



Social Housing Finance Corporation

a subsidiary of National Home Mortgage Finance Corporation

Corporate Circular HDH No. 14 - 004
Series of 2014

**Subject: IMPLEMENTING RULES AND REGULATIONS FOR THE
ACCREDITATION OF SHFC CIVIL SOCIETY ORGANIZATION
(CSO) PARTNERS FOR THE HIGH DENSITY HOUSING (HDH)
PROGRAM**

RULE 1- GENERAL PROVISIONS

Section 1. PURPOSE

These Guidelines are formulated for the purpose of prescribing and clarifying the accreditation of Social Housing Finance Corporation (SHFC) CSO Partners in the High Density Housing (HDH) Program.

Section 2. DEFINITION OF TERMS

For purposes of these Guidelines, the following terms or words shall mean or be understood as follows:

- a. Accreditation - refers to the process of giving official authorization to an organization/group whose qualifications meet the standards of the HDH Program.
- b. Civil Society Organization (CSO) - refers to people's organizations (POs) or non-government organizations (NGOs) whose principal role under the HDH Program is to assist the community association (Cooperative/Homeowners Association [HOA]) in its organization, completion of the project and in other post occupancy activities.
- c. Service Fee - refers to a fee paid by the Social Housing Finance Corporation (SHFC) to the CSO Partner for services rendered in the performance of the functions enumerated in Sec. 4 (a) to (c).

Section 3. QUALIFICATIONS FOR THE ACCREDITATION OF A CSO PARTNER

- a. The CSO Partner (people's organization or non-government organization) shall gain accreditation as HDH Partner by acquiring all of the following qualifications:
 - a.1. Must be a stock or non-stock corporation duly registered with the appropriate government agencies.
 - a.2. Must have no unfavorable records with SHFC, or any other key shelter agencies (KSA)
 - a.3. Must have at least two (2) years experience as an organization in community development and organizing work as certified by the National Anti-Poverty Commission (NAPC) or Presidential Commission for the Urban Poor (PCUP).

- a.4. Must have physical and financial capabilities to undertake responsibly the functions stated in Section 4 of this Guidelines. List of documentary requirements related hereto are those enumerated in Section 8 (e), (f), (g) and (h) hereof.
- a.5. Must have a well-defined organizational structure that shows clear delineation of functions and management hierarchy. One or more of the principal officers must have been engaged in shelter development/community housing programs and community organizing work.
- a.6. Must have a good record in assisting community association (i.e. satisfactory collection efficiency rating, absence of projects in litigation or foreclosure).
- a.7. Must not have committed any violations enumerated in Section 6 hereof, unless the imposed sanction of suspension has been lifted.
- b. An accredited CMP-Mobilizer shall be accredited anew subject to the Accreditation Team's review of its performance.
- c. The CSO Partner shall be accredited prior to the submission of the application for loan under HDH financing.

Section 4. Functions of a CSO Partner

The accredited CSO Partner will perform the following functions:

a. Community Organizing and Loan Documentation Phase

- a.1. Assists in developing community association governance structure
 - Functions as an adviser/consultant to develop mechanisms to empower the community to make decisions and to oversee and decide on aspects of the project's feasibility.
- a.2. Assists in developing Peoples Plans and in preparing technical, legal and financial requirements.
- a.3. Assists the community association in the selection of the Contractor/Developer.
- a.4. Helps in the development of technical capacities of the community association or creating partnerships with organizations that have technical capacities.
- a.5. Conducts participatory technical workshop for site development planning and house design.
- a.6. Prepares plans and programs/projects for the communities to uplift the socio-economic status of the members.
- a.7. Prepares and submits loan documents.

b. Construction Phase

- b.1. Facilitates linkage between technical resource person (who will capacitate the members to participate in the construction phase) and the community.
- b.2. Capacitates the community association to effectively monitor the project's schedule/work plan, cost estimate and project specification.

