shall conduct the loan examination and mortgage examination undertakings.

For loan examination, the guidelines embodied in Board Resolution No. 877 for the conduct and parameters of the Community Needs Assessment Tool and Process shall prevail. While activities for mortgage examination shall be consistent with the pre-requirements and technical due diligence of loans with Accommodation Mortgage.

3.1.1 Final Design

The final design of the proposed housing project, including the total cost for each beneficiary shall have the conformity of all the members of the CA. This shall likewise include provision for open spaces. For projects involving at least 1,000 members, the SHFC-Accredited Developer shall construct, at its own cost, infrastructure or building facilities, such as, but not limited to, commercial spaces, multi-purpose buildings, health center, livelihood center, and/or community center.

3.1.2 Project Collateral

The land on which the housing units are constructed, including the improvements thereof, shall be the collateral to the loan. All applicable taxes shall be shouldered by the developer.

Costs for the mortgage fees, transfer fees, and annotations in the Registry of Deeds (RD) shall be shouldered by the CA.

3.1.3 Documentary Requirements

The following are the documentary requirements on site suitability, mortgageability, and other technical requirements necessary for SHFC RED to conduct the initial valuation and site suitability study:

1. Topographic Map, if sloping terrain;
2. Vicinity Map/Site Structure Plan showing the socio-economic facilities/establishments within 2 to 5-km radius and distance from the proposed Turnkey CMP site;
3. Data on other Housing Projects (SHFC [CMP/HDH]/Private Subdivision/Lots) within 2 to 5-km radius;
4. Disaster Risk Reduction Management Plan signed by the authorized Homeowners Association and Barangay City Official/s.
5. Certified photocopies of the Transfer Certificate of Title (TCTs) (present, 1st back and 2nd back) covering the property to be posted as loan collateral;
6. Copy of tax declaration and tax map;
7. Zoning Certification issued by the concerned LGU citing that the land use classification of the property is suited for socialized housing or its equivalent;
8. Lot Plan/Subdivision Plan approved by the local government unit;
9. Complete set of approved plans, Bill of Quantities, and specifications;

10. For Turnkey CMP Complete Package, any document bestowing ownership to the Developer, which are either the Deed of Conveyance, Deed of Sale, Deed of Assignment, or Joint Venture Agreement with the Landowner;
11. Updated Real Property Tax;
12. Certification of Acceptance on the relocation site from the CA; and,
13. Certificate from utility provider stating the provision of required services upon the completion of the project.

SHFC RED shall review and ensure the completeness and acceptability of the above listed documents within ten (10) working days from receipt.

3.2 Endorsement for Project Approval

Turnkey CMP projects that have been satisfactorily assessed and valued by SHFC RED and Pre-Credit Committee Level shall be endorsed to the SHFC Credit Committee, Management Committee, Executive Committee and SHFC Board of Directors for approval, subject to the approved Delegation of Authority (Section 1.4).

A Letter of Guaranty shall be issued for the Pilot Phase which is equivalent to a minimum of 10% of the total number of units. The succeeding phases shall be covered by a separate LOG, subject to the evaluation and acceptance of the constructed units and another approval of the Board.

3.3 Multi-Stakeholder Agreement

A Multi-Stakeholder Agreement shall be forged among the relevant stakeholders and parties of the Turnkey CMP project, such as, but not limited to, the CA, the SHFC-Accredited Developer, and SHFC. This agreement shall state the obligations and responsibilities of the parties involved:

1. Community Associations – are the Turnkey CMP housing loan beneficiaries. They shall be the primary decision-maker in terms of the location and the housing unit's design, utilizing the People's Plan approach in engaging the developer and SHFC.
2. SHFC-Accredited Developer – is the entity that primarily assists the CAs in developing and constructing their technical shelter plan in accordance with the latter's preference.
3. Social Housing Finance Corporation – is the financing entity that oversees approving and supervising the credit for the community's housing loan through a People's Plan Approach. SHFC shall also ensure that the housing loan will have a cumulative effect of creating resilient and sustainable communities.

3.3.1 Controlled Supervision by the LGU

The receiving local government unit shall also be part of the agreement, provided that the project is an LGU-initiated project and shall be given controlled supervision over all stages of the project. It shall, among others, perform the following functions:

1. Assist in fast-tracking the issuance of necessary permits and certifications;
2. Coordinate among the project stakeholders (CA and SHFC-Accredited Developer) their respective project responsibility and accountability;



3. Prepare and submit to SHFC the project status and/or progress reports, including all project issues and actions taken, if any.

