



NATIONAL HOME MORTGAGE FINANCE CORPORATION

CORPORATE CIRCULAR NO. CMP-018

November 22, 1995

Series of 1995

TO : ALL CMP BORROWERS AND ORIGINATORS

**SUBJECT : CONSOLIDATED IMPLEMENTING GUIDELINES
FOR THE COMMUNITY MORTGAGE PROGRAM**

The NHMFC Board of Directors, in its meeting held on September 17, 1995, approved this set of Guidelines (which consolidated the provisions of previously issued Circulars, Policy resolutions by the Policy Committee, and other issuances on the subject), to govern the implementation of the Community Mortgage Program.

1. FOREWORD

To broaden the base of beneficiaries under the Unified Home Lending program (UHLP), individual titles of lands for several beneficiaries may now be the subject of housing loans under the UHLP. The type of financing for this purpose shall be called Community Mortgages.

2. OVERVIEW

Whereas in the past, housing loans and other similar financing schemes were directed toward the acquisition or purchase of individually titled properties. Now, the Community Mortgage Program (CMP) utilizes an innovative system of mortgage financing whereby an undivided tract of land may be acquired by several beneficiaries through the concept of community ownership.

Financing through Community Mortgages is intended primarily to assist residents of blighted or depressed areas and/or the urban poor. The first stage allows for the land acquisition by the community; the second stage provides financing for the horizontal development of the acquired property and the individual titling of the lots assigned to the member-beneficiaries; and in the third and final stage, individual housing loans are obtained for home improvement or house construction. These three (3) stages of financing may be availed of on a single loan basis if the community so desires.

The individual's right to the use of the land and eventual ownership of the same is achieved through a lease purchase agreement entered into by and between the Community Association, Cooperative, Homeowners Association, or Condominium Corporation, which, hereinafter shall be known as the Community Association (CA), and its members.

3. **BORROWER ELIGIBILITY**

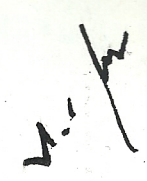
The borrower shall be the Community Association which shall be composed of the beneficiaries of the loan. The Community Association shall be registered with the appropriate government agencies, either with the Securities and Exchange Commission, Cooperative Development Authority, or Home Insurance and Guaranty Corporation. Community Associations may either be umbrella or basic organizations.

Member-beneficiary of the Community Association shall satisfy the following requirements, viz:

- 3.1 If a member of the GSIS, SSS, or HDMF, he must be a member in good and active standing, and shall secure a Certificate of Membership/Loan Eligibility from these institutions or their authorized agents.
- 3.2 If not a member of any of the aforementioned institutions, he should issue an Affidavit to this effect.
- 3.3 Must not have availed of any housing loan from any of the above-mentioned institutions.
- 3.4 Must not be a registered owner or co-owner of any housing unit.
- 3.5 In case a member-beneficiary is found not eligible or qualified under this Program, the Community Association shall find a qualified member to substitute the non-eligible member.

4. **PURPOSE OF THE LOAN**

The purpose/s for which this financing program may be used shall be:

- 4.1 Purchase of an undeveloped property with the ceiling of P30,000 per unit lot. However, in the case of homelots located within Metro Manila, the amount of loan that can be availed of shall be up to P60,000 per lot.
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- 4.2 Purchase of a developed property with the ceiling of P 45,000 per lot. However, in the case of homelots located within Metro Manila, the amount of loan that can be availed of shall be up to P 60,000 per lot.
- 4.3 Development of the property (the titles of which remain in the name of the CA), provided that the amount of the loan that can be availed of shall not exceed P 45,000 per unit/lot minus the previously availed of loan, if any, for lot acquisition. However, if the lot is located within Metro Manila, the amount of developmental loan that can be availed of shall not exceed P60,000 per lot minus the previously availed lot purchase loan. The site development financing shall include, but not limited to, the paving of the roads, construction of drainage, sewerage, water and electrical systems, perimeter fence, rip-rapping along creeks/river.
- 4.4 Home improvement and/or house construction provided that the aggregate loan (lot purchase and site development included) shall not exceed P80,000 per lot unit.
- 4.5 Purchase of residential unit, lot and house included, either titled as Transfer Certificate of Title or Condominium Certificate of Title, provided the loan amount shall not exceed P80,000 per housing unit.

5. LOAN AMOUNT

The loan amount to be extended shall not exceed the loan limits set forth in Sec. 4 hereof per household entitlement.

5.1 Household Entitlement:

A household shall be entitled to a maximum loan entitlement of the lower of either:

- 5.1.1 The maximum loan entitlement as spelled out in Sec. 4.
- 5.1.2 For members of the SSS, GSIS, or HDMF, the aggregate of not more than three (3) individual entitlements as hereinafter defined, provided that the three (3) individuals are related within the second civil degree of affinity or consanguinity.

For non-members of the SSS, GSIS, or HDMF, the aggregate entitlement of as many individuals, on condition that they are living within the same household, but to a maximum tack-in income of P7,500 per month.

For purposes of tacking-in, members and non-members may be joined together in the determination of a household allocation;

5.1.3 The allowable loan-to-value limit as defined in Sec. 9.

5.2 Individual Entitlement:


5.2.1 For individuals with fixed income received regularly on a monthly basis, the entitlement shall not exceed thirty (30) times the allowed income base, consisting of the borrower's basic salary plus allowances regularly received monthly as certified by the employer (Certificate of Employment and Compensation) or as declared in the latest Income Tax Return.

Income from other sources as declared in the latest Income Tax Return may be considered in the computation of the individual entitlement up to the extent of the equivalent of the average monthly other income so declared multiplied by thirty (30) times.

5.2.2 For individuals without formal income as defined in 5.2.1 above, the entitlement shall not exceed twenty (20) times the individual's monthly informal income which shall be determined on the basis of the individual declaration through an Affidavit of Income duly checked and verified by way of interview and investigation by the Originator; provided that the maximum monthly income to be considered shall not exceed P4,000 per individual.

5.2.3 **Household Share in the Loan**

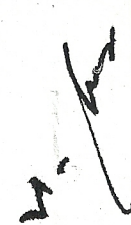
In the computation of the household share in the community loan, the excess loan entitlement of any member-household may be lent to and borrowed by other member-household lacking in loan entitlement to meet the total community loan, provided that at the time of the individualization of the community loan, the entitlement of each household unit does not exceed the loan ceilings prevailing at the time of the loan individualization per the household entitlement as defined in Sec. 5.1.



6. LOAN TERM AND REPAYMENT PERIOD

- 6.1 The Community Loan shall be payable up to a maximum term of 25 years, payable in equal monthly amortizations, with interest at the rate of 6% per annum based on the outstanding balance of the loan.
- 6.2 Upon individualization of the loan, after the transfer of the titles to the lots in the names of the beneficiary-borrowers, the Lease Purchase Agreement shall be terminated and individual Promissory Notes of the beneficiary-borrowers shall be executed in the amount of the outstanding balance of each share in the Community Loan for a period of not more than 25 years, depending on the age of the Principal Borrower, less the expired term of the original Community Loan. For this purpose, the computation of the term of the actual age of the Principal Borrower shall be age 70 less the age of the borrower, but in no case shall the Principal Borrower be more than 60 years old at the time of individualization.

