



SOCIAL HOUSING FINANCE CORPORATION

Enhancing People's Lives and Empowering Communities through FAIR Shelter Solutions

Corporate Circular CMP No. 17 - 050
Series of 2017

SUBJECT: CMP FINANCING FOR COMMUNITIES AFFECTED BY DISASTERS AND EVICTIONS

I. Purpose

The new guidelines for the CMP Offsite projects which establish the purchase of land by Social Housing Finance Corporation and the usufruct arrangement with the Homeowners' Association shall provide the framework for financing community housing projects affected by disasters and evictions. These guidelines shall allow the affected HOA to immediately embark on reconstruction without the burden of going through the rigorous steps of acquiring land and repaying SHFC after being hit by a disaster or eviction.

Financing under this Circular shall also be extended in cases of displacement due to fire and eviction where informal settler families occupying the property are temporarily displaced and eventually go back to the same property and in cases of eviction, a compromise agreement is reached.

After acquiring the land, SHFC shall facilitate a speedy site development and house construction through measures such as: providing financial assistance to pay for technical requirements (i.e. subdivision plans, housing designs, development and building permits), securing from government agencies the required documents, making available templates of housing designs to reduce time and costs of the HOA and decreasing the number of requirements for project approval.

SHFC shall also assist the affected HOA and its CMP Mobilizer through SHFC's Capacity Building program which will ensure the sustainability of the HOA's housing initiative beyond the completion of the site development and house construction.

II. Coverage

The member beneficiaries of this CMP financial assistance shall be members of a duly registered HOA who are informal settler families affected by disasters and evictions.

A. Disaster

Disaster (may be used interchangeably with calamity) is defined as an adverse event resulting from natural or man-made processes such as:

1. Natural calamities or disasters which may include severe storms, tropical storms, floods, fires, earthquakes, volcanic eruptions, tsunamis and other geologic processes;
2. Human aggravated calamities or disasters which may include fire, chemical threats, hazardous materials, explosions, civil unrest and terrorism, and other threats that may have resulted from human negligence, error or intent.

B. Eviction

Eviction is the forced ejection of communities from their place of residence that will result in a major disruption of their economic and social activities. Eviction of communities from their place of abode may be due to:

1. Their location in danger areas where informal settler families are highly prone to health and safety risks (ex. under/ near transmission lines, esteros, railroad tracks, garbage dumps, riverbanks, shorelines, waterways, mining sites, etc.)
2. Government infrastructure projects
3. Court order for eviction and demolition

The Implementing Rules and Regulations shall contain the criteria that would determine whether a project shall be processed under this Circular.

III. Purchase of Land by SHFC and Usufruct Arrangement with HOA

SHFC shall purchase the land identified by the HOA as its relocation site after the onslaught of a disaster or eviction. After acquisition of the land, SHFC shall: a) enter into a usufruct agreement with the HOA where the latter shall be authorized to undertake site development and building construction and b) assist in securing development and building permits.

The usufruct arrangement shall be effective for a period of three years. After the termination of the usufruct arrangement, SHFC shall dispose of the property to the HOA through an additional loan for land acquisition from SHFC. Upon purchase, the property shall stand as collateral for the combined land acquisition, site development and house construction loans.

A. Application for Land Acquisition

For urgent response to disasters and evictions, SHFC shall only require a minimum number of documents to be submitted by the HOA and the CMP Mobilizer for the application to be processed:

1. List of Member Beneficiaries
2. Original MOA between HOA and the landowner/ Letter of Intent to Sell and Buy
3. Photocopy of the present title
4. Proof that Member Beneficiaries were affected by disaster/
Court Order for eviction
5. Proof of a RROW
6. Vicinity Map

The list of additional requirements for the SHFC approval and issuance of the Letter of Commitment to the landowner shall be contained in the IRR to be subsequently issued.

In order to expedite the approval of the land acquisition by SHFC, the submission of the Lease Agreements, shall only be required in Phases 2 and 3 prior to the start of site development and house construction. The Masterlist of Beneficiaries and Loan Apportionment (MBLA) shall be submitted prior to the occupancy of the completed housing units.

In cases of eviction filed in courts of law against a HOA presently occupying a property, SHFC shall, in partnership with the Housing for Urban Development and Coordinating Council (HUDCC), Presidential Commission for the Urban Poor (PCUP) and the concerned LGU, act quickly to extend financing in the event the landowner agrees to sell his property to the HOA as embodied in a court-approved Compromise Agreement.

B. Appraisal

To determine the appraisal value of the property to be purchased, SHFC may secure an external appraisal from a BSP-accredited appraiser in addition to its internal appraiser.

C. Due Diligence

Notwithstanding the submission of documents stated in Section III (A), the processing of projects under this Circular shall comply with the due diligence requirements on the examination of the property to be purchased as well as on the



application loan application for land acquisition, site development and house construction.

IV. Loan Application for Site Development and House Construction

The documentary requirements for the approval of the loan application for site development and house construction such as, but not limited to, the agreement between the HOA and their contractor, plans, work and drawdown schedule, bill of materials and the requirements from the contractor (i.e. surety bond) shall be laid out in the Implementing Rules and Regulations which SHFC shall prepare.

The submission of the Lease Agreement shall be prior to the start of site development and house construction. Another review of the Lease Agreement shall be made prior to the occupancy of the housing units to ensure that member beneficiaries continue their commitment and availability to pursue their housing project.

Templates of house designs will be made available by SHFC to the HOA to expedite the process and reduce costs in the execution of said designs. SHFC shall coordinate with the LGU's to also extend templates of house designs to said HOA.

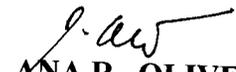
V. Period and Amount for Purchase from SHFC to HOA

The HOA shall purchase the land from SHFC anytime after the completion of site development and house construction and within a three-year period. The purchase price shall be the original acquisition cost inclusive of all expenses relating to the transfer of title to SHFC's name.

VI. Implementing Rules and Regulations

SHFC shall immediately come up with the Implementing Rules and Regulations pertaining to the procedures and requirements for Phases 1, 2 and 3 of the CMP Financing for Communities affected by Disasters and Evictions.

This Circular supersedes CMP Circular No. 22 (Express Lane for Victims of Eviction, Demolition and Disaster) and all other issuances on the same subject and shall be effective immediately.


MA. ANA R. OLIVEROS
President, SHFC 

Date Approved: May 31, 2017