Section Four – Pilot Phase and Appraisal

4.1 Pilot Phase for Turnkey CMP

All developers engaged by the CA for a Turnkey CMP project shall be required to construct an acceptable Pilot Phase, which is equivalent to a minimum of 10% of the total number of housing units to be constructed as agreed by the CA and Developer, where 80% to 90% of the project's site development is completed with provision of basic services that have been tested and approved by the utility provider with respect to its specification and requirements. The basic services shall be those stated under Section 21 of the Urban Development and Housing Act (RA 7279).

For reasons of manageability of the CA, there is a need to undergo a Pilot Phase. Subsequent phases shall be subject to Board approval and another multi-stakeholder agreement.

4.1.1 Parameters for Acceptance of the Pilot Phase

The evaluation for the Pilot Phase shall be based on its strict compliance to the Building Code and Batas Pambansa Blg. (BP) 220, the existing technical standards for socialized horizontal and/or medium-rise vertical housing projects promulgated by DHSUD, and other related laws and local ordinances.

In so doing, the following shall be required for submission:

1. Certificate of Completeness of Documents, Compliance, and Loan Review;
2. Documentary requirements as enumerated under Section 3.1.3;
3. Statement of Work Accomplishments indicating the work accomplished by the Developer;
4. Site Development Plan/Partial-as-built plan showing the location of the completed housing units subject for payment;
5. Completeness of the documentary requirements of the provisional accreditation from SHFC PRD;
6. Certificate of Completion by the HOA, with Punch List from all the members involved;
7. SHFC Validation Report from RED; and
8. Other documents that may be required by SHFC.

4.1.2 Non-acceptance of the Pilot Phase and Continuance of the Subsequent Phases

Non-acceptance of the Pilot Phase shall only be based on the following grounds:

1. Non-submission of the documentary requirements stated under Section 4.1.1;
2. Non-conformity to the approved plans and specifications; or
3. Refusal to rectify the non-compliance of specifications of building design.



In the event that the developer fails to pass the inspection and evaluation of its Pilot Phase, SHFC reserves the right to rescind the contract of loan in case the CA refuses to change the site and the developer.

In case the developer fails to submit the required licenses, SHFC shall not release the loans for the completed housing units. This is without prejudice to the filing of any civil, administrative, or criminal cases for violation of applicable laws and ordinances.

4.1.3 Dispute on Pilot Phase and Subsequent Phases Inspection and Evaluation

Disputes arising from the results of the inspection and evaluation of the Pilot Phase and subsequent phases shall be subject to the following grievance process by the Engineering Committee:

1. The developer or CA may file a Notice of Dispute indicating its grievances on technical aspects to the Engineering Committee;
2. The Engineering Committee will schedule a hearing between the developer and the CA, together with SHFC RED;
3. The Engineering Committee will issue a resolution/recommendation not later than fifteen (15) working days from the receipt of the Notice of Dispute.

The resolution of the Engineering Committee shall be deemed final and executory.

4.2 Project Appraisal

Once the SHFC and CA have accepted the Pilot Phase, the project shall be subject to a third-party appraisal.

SHFC, in accordance with the procurement law, shall engage the services of an external appraiser to establish a fair and reasonable valuation of all real estate properties to be posted as loan collateral under SHFC's housing programs.

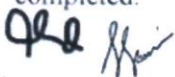
The valuation of the external appraiser shall be submitted to SHFC RED for review and validation of the parameters provided under Section 4.1 and shall be valid for the subsequent phases of the Turnkey CMP project.

4.2.1 Dispute on Appraisal/Valuation

In the event that the developer or CA disputes or contests matters arising out of or in connection with the appraisal/valuation report, including any questions of its method or validity, the developer or CA must submit a written "Notice of Dispute" to SHFC within fifteen (15) working days from receipt of the Appraisal/Valuation Report. After which, the SHFC Regional Vice President shall set a meeting with the CA and the developer to reconcile the figures of the property value.

4.3 Final Accreditation

After acceptance of the third-party appraisal, SHFC shall issue the Developer's Final Accreditation Certificate provided that the requirements stated under Section 2.2.1 has been completed.