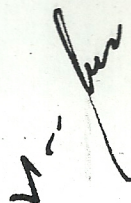
7. THE COLLATERAL

- 7.1 The title to the property which shall be free from any lien or encumbrances for which the loan shall be utilized, shall be the collateral to secure the repayment of the loan. The title to the property, which may be collectively or individually under the name of the Community Association or in the names of the member-beneficiaries, shall be encumbered by a first Real Estate Mortgage in favor of the Originator.
- 7.2 There should be a written intent by the landowner to sell and the beneficiaries/CA to buy the land as a whole or as subdivided.
- 7.3 The collateral property shall have a Road Right of Way as access to and from existing roads. If the Road Right of Way has to be purchased, the cost of acquisition may be made part of the loan and shall be included in the collateral property. Submission of the Preliminary Approval and Locational Clearance (PALC) upon delivery of take-out documents shall be acceptable provided the existence of the proposed Road Right of Way shall have been determined during the Site Inspection.
- 7.4 The land shall be classified/converted as non-agricultural/residential classification; if classified otherwise, the same may be an acceptable object of the Community Mortgage Program provided the land is within the residential, commercial, or industrial zones as embodied in the land-use plans of the city/municipality already approved by the Housing and Land Use Regulatory Board as of June 15, 1988.
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- 7.5 If there is a lien or encumbrance on the title to the land, special arrangements to clear the lien or encumbrance may be made as provided under the Section on Payment of the Land/Release of the Loan.
- 7.6 A subdivision plan duly approved by the Housing and Land Regulatory Board and/or the local government unit or subdivision plan with PALC, showing the allocation of the collateral as to individual lot allotments shall be submitted.
- 7.7 In case the original of the title to the property was lost or damaged, and pending reconstitution thereof, NHMFC may allow the payment/take-out of the loan provided a surety bond or another collateral of equal value shall be posted in favor of NHMFC.

8. **APPRAISAL OF THE COLLATERAL**

Appraisal of the property shall be requested by the CA and/or the Originator.

- 8.1 Appraisal of the property shall be conducted by NHMFC or its duly authorized representative. No appraisal fee shall be paid by the Community Association if the appraisal is conducted by NHMFC:
- 8.2 In case the appraisal is done by the Home Insurance and Guaranty Corporation (HIGC), especially on off-site or relocation property where the beneficiaries are to be transferred, the appraisal fee shall be paid directly to HIGC based on taken-out projects.
- 8.3 In the appraisal of the collateral, the certified average prevailing market value in the immediate vicinity of the property (not more than 5 kms. radius) shall be the basis of the appraisal value to be given.
- 8.4 In the case of on-site projects, whereby the beneficiaries are already living on the collateral property, the contract price between the property owner and the CA shall be the value of the property provided that such price shall not exceed P10 Million and provided further that the same shall not exceed the average prevailing market value of comparable property within the immediate vicinity (not exceeding 5 kms. radius). Furthermore, the CA's loan allocation shall not exceed the prevailing loanable amounts as spelled out in Sec. 9, whichever is lower.
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8.5 In the appraisal/site inspection of the property, when it shall be found out that there are defects for the normal utilization of the same, the following shall apply, to wit:

- 8.5.1 Swampy/underwater portions - the cost of earthfilling shall be deducted from the appraised value and no lots to be generated on the said portion which shall be provided as open space (roadway excluded) or the hold-out of the origination fee (if this is bigger than the amount needed for earthfilling) and hold-out of the earthfilling cost from the loan proceeds. The earthfilling requirements shall be undertaken jointly by the Originator and the CA within a period of six (6) months, otherwise NHMFC may undertake the earthfilling and deduct the cost of the same from the amounts withheld pro-rata. The release of the withheld amount shall be made only after validation by NHMFC of the compliance to the earthfilling required.
- 8.5.2 Bounded by seas, lakes, gulfs - observance of salvage zone and non-generation of homelots on the said portion.
- 8.5.3 Bounded by River/Creeks -observance of 3 meters or more as legally required easement, or when rip-rapping of the lots bounded by such river/creek is necessary, and deduction of area/cost from the appraisal valuation. If the cost of rip-rapping is less than the Origination Fee, the same may not be deducted but the origination fee shall be withheld until the rip-rapping (which shall be done within six (6) months from take-out date) is completed. NHMFC may undertake the rip-rapping (if not done within the prescribed period) and deduct the cost of the same from the amount withheld.
- 8.5.4 Area occupied by Recalcitrant - to be excluded from the total area to be appraised/purchased and separated from the title to the property. If the number of recalcitrants shall not exceed 10% of the homelots generated, the value of the area occupied by such recalcitrants may not be deducted and the take-out of the loan/purchase of the land to proceed, provided that the CA membership shall, thru a Resolution, commit that the CA shall undertake the eviction/substitution of the recalcitrants (if they are not willing to join in the CA loan), and shall pay the required monthly amortization of the loan, including those portions occupied by the recalcitrants. Such portions occupied by the recalcitrants, if not willing to join in the CA loan, may be

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allocated as open spaces if acceptable to the regulatory authority, and thus, the recalcitrants may be evicted from such portions.

- 8.6 In the case of loans for site development and/or house construction/improvement the actual cost of labor and materials shall be the appraised value to serve as the loanable amount.
- 8.7 If the project shall be for the acquisition of properties with house and lot components including site development thereof, the appraisal may be conducted by the HIGC.

9. **LOAN-TO-VALUE RATIO**

The maximum amount that may be availed based on the appraised value of the property shall be:

- 9.1 90% of the appraised value in the case of off-site projects.
- 9.2 100% for on-site projects as provided for also under Sec. 8.4, if the loan shall not exceed P10M, otherwise, the lower of the market value or the contract price shall be the loanable amount.

10. **INSURANCES**

For the duration of the loan, there shall be Mortgage Insurance on the lives of the principal borrowers as identified in the Master List of Beneficiaries on a Yearly Renewable Term basis, and Fire and Allied Perils Insurance on the houses and improvements on the lots (if home improvement/house construction loans were availed of) as additional security for the loans to be extended under this Program.

10.1 **Mortgage Redemption Insurance:**

During the first and second stages of the CMP - wherein financing is extended for the acquisition of the lot and the horizontal development thereof - the principal beneficiary-borrower shall be compulsorily covered by a Mortgage Redemption Insurance (MRI) equivalent to his share in the community loan, to compensate NHMFC in case of death of such principal beneficiary-borrower. Coverage may be under the regular MRI coverage extended by NHMFC under the Unified Home Lending Program. However, the CA has the option to obtain a Group Life Insurance covering all principal member-borrowers equivalent to each individual share in

Mr. Juan

the community loan and the total Group Coverage shall be equal to the community loan and the insurance policy endorsed with NHMFC as the beneficiary.

In either case, such beneficiary-borrower shall be covered from the time of the issuance of the Letter of Guaranty or Execution of Escrow Agreement, up to the date of payment to the landowner, and thereafter on a yearly basis from such payment date until the loan is fully repaid. If the insurance shall be under the regular NHMFC MRI Coverage, the insurance premium shall be paid in advance to NHMFC annually - lump sum for the first year of coverage (Interim period from Letter of Guaranty/Escrow Agreement to payment date or about 2 months), then monthly thereafter for the succeeding years coverages.

