

CMP CORPORATE CIRCULAR NO. 21 - 055
Series 2021

SUBJECT : AMENDMENTS TO CMP CORPORATE CIRCULAR 19-052 ENTITLED NEW GUIDELINES FOR THE ACCREDITATION OF CMP-MOBILIZERS (CMP-M), RESOURCE PERSONS / ORGANIZATIONS AND PARTNER LGU

Pursuant to the approval of the SHFC Board of Directors during its meeting on 27 October 2020 (Board Resolution No. 888, Series of 2020) and for clarity and guidance to all, Articles III (*Qualifications for the Accreditation of an NGO/PO/CSO as CMP-Mobilizer*), IV (*Documentary Requirements for the Accreditation of a CMP-Mobilizer*), XI (*Prohibitions, Offenses and Sanctions*) and XII (*Preventive Suspension*) of CMP Corporate Circular No. 19-052, series of 2019 are hereby amended as follows:

1. The 1st paragraph, no. 2 of Article III of Corporate Circular No. 19-052 is hereby amended as follows:

Must be an organization accredited by the LGU where they seek to operate

2. The documentary requirement stated in no. 7 of Article IV of Corporate Circular No. 19-052 is hereby amended as follows:

Accreditation from the LGU where they seek to operate.

3. The 3rd paragraph of Article XI of Corporate Circular No. 19-052 is hereby amended as follows:

SHFC shall act on all complaints against applicant and accredited CMP-Mobilizer/s, LGU/s and Builders filed by the ISF, Community Association or the public and shall provide them the opportunity to respond to the charges. The Investigation and Enforcement Division (IED) which is tasked to conduct the investigation shall carefully evaluate all complaints and shall be guided by the principles of due process.

4. The 4th paragraph of Article XI of Corporate Circular No. 19-052 is hereby amended as follows:

Enumerated below are the acts punishable under this guidelines and they are categorized as minor or major offenses. Minor offenses are those punishable with suspension ranging from six (6) months to one (1) year and major offenses are those punishable with suspension from more than one (1) year to blacklisting.

MINOR OFFENSES	SANCTIONS
Negotiation with the landowner or contractor without the presence of the representative from the community association	Suspension ranging from 6 months to 1 year Unreleased service fees are forfeited for the project concerned
Misrepresentation in any material fact pertaining to CMP-M qualification and/or accreditation	
Charging of processing fees more than the amount prescribed (Php3,000 per MB)	Suspension ranging from 6 months to 1 year Unreleased service fees are forfeited for the project concerned (however, pending service fees from other projects may also be forfeited and used as restitution if warranted by the circumstances)
Misrepresentation of member beneficiary qualification	
MAJOR OFFENSES	SANCTIONS
Engaging in open market and sale of lots in CMP projects or acting as broker for the landowner	Suspension ranging from more than 1 year to blacklisting Unreleased service fees are forfeited for the project concerned (however, pending service fees from other projects may also be forfeited and used as restitution if warranted by the circumstances)
Abandonment of the community after entering into a MOA and accepting payment for processing fee or receiving any other funds from the community without formal and justifiable termination of contract	
Collecting or accepting commission from the landowner on the sale of land or from contractor's billing	
Bad track record in assisting the community by using false pretenses, misrepresentation, abuse of authority, employing threats and intimidation	
Using SHFC Programs to pursue own business interests or personal profit	
Collecting money from the community and using it for purposes other than intended or for personal gain	
Commission of fraudulent acts or submission of spurious documents to SHFC	
Misrepresentation and withholding of information affecting approval of project	
Unauthorized substitution of MB in violation of SHFC guidelines	
Engaging in land development without the necessary license or permit from the appropriate government agency and/or LGU	

1. The 7th paragraph of Article XI of Corporate Circular No. 19-052 is hereby amended as follows:

The IED is hereby authorized to act motu proprio on any and all perceived complaints, queries, or violations of SHFC policies and guidelines filed against partners -Accredited CMP-Mobilizers, LGUs and Builders including applicant mobilizers and builders without the need of any formal and sworn complaint.

The IED shall have a maximum period of ninety (90) calendar days from the start of the investigation to resolve the complaint filed before it. Failure to do so shall give rise to a possible administrative case filed against the IED.

2. Article XII of Corporate Circular No. 19-052 is hereby amended as follows:

Every complaint received against an applicant or accredited CMP-M shall be investigated to determine the veracity of the same. Part of the investigation is giving the CMP-M the opportunity to respond to the complaint/s against it.

Once a letter request to explain is issued by the IED, the said letter shall carry with it a notice to the concerned CMP-M that the same is being placed on preventive suspension for a period of sixty (60) calendar days (for minor offenses) or ninety (90) calendar days (for major offenses) depending on the gravity of the offense from receipt of the letter.

This preventive suspension is not considered as punishment and is different from the penalty being imposed after found to have violated any CMP guidelines.

The investigation on the complaint should commence within fifteen (15) calendar days from the receipt of the CMP-M's explanation or answer to the letter request for explanation.

Effect of Preventive Suspension on New Project Applications and Pipeline Projects of the CMP-M

New Project Application:

For the duration of the preventive suspension, the CMP-M being investigated is not allowed to submit new project application and no branch or office shall be allowed to accept any new project until the CMP-M's preventive suspension is lifted by the Partner Relations Division.

Projects in the Pipeline/ for approval:

For all pending projects, those in the pipeline and those ready to be endorsed for approval, the processing of these loan applications should proceed in the normal course and elevated for approval, if warranted. In no way shall these projects be delayed by the CMP-M's preventive suspension. For these pending projects, the concerned branch is hereby directed to temporarily take over and assist the community in the processing and submission of documentary requirements until a decision on the complaint/s has been made.

Projects with approval:

For all approved projects and those ready to be taken-out, release of loan proceeds shall be allowed notwithstanding the preventive suspension of a CMP-M. However, while processing and payment of the projects are allowed to proceed, release of service fees (for all pending and approved projects) accruing to the complained CMP-M is put on hold during the investigation. Said CMP-M is allowed to receive its service fee only after investigation and no forfeiture was ordered by the committee hearing the same.

Effect of Lapsed Preventive Suspension:

After the lapse of the preventive suspension without decision having been made on the complaint against the CMP-M and the complaint does not involve or affect the integrity of the process and documents such as falsification, misrepresentation or forgery, the CMP-M may be allowed to submit new project applications to SHFC and the branch may be allowed to accept the same. However, if the offense involves the integrity of the process and documents, the CMP-M is not allowed to submit any new project application until after the decision of the complaint has been made.

If the complainant is the community association itself and the CMP-M is acquitted of the complaint after proper investigation, the community association may decide on whether to accept once again the CMP-M or SHFC shall takeover.

Termination of Contact by CMP-M:

Community Associations being assisted by an applicant or accredited CMP-M that is being investigated and is under preventive suspension, may decide to terminate their agreement with the said CMP-M if allowed by their Memorandum of Agreement, or for violation of CMP-M's duties and responsibilities under Article VII hereof, or for any of the ground existing under Article XI hereof.

Effectivity:

This amendment shall take effect after fifteen (15) days following the completion of its publication in the Office of the National Register.



ATTY. ARNOLFO RICARDO B. CABLING

President

Approved

January 12, 2021