Section Five – Project Turnover and Closure

This Section discusses the provisions fundamental for the turnover of the completed housing units, and the consequent release of loan proceeds to the SHFC-Accredited Developer, as well as the procedures for project closure.

5.1 Occupancy

Upon receipt of the LGU's Certificate of Occupancy and the Certificate of Readiness to Occupy issued by SHFC, the CA has sixty (60) days to occupy the units and start the monthly amortization payments.

5.2 Loan Release

SHFC shall release the loan proceeds for each of the phases completed and accepted by the CA and SHFC. The loan amount due for billing should only be the cost corresponding to the phase being submitted for payment by the developer.

The submission of the following documents shall be required prior to release of the loan proceeds:

1. Certificate of Approval to release loans, signed by the SHFC Branch Manager, RED, and Vice President;
2. Site development plan/partial-as-built plan showing the location of the completed housing unit(s) subject for payment;
3. Certificate of Completion and Acceptance (COCA) by phase, signed by the Building Committee of the CA, supported by the rectified items in the punch list to signify the community's acceptance of the units;
4. SHFC-Accredited Developer shall submit a notarized Accountability Certificate to be issued prior to billing per phase in lieu of the Warranty Security, Performance Bond, Liquidated Damages;
5. Notarized Certificate of Final Completion (COFC) by the SHFC-Accredited Developer stating that the site development and construction of the housing units building conforms to BP 220 guidelines and other applicable national and local laws, including an attachment of the developer's report on closure of all project issues noted and actions taken, and that SHFC shall not be held accountable for any defects that may occur after project completion; and,
6. All necessary permits and licenses such as PALC, Development Permit, electrical permits, Fire Safety Inspection Certificate, and Building Permits.

The following additional documents shall be required for the release of loans for the Pilot Phase of each Turnkey CMP project:

1. Owner's duplicate copy and RD-certified copy of the TCT with the annotation of the accommodation mortgage;
2. Department of Environment and Natural Resources - Land Management Bureau / Land Registration Authority (DENR-LMB/LRA) approved Lot Plan/Subdivision Plan (lot





boundaries must be provided with lot monuments or temporary fence prior to site inspection);

3. Environmental Compliance Certificate (ECC) or Certificate from an Environmental Planner for Turnkey CMP Complete Package projects;
4. RD Certified copy of Accommodation Mortgage to SHFC;
5. Tax declaration in the landowner's name;
6. Updated Real Property Tax; and
7. Accreditation Certificate of the Developer from the SHFC PRD. For Developers engaged in Turnkey CMP Full Package with on-going PCAB License during the issuance of provisional accreditation, a valid PCAB License shall be required for the release of loan proceeds.

Meanwhile, additional documents for the release of loans for the subsequent phases of the project shall be likewise required:

1. Owner's duplicate copy and RD-certified copy of the TCT transferred to the CA's name for the previously completed project phases;
2. Tax declaration in the CA's name;
3. RD Certified copy of the Real Estate Mortgage to SHFC; and,
4. Updated Real Property Tax.

For the final phase of the project, the following documents shall also be required:

1. All subdivided TCTs of the constructed housing units in all phases of the project;
2. Certificate of Occupancy to be issued by the LGU; and,
3. Certificate of Completion for the required services from the utility provider.

The Board reserves the right to require additional documents or approve alternative compliance, including the price ceilings, based on the agreement of CA and developer taking in consideration the technical design of the project, and subject to the affordability levels of the CA members.



5.2.1 Short Term Loan Facility

To finance the working capital requirement of SHFC-Accredited Developers for the construction and completion of the approved housing project, a Short-Term Loan Facility can be availed by them through the Development Bank of the Philippines (DBP) or the Landbank of the Philippines (LBP). The loan terms and conditions may be included in the executed Memorandum of Agreement/Multi-Stakeholder Agreement of the involved parties.

5.3 Release of Retention Money and Project Closure

The total cost of the project phase shall be subject to retention of ten percent (10%). Such retention shall be released after six (6) months and upon the SHFC-Accredited Developer's issuance of a Certificate of completion or rectification of the defects listed in punch lists signed by all members, or issuance of the required bond that is enough to cover the 10% amount of retention and should be good for six (6) months.

Additionally, the TCT for the last phase of the Turnkey CMP project should already be transferred to the CA's name.