10.2 Fire and Allied Perils Insurance:

In case the beneficiary-borrower opts to secure additional loan for house construction/improvements, site development loan, the said house and improvements shall be covered by Fire and Allied Perils Insurance (Fire Insurance) for an amount equivalent to the appraised value of the dwelling unit and/or its improvements. The insurance premium shall be paid in advance to NHMFC annually - lump sum for the first year of coverage which shall be deductible from the loan proceeds, then monthly thereafter for the succeeding years coverages. NHMFC shall likewise be the beneficiary of Fire Insurance.

10.3 The renewal insurance premiums herein provided shall be included in the monthly amortizations of the member-borrowers.

10.4 Presently, the fire insurance premium shall be computed as follows:

- a. Properties located in Zone I - Metro Manila; Cebu; Lapu-Lapu, and Mandaue Cities; EPZA in Bataan; Subic and Clark Bases:

Appraised Value of Building x .0012 = Unadjusted
Annual Premium (U.A.P)

U.A.P Unadjusted Monthly Premium (U.M.P)
----- = (rounded-up to nearest .05)
12

(U.M.P. x .01) x 12 = Annual Premium Tax

(U.M.P. x .02) x 12 = Annual Fire Service Tax

= Total Annual Premium Due - 12

= Monthly Premium
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- b. Properties located in Zone II - all other places the rate to be used for the Premium shall be .0015 instead of .0012.

11. PAYMENT OF THE PROPERTY/RELEASE OF THE LOAN

Payment of the property/release of the loan shall be made under any of the following modes in order that the title to the property shall be transferred in the name of the CA; viz:

- 11.1 Issuance of a letter of Guaranty by NHMFC in favor of the landowner; then payment in cash when all pre-conditions of the Letter of Guaranty are met.

In lieu of a Letter of Guaranty, an Escrow Agreement may be entered into by NHMFC provided the escrow fees shall be borne by the landowner.

- 11.2 Outright cash payment when all documentary requirements are met and the title to the property is already transferred in the name of the CA and the first mortgage on the collateral property securing the loan is duly registered/annotated.

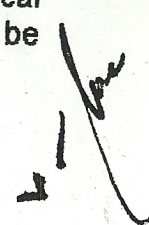
- 11.3 In case there is lien or encumbrance on the land to be purchased, an Escrow Agreement may be entered into with the landowner providing for payment of the amounts due the lienholder.

Handwritten signature/initials

- 11.4 In case of additional loans for site development and/or house construction/improvement, the loan shall be released based on the value in place less previously released loans.
- 11.5 In case of condominium projects or house and lot projects, the loan shall be released upon completion of the project and acceptance by the CA/member-beneficiaries.
- 11.6 Assignment of loan proceeds shall be allowed provided the corresponding Deed of Assignment by the rightful payee shall be executed.

12. ORIGINATION OF THE LOAN AND MORTGAGE

The Loan and Mortgage shall pass thru a person to be known as the Originator.

- 12.1 The Originator shall be the person who will help the CA to get organized and registered with the appropriate Government Agency, document the loan and mortgage, assist the CA in the negotiations with the Landowner for the purchase of the property and act as the creditor-mortgagee, then assign the rights to the loan and mortgage to NHMFC.
 - 12.2 **Qualification of an Originator:**
 - 12.2.1 Must be a duly registered stock or non-stock corporation.
 - 12.2.2 Must have had at least two (2) years tract-record in subdivision/housing development and/or in community based social and economic assistance activities.
 - 12.2.3 If a newly organized entity, one or more of the principal officers must possess the qualifications called for in 12.2.2 above.
 - 12.2.4 Must have organizational capabilities to assist in the documentation of the loan and mortgage and orient the members thereof on the duties and responsibilities of a landowner-debtor.
 - 12.2.5 Any government entity (like the National Housing Authority and the Home Insurance and Guaranty Corporation/local government units) and existing UHLP originators may be accredited as Originator.
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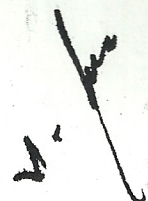
12.3 Accreditation and Purchase Commitment Line

- 12.3.1 The Originator shall first be accredited by NHMFC before he can originate any loan/mortgage for a CA. The requirements for accreditation shall be promulgated.
- 12.3.2 The project and the CA shall likewise be evaluated and accredited by NHMFC after submission of documentary requirements to be prescribed by NHMFC.
- 12.3.3 No project shall be accredited for origination by an Originator if his previously originated projects do not pass the Collection Efficiency Ratio of at least 80% and if the required individualization of titles thereof also fall below 80% of total projects, which titles are due for individualization.
- 12.3.4 After passing the criteria for accreditation of the project and the CA, a Purchase Commitment Line (PCL) needed for the purchase of the property, payment of the site development, and/or house construction/improvement shall be issued by NHMFC, which shall be valid for a specific period of time not exceeding six (6) months, for the submission of the necessary documents leading to the release of the loan. Validity of the PCL may be extended based on meritorious grounds, especially for reasons beyond the control of the CA and/or Originator.
- 12.3.5 No commitment fee shall be collected from the originator for the issuance of the PCL.

12.4 Warranties of the Originator

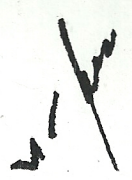
Relative to the origination of the loan/mortgage, the Originator warrants that:

- 12.4.1 The Community Association is a bonafide one and its acts are the voluntary acts of the members thereof for the purpose of acquiring and keeping the property for themselves.



- 12.4.2 The members are aware of their responsibilities under this Program and their obligations to pay their shares in the monthly amortizations of the loan.
- 12.4.3 The officers and employees (if any) of the CA are aware and knowledgeable on the collection, remittance and records-keeping of all amounts received by and accruing to the CA for the benefit of its members.
- 12.4.4 It shall undertake jointly with the CA the individualization of the title to the financed property within the required period of time.

13. COLLECTION AND SERVICING OF THE LOAN

- 13.1 As long as the community loan is not yet paid nor the loans are individualized and assumed personally by the members to the extent of their shares, the loan stays as joint and solidary obligation of the CA and all of its member-borrowers. As such, the CA shall have the obligation to collect the shares of its member-borrowers in the monthly amortization of the community loan.
 - 13.1.1 As show of good faith on the part of the CA, a Time/Savings Deposit equivalent to two (2) monthly amortizations shall be assigned to NHMFC as long as the loan remains a CA loan. This deposit may be applied to the CA account in case its Collection Efficiency Ratio (CER) falls below the acceptable standard.
 - 13.1.2 This evidence of bank deposit, together with a Collection Agreement, shall be submitted to NHMFC before the release of the loan proceeds,
 - 13.2 The Community Association shall undertake to:
 - 13.2.1 Enter into a Collection Agreement with NHMFC for the purpose of collecting from its member-borrowers their shares in the monthly amortizations of the community loan and remitting the same (amount collected) to NHMFC in the manner prescribed in the Collection Agreement.
 - 13.2.2 Keep individual records of paid and unpaid amortizations of its member-borrowers together with the collective paid and unpaid amortizations of the CA.
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13.2.3 In case of default in the payment of the monthly amortization-share of any member-borrower, to find a qualified substitute member-borrower who shall assume the obligations of the defaulting member-borrower.

