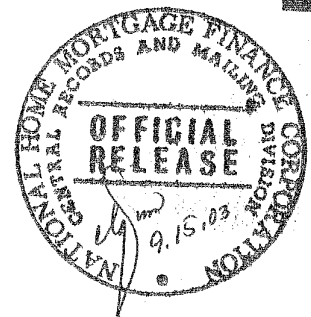


NATIONAL HOME MORTGAGE FINANCE CORPORATION



CORPORATE CIRCULAR NO. CMP-030
10 September 2003
Series of 2003



TO : ALL CONCERNED
SUBJECT : POLICY CHANGES AND MODIFICATIONS IN THE COMMUNITY MORTGAGE PROGRAM

Cognizant of the need to introduce changes in the Community Mortgage Program, after fifteen (15) years of implementation, the NHMFC Board of Directors approved under Board Resolution No. 3274 dated 03 September 2003 and finally approved by the HUDCC Council on 08 September 2003, under Resolution No. 03, certain revisions in program policies and guidelines.

The approved changes / modifications in the program, aimed at further expediting the processing and take-out of projects under the CMP, are the following:

A. LOAN CEILINGS

The CMP loan ceilings are adjusted as follows:

PARTICULARS	EXISTING		NEW	
	M.M./ HUA	OTHER AREAS	M.M./HUA	OTHER AREAS
1. Lot Acquisition				
a. Undeveloped	P60,000	P30,000	P80,000	P45,000
b. Developed	P60,000	P45,000	P80,000	P60,000
2. Site Development	P15,000 per	beneficiary	P15,000 per	beneficiary
3. House Construction	P40,000	P40,000	P40,000	P40,000
LOAN PACKAGE	P100,000	P85,000	P120,000	P100,000

M.M. – Metro Manila

HUA – Highly Urbanized Areas

B. APPRAISAL

In addition to the appraisal of a CMP project by the NHMFC, a project may also be appraised by either the Home Guaranty Corporation (HGC) or the Home Development Mutual Fund (HDMF). The preferred agency to conduct the appraisal shall be indicated by the landowner or the Community Association in the application for project enrollment / accreditation.

The appraisal to be conducted by the HGC or HDMF will not be subjected to validation provided the appraisal conforms to the appraisal guidelines and parameters stipulated by NHMFC. The appraisal fees and related expenses to be charged by the HGC and HDMF shall be for the account of the landowner or the Community Association.

C. MODIFYING OFF-SITE CMP PROJECTS

The distinction between a priority and non-priority off-site CMP project shall be removed. Thus, an off-site project shall only be considered for CMP based on the following homogeneous groupings:

1. Beneficiaries living in danger zones / areas;
2. Beneficiaries affected by government infrastructure projects. (For locally-funded infrastructure project, the Local Government Unit's certification should contain the program of work and budget approved by the Council); and
3. Beneficiaries with threat of eviction or actual ejection through a case / court order.

D. OCCUPANCY OF ON-SITE PROJECTS

For a CMP project applied for as on-site but with beneficiaries' occupancy verified to be less than three (3) years, the site must be occupied by at least 70% of the total beneficiaries to qualify for project enrollment / accreditation. Prior to take-out, 100% occupancy shall be required.

E. ORIGINATION FEE

The origination fee shall be increased from P500.00 to P1,000.00 per beneficiary or two percent (2%) of the approved loan, whichever is lower.

F. EFFECTIVITY

Changes in the loan ceilings will cover, as applicable, project applications delivered but not yet accredited, prior to 08 September 2003, and project applications delivered after HUDCC Council approval date of 08 September 2003.

On the other hand, changes in appraisal and increase in origination fee will cover project applications delivered beginning 08 September 2003.

All previous Corporate Circulars and related issuances on CMP inconsistent with any provisions of this Circular are hereby repealed / modified accordingly.

For immediate implementation.


ATTY. ANGELICO T. SALUD
President