

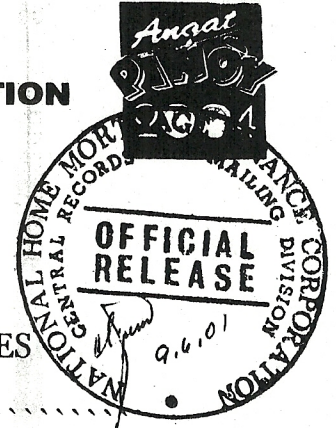


NATIONAL HOME MORTGAGE FINANCE CORPORATION

CORPORATE CIRCULAR CMP No.- 026

31 August 2001

Series of 2001



TO : ALL CONCERNED
SUBJECT : REVISIONS TO CMP GUIDELINES

In order to accelerate the processing and take-out of CMP projects and ensure NHMFC's contribution and share to the commitments of the National Shelter Program as spelled out by the President in her first State of the Nation Address, our Board of Directors approved under Resolution No. 3139 dated July 26, 2001 the adoption of new policies and revisions of existing CMP guidelines.

Specifically approved, with the end-in-view of expediting program implementation, are the following:

1. Increasing loan ceilings from P80,000 per beneficiary to P100,000, for loans with housing component/home improvement for Metro Manila and other highly urbanized cities, and from P80,000 to P85,000 for other areas.
2. Provision of financing for related expenses in the transfer of title from the Landowner to the Community Association (i.e. transfer tax, documentary stamp tax) which shall be capitalized and amortized with the loan.
3. Liberalized land conversion requirement by accepting land re-classified as commercial, industrial, residential or other non-agricultural use in the new or revised town plans promulgated by the Local Government Unit and approved by the Housing and Land Use Regulatory Board. A certification from the HLURB or the Deputized Zoning Administrator stating the zonal classification of the land and citing the pertinent Municipal or City Zoning Ordinance and the date of its approval, shall be required. (This will be applicable to on-site projects only).
4. Acceptance of collateral property for on-site projects without pre-take out improvement (e.g. earthfilling and riprapping) provided the defects of the property are verified to pose no threat to life/safety and do not continuously diminish the value of the property (as in erosion). Instead of requiring earthfilling and riprapping before take-out, the defects of the property shall be imputed in the appraisal/valuation by NHMFC.

5. Annotation of Loan and Mortgage in favor of NHMFC instead of the originator to do away with the series of assignments of the loan and mortgage, lease-purchase agreement and loan proceeds.

COVERAGE:

The above policy change/revisions of guidelines shall cover all projects which are qualified under the CMP and categorized as follows:

1. Projects with approved lines/enrollments whether delivered or undelivered, and are in process (pipeline projects).
2. Projects approved by the Board for issuance of LOG/direct payment of take-out proceeds.
3. Projects with pending applications or to be delivered applications for project enrollment.

The provision of financing facility to cover expenses related to title transfer shall not cover projects in the pipeline whose titles have been registered in the names of the Community Associations.

Acceptance of collateral property without pre-take-out improvement may apply to existing projects in the pipeline or Board-approved. However, this will be subject to re-validation by the Technical Services Group and may result to adjustment/reduction in the loan value.

In the case of the new policy on annotation of loan and mortgage in favor of NHMFC, the same shall apply to projects whose enrollment/accreditation is in process with applications received prior to or after the issuance of this Circular. This may also cover, at the option of the Community Association and the originator, accredited projects with documents already delivered to NHMFC but the annotation of loan and mortgage still to be effected.

All previous Circulars, Memorandum Orders and related issuances inconsistent with any provisions of this Circular are hereby repealed/modified accordingly.

For immediate implementation.


ATTY. ANGELICO T. SALUD
President