13.2.4 Cause the individual titling of the property in the names of the member-borrowers, in case the title to the property is not yet subdivided and transferred in the names of the individual member-borrowers, and the corresponding individual mortgage shares annotated thereon if it is the intention of the individual member-borrowers. Otherwise, the obligations of the member-borrowers remain joint and solidary as far as NHMFC is concerned.

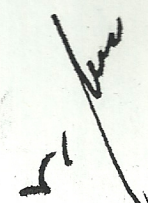
13.3 Bonding of CA Collector/Treasurer

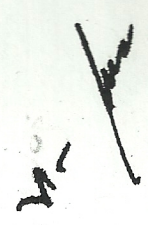
The person authorized by the CA to collect the monthly rental/amortization of its member-borrowers shall be bonded in an amount equivalent to two (2) monthly CA amortizations as long as the loan remains a CA loan.

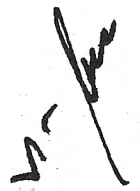
14. **INDIVIDUALIZATION OF COMMUNITY TITLE AND LOAN**

14.1 Individualization of the title to the property subject of a CMP loan is a paramount duty of the CA and the Originator so that those member-borrowers who are up-to-date in the payment of their shares in the monthly amortization of the community loan may have the titles to the lots allocated to them transferred in their names and extricate themselves from the joint and solidary obligation of the community loan. The CA and the originator shall have a period of three (3) years from the date of take-out to complete the individualization of the title to the property. The CA is given one (1) year from take-out date of the loan to signify their intention to retain the common ownership of the property and remain as joint and solidary obligors, in which case, the CA, by unanimous consent of its members thru a member's resolution, shall so signify and notify NHMFC.

14.1.1 Individualization of titles shall apply to the entire property covered by the community loan/mortgage evidencing the actual lot occupied and/or allocated by the member-beneficiary as appearing in the subdivision Plan and the Lease Purchase Agreement.



- 14.1.2 To encourage individualization of title, titles due member-borrowers who are up-to-date in the monthly amortizations of their shares in the community loan may be transferred immediately in their names and their shares in the community loan excluded therefrom, leaving only the defaulting accounts in the name of the community association.
 - 14.1.3 Partial release of titles, in the case of multi-titled properties subject of CMP loan may be allowed provided the shares in the loan secured by such titles to be released are fully paid.
 - 14.1.4 In case of default by the CA in the payment of the monthly amortizations of the loan, NHMFC and/or the originator is no longer interested/active in the origination of CMP loans, NHMFC may initiate the individualization of the title with the expenses incurred therefor charged against the CA. In such cases, NHMFC may foreclose only such titles pertaining to the member-borrowers who are in default and transfer/release the titles of those who are up-to-date/fully paid in their shares of the community loan after receipt of the relative costs of individualization of each title to be transferred/released.
 - 14.1.5 Titles to roadways and open spaces shall remain in the name of the CA and shall not be alienated nor transferred/donated to the local government unit as long as the CA/member loans/s is/are not yet fully paid except with the express conforme/consent of NHMFC.
 - 14.1.6 A Deed of Sale with Assumption of Mortgage or Deed of Partition/Assignment with conformity of NHMFC shall be executed by the CA to transfer the title assigned/allocated to a member-borrower with the corresponding Real Estate Mortgage annotated on the individual titles.
- 14.2 Individualization of the Community Loan shall be done only after the individual titles are issued in the name of the CA. Direct transfer of individual titles in the names of the beneficiary-members may be allowed but only to the extent of those members who are up-to-date in the payment of their monthly amortizations; and the mortgage annotated on the mother title shall be carried over to the individual titles.
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- 14.2.1 The CA shall request for the individualization of the community loan of member-borrowers who are up-to-date/fully paid in their shares in the monthly amortizations/loans. In case of default, NHMFC shall initiate the individualization of the loans and transfer of the titles corresponding only to those member-borrowers who are not in default, leaving others as co-owners and joint and severally co-obligors of the CA.
- 14.2.2 Before the individualization of the loan shall be effected, the Amendment to the Real Estate Mortgage shall be executed to reflect the individual shares in the mortgage annotated on the mother title, which in turn shall be annotated in the individual titles allocated to each member-borrower which shall replace the Lease Purchase Agreement that will be superceded by the Deed of Sale with Assumption of Mortgage or Deed of Partition/Assignment to be executed by the CA.
- 14.2.3 The term of the individualized loan shall be based on the election of the Principal Borrower which shall run for a maximum period of 25 years less the expired term of the community loan. The term of the individual loan shall in no case be less than 10 years in accordance with the provisions on the coverage for MRI. The interest rate on the community loan shall be the interest rate of the individual loans.
- 14.2.4 The loan, once individualized, shall be assigned its own account number and treated as a Unified Home Lending Program (UHLP) loan and the servicing of which shall be as per the UHLP Guidelines/Policies, which presently allow payments of monthly amortizations thru Collecting Banks or at NHMFC offices, unless otherwise specifically provided for in later issuances/promulgations. For existing projects, which loans shall graduate to UHLP, the beneficiaries shall retain their eligibility to borrow up to P80,000 at CMP interest rate, especially if for home improvement/construction.
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15. SUBSTITUTION OF BENEFICIARY-BORROWER**15.1 Beneficiary-borrowers may be substituted:**

- 15.1.1 When he is in default in the payment of his share in the monthly amortizations of the CA loan, equivalent to at least three (3) months and the Board of the CA shall so declare him as in default and to be substituted by another qualified member who shall assume all rights and obligations over the allocated property/loan share of the defaulting member-borrower.
- 15.1.2 When he voluntarily waives his rights to the allocated lot/property in favor of another member or to the CA.
- 15.1.3 When he violates existing laws and ordinances dealing on land-use in the locality, CA and/or NHMFC rules and regulations.
- 15.1.4 When the CA intentionally and/or repeatedly refuses to accept the offered payment of any of its member-beneficiaries after an endorsement to the originator on the matter and despite notice/advise from NHMFC, the CA and/or the officers shall be considered in default and/or the officer/s responsible shall be subject to substitution.

15.2 The CA shall be responsible for the substitution of member-beneficiaries declared to be in default or who voluntarily waive their rights as such pursuant to Sec. 15.1 above. In such events, the CA, with the assistance of the Originator, is given ninety (90) days within which to look for a qualified substitute, otherwise NHMFC can initiate the substitution of the erring member-beneficiaries.

15.3 Procedures for Substitution shall be as follows:

- 15.3.1 In case of non-payment of shares in the monthly amortizations equivalent to at least three (3) months, a demand letter giving at least fifteen (15) days within which to settle the obligations shall be issued by the CA to the defaulting member-borrower. The letter may be delivered personally or by registered mail with return card to the last known address of such member-borrower and shall contain at least the number of months in arrears, amount of arrearages including interests, penalties, and surcharges (if any), and due date of settlement. In case of non-payment on due date of settlement, the CA shall declare by

Board Resolution that the member-borrower is already to be substituted. Any resulting complaint forwarded to NHMFC by such member-beneficiary declared to be in default by the CA shall first be referred to the Originator.