- b.3. Assists the community association in the preparation and acceptance of reports and Statements of Work Accomplishment (SWA) of the contractor/developer.
- b.4. Ensures the participation of the community in the construction phase, i.e. community builders program.
- b.5. Regularly updates the community association of the developments of the project to promote transparency.

c. Post Occupancy Phase

- c.1. Capacitates the community association in the implementation of community policies on estate and financial management.
- c.2. Facilitates in the formation of the community association's committees for estate management, such as but not limited to Sanitation Committee, Peace and Order Committee and Committee on Finance.
- c.3. Ensures that the community association is fully aware of their responsibilities in estate management by conducting regular meetings with the community association and performance review.
- c.4. Assists in the community association collection of monthly amortization to be remitted to SHFC.

Section 5. Review of Accreditation of the CSO Partner

For the renewal of its accreditation, the performance of the CSO Partner shall be reviewed every three (3) years. In reviewing the performance of the CSO Partner, SHFC shall evaluate:

- a. Number of projects completed and actually occupied by community association member-beneficiaries
- b. Collection efficiency rate of projects
- c. Performance of functions enumerated in Section 4 of this Circular
- d. Existing valid complaints from the community associations, if any
- e. Existing pending case before the appropriate SHFC Committee/Unit, if any
- f. Such other criteria as may be required.

Section 6. Sanctions

The accreditation of the CSO Partner is predicated on integrity. SHFC expects integrity to govern the activities of the CSO Partner at all times. SHFC shall act on a complaint filed against the CSO Partner by a community association if there is substantial basis for the complaint. SHFC may also act on other parties complaint pertaining to the offenses mentioned below. In acting on complaint and in meting out sanctions, SHFC shall create a Committee which shall be guided by the principles of due process. The maximum period of suspension shall be six (6) months which shall be imposed depending on the gravity of the violation and the presence or absence of justifying, mitigating or aggravating circumstances as determined by the said Committee.

VIOLATION	SANCTION
Bad track record in assisting community association (This includes but shall not be limited to failing collection efficiency rating, substantial number of projects in litigation or foreclosure)	Suspension
Directly negotiating with the landowner re: purchase price of the property	Suspension
Commission of fraudulent act and submission of spurious documents/statements	Disqualification
Misrepresentation and withholding of information that affects the approval of the project	Disqualification
Cases of abandonment of the community association with no formal termination of contract	Disqualification
Using HDH Program to pursue his/her own business interests	Disqualification

Suspension- a CSO partner shall be suspended for committing those offenses that have the sanction of suspension. Upon rectifying or correcting the cause for suspension, it shall be allowed to continue to submit new projects.

Disqualification- a CSO Partner shall be disqualified to participate in the HDH Program for committing those offenses that have the sanction of Disqualification.

In the third violation and after being suspended twice, a CSO Partner shall be disqualified from participating in the HDH Program. This rule, however, should not be applied to CSO Partner who was suspended due to CER failure.

Section 7. Responsible Entity for CSO Accreditation

The Accreditation Team for Community Mortgage Program /Localized Community Mortgage Program shall also be responsible in the accreditation of the CSO Partners for High Density Housing (HDH) Projects.

Section 8. Documentary Requirements

A CSO applicant must submit the following documents:

- a. Duly accomplished application letter
- b. Duly accomplished CSO Partner Information sheet
- c. SEC/CDA Certificate of Registration, Articles of Incorporation/Cooperation and By-Laws
- d. Notarized Board Resolution or Secretary's Certificate (re: community coordinating activities on the project)
- e. List, description and status of on-going and/or completed programs in CMP
- f. Housing or social development projects showing its experiences as an organization in community development and organizing work. (Please include dates and references)
- g. Organizational Structure (including the functional chart of officers and staff)

- h. Annual audited financial statements (for the last two years)
- i. Memorandum of Agreement (MOA) between SHFC and the CSO Partner
- j. Other requirements that may be deemed necessary

However, for accredited CMP-Mobilizer applying as HDH CSO Partner, the Accreditation Team shall require the submission of updated documents, if necessary.

Section 9. Transitory Provision

This IRR shall apply prospectively. However, the CSO partners of approved projects for lot acquisition shall be required to apply for accreditation for site development and/ or building construction phase.

Section 10. Effectivity

This Guideline shall be effective immediately upon publication by means of posting the same in the SHFC website.


MA. ANA R. OLIVEROS
President

Date and Place of Approval: This 31st Day of March 2014 at Makati City