The closure of the project must be communicated in writing by the SHFC RED to SHFC Management/Branch/VP Hub/Engineering Group.

Section Six – Repealing Clause

All Corporate Circulars, Office Orders, implementing rules and regulations on Turnkey CMP modality approved by the SHFC Board or parts thereof contrary or inconsistent with the provision of this guidelines are hereby repealed, amended, or modified accordingly.

Section Seven – Effectivity

This Turnkey CMP Guidelines shall take effect:


1. After the SHFC Board's approval;
2. Fifteen (15) days after its publication in a newspaper of general circulation; and,
3. Upon filing with the Office of the National Administrative Register in the University of the Philippines.

Approved:


ATTY. ARNOLFO RICARDO B. CABLING
President


ATTY. JULIETTE G. PAYOT
Executive Vice President


ATTY. RONALDO B. SACO
OIC-Senior Vice President, Operations Cluster
Governance Cluster


ATTY. LEO B. DEOCAMPO
OIC-Senior Vice President, Legal,
Asset Management, and Partners
Cluster

Date Approved: **Nov. 4, 2021**

DOCUMENTARY REQUIREMENTS

The following are the documentary requirements for each process:

CA Eligibility

1. LGU-certified or Partner Funding Agency-certified list of its CA members
2. CA's Organizational Profile
3. CA resolution on the selection of their preferred developer, and the technical plans
4. Proof of Competency
5. Certificate of Readiness to Occupy

Developer Eligibility

1. Letter of Intent from the developer, with attached Certificate of Completion of Orientation
2. Provisional Accreditation Requirements:
 - a. Developers engaged in Turnkey CMP Site Development and House Construction, and Turnkey CMP House Construction shall have the Valid Philippine Contractors Accreditation Board (PCAB) license as provided in BR 767 approving the Turnkey CMP modalities
 - b. Certificate of Ownership of Equipment
 - c. Pictures of the Developer's Office
 - d. List and pictures of on-going and completed projects
 - e. Developers engaged in Turnkey CMP Full Package whose PCAB license application is on-going may be accommodated for provisional accreditation subject to the submission of any of the following proof of financial capacity:
 - i. Audited Financial Statement;
 - ii. Certification of credit line from the bank or reputable suppliers
4. Final Accreditation Requirements
 - a. Construction and acceptance of Pilot Phase;
 - b. Inspection of office, equipment, and on-going and completed projects; and,
 - c. Valid PCAB license for Developers engaged in Turnkey CMP Full Package with on-going PCAB license during the issuance of provisional accreditation.

Project Valuation and Approval Phase

1. Topographic Map, if sloping terrain;
2. Vicinity Map/Site Structure Plan showing the socio-economic facilities/establishments within 2 to 5-km radius and distance from the proposed Turnkey CMP site;
3. Data on other Housing Projects (SHFC [CMP/HDH]/Private Subdivision/Lots) within 2 to 5-km radius;
4. Disaster Risk Reduction Management Plan signed by the authorized Homeowners Association and Barangay City Official/s.
5. Certified photocopies of the Transfer Certificate of Title (TCTs) (present, 1st back and 2nd back) covering the property to be posted as loan collateral;
6. Copy of tax declaration and tax map;

7. Zoning Certification issued by the concerned LGU citing that the land use classification of the property is suited for socialized housing or its equivalent;
8. Lot Plan/Subdivision Plan approved by the local government unit;
9. Complete set of approved plans, Bill of Quantities, and specifications;
10. For Turnkey CMP Complete Package, any document bestowing ownership to the Developer, which are either the Deed of Conveyance, Deed of Sale, Deed of Assignment, or Joint Venture Agreement with the Landowner;
11. Updated Real Property Tax;
12. Certification of Acceptance on the relocation site from the CA; and,
13. Certificate from utility provider stating the provision of required services upon the completion of the project.