- 15.3.2 In case of voluntary waiver of rights to the allocated lot/property in favor of another member or to the CA, a notarized waiver of the member-borrower to that effect shall be sufficient ground for the CA to likewise declare such member-borrower to be eligible for substitution.
- 15.3.3 In the case of violation existing laws, etc. as enumerated in Sec. 15.1.3 hereof, are the reasons for substitutions, the member-borrower shall be given the chance before the proper body created/referred by the CA to hear/try the case or by conviction by the proper authority, to explain/defend his side. After due hearing and the decision thereof promulgated, the CA shall pass the Board Resolution for the substitution of the erring member-borrower.
- 15.3.4 The notarized Board Resolution substituting the disqualified member-borrower shall be submitted to NHMFC who in turn shall send a notice of action taken to the disqualified member giving the latter at least fifteen (15) days to dispute/accept the CA decision. Upon compliance and validation of the required process of substitution, NHMFC shall notify the CA to proceed with the substitution.
- 15.3.5 The disqualified member shall execute a waiver of his rights to the allocated property and voluntarily surrender the same to the CA. In case of refusal by the disqualified member to execute the waiver and/or surrender the allocated property, the CA can avail of other legal remedies like eviction/ejection, before the proper forum.
- 15.3.6 The CA shall notify the NHMFC of the substitution made together with the following documents, viz:
 - 15.3.6.1 Copy of the notarized Board Resolution attesting to the approval of the substitution of the disqualified member and the acceptance/appointment of the substitute and the latter's residence.

[Handwritten signature]

15.3.6.2 Certified true copy of the demand letter issued by the CA with proof of result/postage thereof, together with the latest Statement of Account of the disqualified member.

15.3.6.3 Notice of termination of the Lease Purchase Agreement (LPA) of the disqualified member, together with the LPA of the substitute member and his proof of income and/or CLE.

15.3.6.4 Amended Masterlist of Beneficiaries, certified correct by the originator.

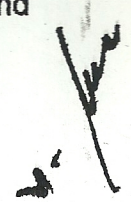
15.3.6.5 In case of failure to present the notarized waiver of the disqualified member over the allocated property, alternate documents shall be required to be submitted.

15.3.7 NHMFC shall validate and evaluate the substitution documents presented by the CA and shall inform the CA of the approval/disapproval thereof and if approved shall affix its conformity to the Amended Masterlist of Beneficiaries. If the substitution is disapproved, the CA shall be notified of the reason/s thereof and shall require the nomination of another substitute within sixty (60) days from receipt of notice of disapproval.

16. DEFAULT

16.1 For as long as the loan continues to be the loan of the CA, the default of any member-borrower shall be considered as the default of the whole membership. Default due to non-payment of monthly amortizations shall occur when there is non-payment equivalent to three (3) monthly amortizations of the community loan and shall entitle NHMFC to declare the entire CA loan due and demandable and to foreclose the mortgage. That is why early individualization of the community loan and title to the mortgaged property is being encouraged - in order to enforce the foreclosure remedy against the units pertaining to the defaulting member-borrower only.

16.2 Default shall also occur if the CA or any member-borrower thereof continues to violate ordinances, laws, NHMFC rules and regulations as enumerated in Sec. 15.1.3 hereof, and contracts with the CA and violation by member-borrower of the CA By-Laws and regulations.



- 16.3 In case of default in the payment of monthly amortizations, the CA shall submit to NHMFC a list of defaulting member-borrowers with information on the number and amount of monthly amortizations unpaid with details as to Principal, interest, insurances, and penalties.

17. PENALTIES

- 17.1 For non-payment of the monthly amortizations on the due date (one month after release of the loan), there shall be a penalty to be paid by the CA equivalent to 1/15 of 1% of the amount due per day of delay.
- 17.2 The same rate of penalty shall be imposed on delinquent member-borrowers except when the CA rules and regulations provide for stiffer penalties, in which event, the excess penalty shall accrue to the CA.

18. ORIGINATION FEE

The Originator shall be entitled to an origination fee equivalent to 2% of the loan amount or P500 per household beneficiary, whichever is higher, to answer for administration/management expenses incurred for the origination of the loan/mortgage. For additional loan/s after the lot acquisition loan, the amount of the origination fee shall be the same rate. The origination fee shall be payable upon or after take-out of the loan.

19. SITE DEVELOPMENT/HOUSE CONSTRUCTION/IMPROVEMENT LOAN

These additional financing may be availed of anytime as long as the previous loan/s remain as CA loan/s and the same are at least 90% up-to-date in the payment of the monthly amortizations.

- 19.1 Site Developmental Loan may be availed of to cover the horizontal development of the site to cover among others, the drainage system, septic vaults/sewerage system, electrical and water installations, road construction/paving, improvement of open spaces for the common use of the community including the cost of subdivision/development surveys and plans, professional fees and other necessary charges related thereto.

Mr. [Signature]

- 19.2 The complete plan, specifications and Bill of Materials/Estimates of the site development shall be among the documents to be submitted which shall be the basis for the grant of the Purchase Commitment Line for the site development loan.
- 19.3 Progressive/full release of the loan shall be made after actual inspection/evaluation of the improvements/developments constructed as against the approved plans and specifications but in no case shall the amount of the loan to be granted exceed P45,000 per household unit minus the previously granted lot acquisition loan except in projects located in Metro Manila area where the loan can be up to P60,000, less previously released lot acquisition loan.
- 19.4 House construction/Improvement loan may be granted after the evaluation of the approved plans and specifications and estimate of costs (basis of the PCL to be granted) but in no case shall the aggregate loan (lot acquisition and/or site development) exceed P80,000 per household unit minus the previously availed loan/s and to be paid within the remaining term of the previous loan/s.

20. EXPENSES FOR SHARING BY LANDOWNER, CA AND MEMBER-BENEFICIARIES

Expenses to be incurred in the transfer of titles, annotation of mortgage, subdivision of titles/loans, and other necessary expenditures for the transfer of the title to the CA then to the member-beneficiaries shall be as per their agreements/consents. However, the following shall serve as guidance in the sharing of expenses, to wit:

20.1 For the account of the landowner:

- a. Updated real estate taxes on the property;
- b. Transfer/capital gains taxes before the property is transferred in the name of the Community Association, and
- c. Legal and notarization expenses relative to the execution of the Deed of Sale in favor of the CA.

20.2 For the account of the Community Association:

- a. Survey and Subdivision Plan of the property showing allocation of lots to member-beneficiaries;

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- b. Registration of the Deed of Sale and Transfer of the title and tax declaration from the landowner to the CA;
- c. Notarization and annotation of the mortgage and other documents in favor of the Originator or NHMFC;
- d. Approval of the subdivision plan by the pertinent Government agencies, and
- e. Issuance of the individual titles in the name of the member-beneficiaries.

20.3 For the account of the member-beneficiaries upon Individualization of titles:

- a. Registration of the Deed of Sale/Partition/Assignment from the CA to the member-beneficiary and issuance of new TCT and Tax Declaration;
- b. Annotation of the individual mortgages;
- c. Notarial and legal expenses for the member-borrower's documentary requirements, and
- d. Real Estate Taxes on the property allotted to him.

21. ADJUDICATION COMMITTEE

In case the adjudication/grievance/arbitration committee of the CA cannot resolve issues/cases involving its member-beneficiaries, the CA shall refer the same to the Adjudication Committee of the NHMFC specifically created for the Community Mortgage Program to resolve disputes of CA and/or its members within three (3) months from completion of all documentation and issues. Insofar as NHMFC is concerned, the decision of the Adjudication Committee shall be final and binding to the referring CA and/or its members.

22. REGIONAL PROCESSING

- 22.1 Whenever financially feasible, to expedite processing of documents, especially the origination of loans/mortgages for projects outside the National Capital Region and Regions III and IV, processing centers shall be established to assist Originators in the documentation of their projects.

- 22.2 A pre-processing fee, in an amount as may be determined by NHMFC, may be charged new Originators but to be refunded once the project is taken-out/paid within the Purchase Commitment period. The Purchase Commitment period shall mean the period between the grant of the PCL and the stated date of delivery to NHMFC of the documents necessary for the issuance of the Letter of Guaranty/Escrow Agreement or for the outright payment of the loan.
- 22.3 When the volume of applications for PCL shall warrant, Credit Committee meetings may be held in the Regions to further expedite the loan processing cycle.

23. DOCUMENTARY REQUIREMENTS

- 23.1 Printed forms for use by the CA and its member-beneficiaries insofar as NHMFC requirements are involved shall be supplied by NHMFC free of charge.
- 23.2 Checklist of Requirements for Accreditation of the Originator/Project leading to the grant of Purchase Commitment Line and those for the issuance of the Letter of Guaranty/Execution of Escrow Agreement/Payment of the Loan, for individualization of title and loan, and house construction loans shall be provided all Originators from time to time, after due consultations with Originators on matters that are within NHMFC's discretion. The list of requirements upon the effectivity of this Consolidated Implementing Guidelines is hereto attached as Annexes 1, 2, 3 & 4.

24. MISCELLANEOUS PROVISIONS

24.1 Loan Processing Fee:

- 24.1.1 To help defray the cost of administration of the Program and assure its continuity, a Loan Processing Fee equivalent to 5% of the loan amount shall be charged the CA and distributed among the member-beneficiaries based on their shares in the community loan.
- 24.1.2 This Loan Processing Fee shall be added to the loan amount/share in the loan. However, whenever affordable, and to save on interests to be paid on the added amount, the CA/member-beneficiary may pay this Fee front-end before the release of the loan.

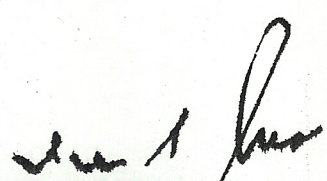
- 24.1.3 This Loan Processing Fee shall not be included in the computation of the loan limits/loan-to-value ratio but shall be included in the computation of the insurance coverage and penalties assessable against the CA and its member-borrowers.
- 24.2 NHMFC shall conduct periodic inspection of the collateral, interview member-beneficiaries, and examine the books of accounts/records of the CA during reasonable hours.
- 24.3 The CA and its member-beneficiaries shall be bound by Circulars, Policies, Guidelines, and Issuances that may heretofore be promulgated by NHMFC.
- 24.4 The Guidelines/Policies/conditions existing and/or approved by Management and/or the Credit Committee that were made applicable for all projects up to the effectivity of this Guidelines are hereby confirmed to govern such projects and are therefore ratified.

The above guidelines shall be applicable as follows:

1. For PCL applications received starting February 1996, the new guidelines will apply;
2. For PCL applications received as of January 31, 1996, the old guidelines will apply provided that the beneficial provisions of the new guidelines will likewise apply;
3. For projects with unexpired PCLs as of January 31, 1996, the old guidelines will apply provided that the beneficial provisions of the new guidelines will likewise apply, and provided further that the documents necessary for the issuance of the Letter of Guaranty/take-out are submitted during the life of the PCLs.

All provisions of Circulars, Memoranda, Guidelines, Notices and Policies inconsistent with any provisions of this Circular are accordingly repealed or modified.

For your information/guidance.


MANUEL EDUARDO B. LUNAS
President

**COMMUNITY MORTGAGE PROGRAM
CHECKLIST OF REQUIREMENTS
FOR PURCHASE COMMITMENT LINE (PCL)**

	Total No. of Copies ()	Original/ Certified by Issuing Agency	Xerox (to be certified by CMG)
A. ORIGINATOR ACCREDITATION			
1. Application Letter (CMG-AID-001)	(1)	1	
2. Originator's Information Sheet (CMG-AID-003)	(1)	1	
3. For Private Originators:			
3.1 SEC/HIGC/CDA Registration	(1)		1
3.2 Articles of Incorporation/ Code of By-Laws	(1)		1
3.3 Board Resolution or Secretary's Cert.	(1)	1	
3.4 If Originator's existence is less than 2 years, proof that at least one of the principal officers is involved in community based economic/social development project/s	(1)		1
4. For LGU-Originator:			
Council/Sanggunian Bayan Resolution	(1)	1	
5. For Other Government Entity:			
5.1 Copy of Charter	(1)		1
5.2 Authority From Board/Head of Office to Originate	(1)	1	

**COMMUNITY MORTGAGE PROGRAM
CHECKLIST OF REQUIREMENTS
FOR LETTER OF GUARANTY (LOG)**

	Total No. of Copies ()	Original / Certified by Issuing Agency	Xerox (to be certified by <u>CMG</u>)
1. Masterlist of Beneficiaries and loan apportionment signed by beneficiaries, if not yet submitted (pro-forma attached)	(3)	3	
2. Subdivision Plan with PALC or approved by LMB/HLURB/LGU, if not yet submitted during PCL	(3)	1 (blue-print)	2
3. Involvement Warranty Undertaking (CM-F-01) --not notarized	(3)	3	
4. Beneficiary Documents			
4.1 Certificate of Employment & Compensation or Income Tax Return (ITR) or Affidavit of Informal Income/non- membership--notarized	(3)	3	
4.2 Lease Purchase Agreement (LPA) (CM-F-06) --notarized	(3)	3	
4.3 Certificate of Loan Eligibility (CLE) (If member of SSS, GSIS or HDMF)	(3)	1	2
5. Secretary's Certificate or Board Resolution on Specific Powers given to representative:	(3)	1	2
a. to purchase the property			
b. to obtain loan under CMP			
c. to mortgage the property			

	Total No. of Copies ()	Original/ Certified by Issuing Agency	Xerox (to be certified by CMG)
8. If without PALC or Subd. plan approved by LMB/HLURB/LGU, Proof of Road Right of Way (RROW) Submit any of the ff: 8.1 LGU-Certification that RROW is a public road 8.2 Grant from landowner if RROW is a private road.	(3)	1	2

COMMUNITY ASSOCIATION/COOPERATIVE

1. SEC/HIGC/CDA Registration	(3)	1(CTC)	2
2. Articles of Incorporation/ <i>Code of By Laws</i> *	(3)	1(CTC)	2
3. Masterlist of Beneficiaries and loan apportionment signed by beneficiaries (pro-forma attached) or List ing of Beneficiaries (CMG-AID-004)	(3)	1	2
4. Memorandum of Agreement/ Contract Between Originator and Community Association	(3)	1	2