Acceptance of Pilot Phase

1. Certificate of Completeness of Documents, Compliance, and Loan Review;
2. Documentary requirements submitted for project approval;
 - a. Topographic Map, if sloping terrain;
 - b. Vicinity Map/Site Structure Plan showing the socio-economic facilities/establishments within 2 to 5-km radius and distance from the proposed Turnkey CMP site;
 - c. Data on other Housing Projects (SHFC [CMP/HDH] Private Subdivision/Lots) within 2 to 5-km radius;
 - d. Disaster Risk Reduction Management Plan signed by the authorized Homeowners Association and Barangay City Official/s.
 - e. Certified photocopies of the Transfer Certificate of Title (TCTs) (present, 1st back and 2nd back) covering the property to be posted as loan collateral;
 - f. Copy of tax declaration and tax map;
 - g. Zoning Certification issued by the concerned LGU citing that the land use classification of the property is suited for socialized housing or its equivalent;
 - h. Lot Plan/Subdivision Plan approved by the local government unit;
 - i. Complete set of approved plans, Bill of Quantities, and specifications;
 - j. For Turnkey CMP Complete Package, any document bestowing ownership to the Developer, which are either the Deed of Conveyance, Deed of Sale, Deed of Assignment, or Joint Venture Agreement with the Landowner;
 - k. Updated Real Property Tax;
 - l. Certification of Acceptance on the relocation site from the CA; and,
 - m. Certificate from utility provider stating the provision of required services upon the completion of the project.
3. Statement of Work Accomplishments indicating the work accomplished by the Developer;
4. Site Development Plan/Partial-as-built plan showing the location of the completed housing units subject for payment;
5. Completeness of the documentary requirements of the provisional accreditation from SHFC PRD;
6. Certificate of Completion by the HOA, with Punch List from all the members involved;
7. SHFC Validation Report from RED; and
8. Other documents that may be required by SHFC.

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Release of Proceeds from SHFC

1. Certificate of Approval to release loans, signed by the SHFC Branch Manager, RED, and Vice President;
2. Site development plan/partial-as-built plan showing the location of the completed housing unit(s) subject for payment;
3. Certificate of Completion and Acceptance (COCA) by phase, signed by the Building Committee of the CA, supported by the rectified items in the punch list to signify the community's acceptance of the units;
4. SHFC-Accredited Developer shall submit a notarized Accountability Certificate to be issued prior to billing per phase in lieu of the Warranty Security, Performance Bond, Liquidated Damages;
5. Notarized Certificate of Final Completion (COFC) by the SHFC-Accredited Developer stating that the site development and construction of the housing units building conforms to BP 220 guidelines and other applicable national and local laws, including an attachment of the developer's report on closure of all project issues noted and actions taken, and that SHFC shall not be held accountable for any defects that may occur after project completion;
6. All necessary permits and licenses such as PALC, Development Permit, electrical permit, Fire Safety Inspection Certificate, and Building Permits;
7. Additional requirements for release of proceeds for the Pilot Phase of each Turnkey CMP project:
 - a. Owner's duplicate copy and RD-certified copy of the TCT with the annotation of the accommodation mortgage;
 - b. Department of Environment and Natural Resources - Land Management Bureau / Land Registration Authority (DENR-LMB/LRA) approved Lot Plan/Subdivision Plan (lot boundaries must be provided with lot monuments or temporary fence prior to site inspection);
 - c. Environmental Compliance Certificate (ECC) or Certificate from an Environmental Planner for Turnkey CMP Complete Package projects;
 - d. RD Certified copy of Accommodation Mortgage to SHFC;
 - e. Tax declaration in the landowner's name;
 - f. Updated Real Property Tax; and,
 - g. Accreditation Certificate of the Developer from the SHFC PRD. For Developers engaged in Turnkey CMP Full Package with on-going PCAB License during the issuance of provisional accreditation, a valid PCAB License shall be required for the release of loan proceeds.
8. Additional requirements for release of proceeds for the subsequent phases of the project:
 - a. Owner's duplicate copy and RD-certified copy of the TCT transferred to the CA's name for the previous completed project phases;
 - b. Tax declaration in the CA's name;
 - c. RD Certified copy of the Real Estate Mortgage to SHFC; and,
 - d. Updated Real Property Tax.
9. Additional requirements for release of proceeds for the final phase of the project:
 - a. All subdivided TCTs of the constructed housing units in all phases of the project;
 - b. Certificate of Occupancy to be issued by the LGU; and,
 - c. Certificate of Completion for the required services from the utility provider.

Release of Retention Money

1. TCT of the last phase of the Turnkey CMP project transferred to the CA's name; and
2. Certification of completion or rectification of the defects listed in punch lists signed by all members; or
3. Required bond to cover the 10% amount of retention good for six (6) months

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