** Code of By-Laws must contain the following:*

1. *That the members agree to relocate their houses to other lots/areas when the site development, such as roadways, drainage, and/or water lines to be constructed/installed, shall require such relocation for the common good of the majority of the members or in compliance with government regulations.*
2. *The power of the Community Association/Cooperative or Homeowners Association/Condominium Corporation and the agreement of the members, for the substitution of members who are in default in the payment of at least three (3) monthly rental/amortization due.*
3. *Member's agreement giving protection to the rights of any member whose loan allocation has been fully paid for in cash or thru the application of the insurance proceeds under the coverages.*
4. *In case where the Community Association/Cooperative or Homeowners Association/Condominium Corporation cannot resolve, through its internal machineries, the issues relative to but not limited to relocation or lot allocation within the site; allocation of lot areas and/or loan shares; sharing in expenses relating to the acquisition, subdivision, titling of the land/lots; and annotations of mortgages, the members agree to submit to and abide by the decision of the Adjudication Committee duly created by NHMFC for the purpose.*

	Total No. of Copies ()	Original / Certified by Issuing Agency	Xerox (to be certified by CMG)
B. PROJECT ACCREDITATION			
1. Project Basic Information Sheet (CMG-AID-002)	(1)	1	
2. Landowner Letter of Intent to Sell	(3)	1	2
3. HLURB Zoning Classification Certificate/DAR Conversion (If classification is other than residential)	(3)	1	2
4. Certified True Copy (CTC) of Present Title(s) and Three (3) Titles Back	(3)	1	2
5. Latest Tax Declaration of Property	(3)	1	2
6. Latest Tax Receipt	(3)	1	2
7. Plans/Maps	(3)	1(blue-print)	2
7.1 Subdivision Plan with PALC or approved by LMB/HLURB or LGU-- indicating lot boundaries, lot number, block number and lot areas, if there's no RROW;			
If with RROW, Subdivision Plan signed by Geodetic Engineer and requirement no. 8 below			
7.2 Vicinity Map/Location Plan-- drawing/plan must encompass at least 5 kms. radius from the site's center			
7.3 Lot Plan--including the existing road right of way and showing all physical features such as creeks, rivers, etc.			
7.4 Topographic Map (for steep terrain & with depression)			

	Total No. of Copies ()	Original / Certified by Issuing Agency	Xerox (to be certified by CMG)
6. Community Loan Documents			
6.1 Loan Agreement (CM-F-02) --notarized	(3)	3	
6.2 Promissory Note (CM-F-03)	(3)	3	
6.3 Real Estate Mortgage (CM-F-04) --not notarized	(3)	3	
7. Deeds of Assignment			
7.1 Originator to NHMFC (CM-F-05) --not notarized	(3)	3	
7.2 CA to Originator (CM-F-05A)--notarized	(3)	3	
7.3 Originator to Landowner (CM-F-05B) --notarized	(3)	3	
8. Deeds of Assignment			
8.1 CA to Originator (CM-F-07)--notarized	(3)	3	
8.2 Originator to NHMFC (CM-F-08)--not notarized	(3)	3	
9. Prepayment of Insurance premium or assignment of insurance policy to NHMFC (may be paid a little before the issuance of LOG)	(3)	1	2

CIRCULAR NO. CMP-018

	Total No. of Copies ()	Original / Certified by Issuing Agency	Xerox (to be certified by CMG)
10. Proof of equity payment/ agreement with landowner, if any.	(3)	1	2
11. Collection Agreement (CM-F-013)	(3)	3	
12. Surety Bond/Certificate of Time Deposit equivalent to two monthly amortization and assigned to NHMFC for a period of two years (may also be submitted together with take-out documents)	(3)	1	2
13. Documents in compliance with PCL conditions	(3)	1	2

**COMMUNITY MORTGAGE PROGRAM
CHECKLIST OF REQUIREMENTS
FOR TAKE-OUT**

	Total No. of Copies ()	Original / Certified by Issuing Agency	Xerox (to be certified by <u>CMG</u>)
1. TCT in the name of the Community Association (CA) with the mortgage consti- tuted by the CA in favor of the Originator duly annotated therein	(3)	1	2
2. Real Estate Mortgage (REM) duly stamped by Registry of Deeds (RD)	(3)	1(CTC)	2
3. Board Resolution of the CA annotated on the new TCT	(3)	1(CTC)	2
4. New Tax Declaration in the name of the CA	(3)	1(CTC)	2
5. Deed of Sale duly stamped by RD	(3)	1(CTC)	2
6. Certified true copy of the cancelled TCT in the name of landowner with annotation of the Deed of Sale in favor of the CA	(3)	1(CTC)	2
7. Updated Tax Receipt in the name of the CA	(3)	1	2
8. Preliminary Approval of Locational Clearance (PALC) or Subdivision Plan approved by LMB/HLURB/LGU	(3)	1	2
9. Surety Bond/Certificate of Time Deposit equivalent to two monthly amortization and assigned to NHMFC for a period of two years (if not yet submitted)	(3)	1	2

NOTES :

1. Please arrange documents according to the order in the checklist. One folder shall contain the originals and the other two shall contain the duplicates and xerox copies respectively and labeled accordingly as per covering CMG Notice No. 001.

However, all copies of the following documents shall be contained in the original Mother Folder :

CM-F-01 to CM-F-04
 CM-F-05, CM-F-05-A, CM-F-05-B
 CM-F-07 to CM-F-08
 CM-F-013

2. Names in masterlist shall be arranged according to lot assignments.

Illustration

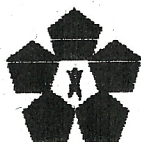
NAME	BLOCK NO.	HOME LOT ALLOCATION	
		LOT NO.	AREA
Villanneva, Oscar	1	1	35
Cruz, Noemi	1	2	35
Ancheta, Ruiz	1	3	35
Paez, Edna	2	1	35
Mateo, Malou	2	2	

3. LPAs shall be arranged according to the order in the masterlist.

4. REM (CM-F-04) shall not be notarized before the Deed of Absolute Sale.

5. Signature of the beneficiaries in the subdivision plan may be waived provided that the Community Association and the originator execute a joint affidavit attesting to the fact that the beneficiaries are aware of the location in the property of their lot assignments.

6. Please put N.A in Column No. 8 of the Masterlist if the Community Association opts to pay the processing fee front end.



NATIONAL HOME MORTGAGE FINANCE CORPORATION
COMMUNITY MORTGAGE GROUP
Project Accounts Monitoring Control & Review Department
Special Accounts Management & Review Division

CHECKLIST OF DOCUMENTARY REQUIREMENTS INDIVIDUALIZATION OF TITLE & LOAN

A. TITLE (*Parcellation of mother title*)

1. Letter request for individualization of title and the temporary withdrawal of mother title,
2. Blueprint of approved consolidation - subdivision plan
3. Duplicate original copies of approved individual technical descriptions.
4. Borrowers Data
5. Certification from Community Association / Originator for those beneficiaries with changes on lot area and block/ lot assignment.
6. Original copies of Certificate of Loan Eligibility (CLE) to be submitted by those members of GSIS, SSS, or Pag-ibig (HDMF) in case the same have not been submitted upon take-out or as per condition of the Purchase Commitment Line.

B. LOAN (*Transfer of Title in the name of member-beneficiary*)

1. Deed of Sale with Assumption of Mortgage (DOSAM) or Deed of Partition with Assumption of Mortgage (DOPAM) executed by the community association and member-beneficiary with conformity of NHMFC.
2. Promissory note executed by the community association in favor of the originator / Assignee.

C. UPON TRANSFER OF TITLE IN THE NAME OF MEMBER - BENEFICIARY

1. Duplicate original copy of DOSAM / DOPAM duly stamped by the Register of Deeds.
2. Certified true copies of Tax Declaration in the name of beneficiary.
3. Title in the name of member-beneficiary.

CMG-AID-001

Date

The President
NATIONAL HOME MORTGAGE
FINANCE CORPORATION
Trafalgar Plaza, H.V. dela Costa St.
Salcedo Village, Makati, Metro Manila

Sir:

We would like to apply for a Purchase Commitment Line (PCL) in connection with the community mortgage component of the Unified Home Lending Program. This application is for the amount of _____ (P _____).

We understand fully the National Home Mortgage Finance Corporation's requirements, standards and warranties pertaining to this component of the program. We shall be originating mortgages that will conform to these standards and requirements.

Submitted herewith are the folders containing the requirements for the grant of the Purchase Commitment Line. We shall be glad to comply with any additional requirements in connection with this application.

Very truly yours,

Name of Originator

By:

Name and Designation of
Authorized Representative

Contact Person:

Tel. No. _____

Fax No. _____

(To be filled up by the originator)

PROJECT BASIC INFORMATION SHEET **Community Mortgage Program**

PROJECT NAME: _____

Type of Project:

- A. On-Site ()
 B. Existing Community Off-Site ()
 C. New Community Off-Site ()

I. COMMUNITY ASSOCIATION BACKGROUND INFORMATION

- a. Name of Organization: _____
 b. Date Registered : _____ Registration No.: _____
 c. Where Registered: SEC () HIGC () CDA ()
 d. Number of Members: _____
 e. Number of Beneficiaries: _____
 f. Average Income per Beneficiary: _____

II. PROPERTY DESCRIPTION

- a. Location: _____
 b. Total Land Area: _____
 c. Title No./s (OCT,TCT,CCT) _____
 d. Date of Acquisition by Present Owner: _____
 e. Existence of Right of Way: YES () NO ()
 f. Topography of Project: Relatively Flat ()
 Gently Rolling ()
 Steep ()
 Undulating ()
 Rolling Terrain ()
 Others ()
 g. Number of Structures in property: _____
 h. Is property Bounded by Rivers/Creeks: YES () NO ()
 i. Do Creeks Exist Inside the Property: YES () NO ()
 j. Nature of Title:
 Burned Titles (Undergoing Reconstitution) ()
 Administratively Reconstituted () Date Reconstituted: _____
 Inherited () Date of Inheritance: _____
 k. Are there Existing Encumbrances in the Property: YES () NO ()
 l. Nature of Encumbrances: Mortgage ()
 Lis Pendens ()
 Others : _____

Certified Correct: _____

Date: _____

- m. If mortgaged, to whom? _____ For how much? _____
 What arrangement was made to Cancel Mortgage? _____
 n. Market Value of Property per Tax Declaration: _____
 o. Classification of Property per Tax Declaration:
 Residential () Agricultural ()
 Commercial () Industrial ()
 p. If Agricultural:
 1. Was the Property Re-Classified? YES () NO ()
 2. When was such Re-Classification made? _____
 3. Was it Approved by the HLURB? YES () NO ()
 4. When was it Approved by the HLURB? _____
 q. Is the Property being Tilled? YES () NO ()
 r. Is the Property Contiguous? YES () NO ()

III. APPRAISAL OF PROPERTY

- a. Is the Property Already Appraised? YES () NO ()
 b. By Whom? _____
 c. For How Much Per Square Meter? _____
 d. Total Appraisal : _____

IV. LOAN INFORMATION

- a.. Amount of Loan Applied For : _____
 b. Average Loan Per Beneficiary : _____
 c. Maximum Loan Per Beneficiary : _____
 d. Average Lot Size Per Beneficiary: _____
 e. Size of Land For General Use
 (i.e. roads, open spaces) : _____
 f. Is any Portion of the Land
 Excluded from the Sale : YES () NO ()
 g. Why ? _____
 h. Selling Price/Sq. Meter to the Beneficiary: _____
 i. Is Selling Price Uniform? YES () NO ()
 j. If not, what are the Ranges? _____
 k. Reason for Price Difference : _____
 l. Role of Originator in Selling Price of Property: _____
 m. Have all the Members Seen the Property? YES () NO ()
 n. Are there Recalcitrants? YES () NO ()
 o. How Many? _____
 p. What Action, if any, has been undertaken concerning these
 Recalcitrants? _____

I certify the above to be true and correct to the best of my knowledge.

 Date

 Name and Office Designation

**ORIGINATOR'S
INFORMATION SHEET**

1. Name of Applicant Originator: _____

Address : _____

Telephone Nos. : _____

Commitment Line Amount Applied For:

a. Land Acquisition : P _____

b. Development : _____

Total P _____

Project Location : _____

Project Timetable : _____

Project Developer, if other than the Applicant
(For Site Development Loan): _____Stage of Development
at Time of Application: _____

2. Profile of Intended Beneficiaries (Please describe in forms of total number of families to be benefitted; total area to be purchased; economic profile of the beneficiaries. Is the community association already organized or not?)

3. Project Officers:

NameDesignation
in ProjectOfficial
Position Held

4. Organization and Staffing Pattern (Please describe unit and indicate number of personnel involved)

- a. Information/Liaison Unit
- b. Loan Processing Unit
- c. Project Development and Management Unit (include technical personnel)

5. Livelihood Projects to Supplement Family Income (Existing and Planned) and Support Services (Describe tie-up with appropriate government or non-government agencies for infrastructure, health care/social welfare, cooperatives, organization and training, etc.).

6. Assistance/Subsidies to Beneficiaries. Please describe quantitatively or qualitatively the form of subsidy that have been granted to beneficiaries.

7. List of Completed and On-Going Projects:

I hereby certify that I am a duly authorized representative of the abovementioned entity and that the above statements are true to the best of my knowledge and belief. I agree to notify the NHMFC of any material change affecting any loan credit granted based on the information contained herein. I authorize the NHMFC to obtain or verify such information as it may require concerning this application.

Signature over Printed Name/Position

**ORIGINATOR'S
INFORMATION SHEET**

1. Name of Applicant Originator: _____

Address : _____

Telephone Nos. : _____

Commitment Line Amount Applied For:

<input type="checkbox"/> a. Land Acquisition	:	P	_____
<input type="checkbox"/> b. Development	:		_____
Total		P	_____
			=====

Project Location : _____

Project Timetable : _____

Project Developer, if other than the Applicant
(For Site Development Loan): _____

COMMUNITY ASSOCIATION: _____

ORIGINATOR: _____

LOCATION: _____

LISTING OF BENEFICIARIES
(Pro-Forma)

NAME	HOME LOT LOT /BLK. NUMBERS	FUND MEMBERSHIP/ NUMBER	AVERAGE MONTHLY INCOME

Prepared By: _____

(CA President or Officer)

Checked By: _____

(Originator's Project Officer)

Noted By: _____

(Originator)

Originator

MASTERLIST OF BENEFICIARIES AND LOAN APPORTIONMENT

[illegible]

Noted by : _____
Head of Originator

Checked by: _____ CA President

Prepared by: _____
Originator's Project Officer

Name of Association/Cooperative

Originator

MASTERLIST OF BENEFICIARIES AND LOAN APPORTIONMENT

[illegible]

Prepared by: _____ Originator's Project Officer

Checked by: _____ CA President

Noted by : _____
Head of Originator