



## **SOCIAL HOUSING FINANCE CORPORATION**

a subsidiary of the National Home Mortgage Finance Corporation

---

Corporate Circular No. 13 - 025  
Series of 2013

Subject : **IMPLEMENTING RULES AND REGULATIONS OF THE  
GUIDELINES FOR THE ACCREDITATION OF CMP  
MOBILIZERS (CMP-M)**

---

### **RULE I – GENERAL PROVISIONS**

#### ***Section 1. Purpose***

This Implementing Rules and Regulations (IRR) is promulgated pursuant to Board Resolution No. 300, Series of 2012 (Approval of the Guidelines for the Accreditation of CMP Mobilizers (CMP-M) for the purpose of establishing a strong partnership with Local Government Units (LGUs), Non-Government Organizations (NGOs), and other government, and private sector entities which will assist Social Housing Finance Corporation (SHFC) in providing affordable financing to the homeless and underprivileged Filipinos.

#### ***Section 2. – Declaration of Policy***

The provisions of this IRR is in line with SHFC's mandate of being the lead government agency which undertakes social housing programs that will cater to the formal and informal sectors in the low-income bracket and takes charge of developing and administering social housing program schemes, particularly the Community Mortgage Program (CMP), Abot-Kaya Pabahay Fund (AKPF), and the Localized CMP (LCMP).

#### ***Section 3. – Definition of Terms***

For purposes of this IRR, the following terms or words and phrases shall mean or be understood as follows:

- a) **CMP Mobilizer** - refers to an organization working with communities of informal settlers and duly accredited by SHFC which may either be an LGU, a national government agency (NGA), bureau or corporation, or an NGO whose principal role is to assist, organize, and prepare communities for participation in the CMP.
- b) **Letter of Guaranty** - is a document issued by SHFC in favor of the landowner guaranteeing release of the loan proceeds subject to the conditions imposed by the SHFC Board of Directors and the management.
- c) **Processing Fee** – is the amount paid by the CA for actual out-of-pocket expenses incurred by CMP-M in the performance of community organizing and education activities, but in no case shall it exceed two percent (2%) of the member-beneficiaries' (MBs) loan entitlement.
- d) **Service Fee** – is a fee paid by SHFC to the CMP-M which refers to the following:
  - i. For on-site projects-- 2% of the loan amount or P1,000.00 per MB, whichever is higher; and
  - ii. For off-site projects - 2% of the loan amount or P1,500.00 per MB, whichever is higher.

- e) **Post take-out fee** - is a one-time post-take out fee of P200.00 per MB given by SHFC to the CMP-M at the end of each year for a period of five (5) years provided that in no instance shall the CA's CER fall below 85% during the 12-month period.

## **RULE II - QUALIFICATIONS FOR THE ACCREDITATION OF A CMP-MOBILIZER**

### ***Section 4. – Qualifications***

#### ***4.1. For Non-government Organizations (NGOs)***

An NGO or private corporation shall be accredited as a CMP-M when it possesses all of the following qualifications:

- a) Must be a stock or non-stock corporation duly registered with the appropriate government agencies.
- b) Must have at least two (2) years experience as an organization in community development and organizing work. This said experience may have been acquired by the applicant CMP-M itself, in partnership or assistance from another CMP-M, reputable private sector or NGO engaged in subdivision/housing activities and community organizing work.
- c) Must have sufficient resources, both financial and physical such as an office and other necessary equipment in order to undertake responsibly the community organizing functions.

CMP-Ms which have existing CMP project/s outside their principal place of business are required to establish satellite offices with permanent staff within that locality/area.

- d) 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 subdivision/housing activities and/or community organizing work.
- e) Majority of its officers and staff must have taken a training course on the CMP provided by the SHFC or its accredited institutions.

#### ***4.2. For Local Government Units (LGUs)***

An LGU, including a barangay unit may be automatically accredited provided it has a department/unit that will handle CMP projects and majority of its operating staff have taken a training course on CMP conducted by SHFC or its accredited institutions.

An LGU accredited CMP-M under the LCMP shall be automatically accredited as CMP-M provided that it has taken-out at least one (1) CMP project and maintains an 80% CER.

The accreditation of an LGU as CMP-M shall be covered by a Council or Sanggunian Bayan Resolution authorizing its participation as partner of SHFC in CMP and/or LCMP.

#### ***4.3. For Government Agencies***

A national government agency may be accredited provided it has the following:

- a) A department/unit that will handle CMP projects and
- b) Majority of the operating staff of the department/unit have completed a training course on CMP conducted by SHFC or its accredited institutions.

## **RULE III – PROCEDURE FOR ACCREDITATION**

### ***Section 5. – Documentary Requirements***

#### ***5.1. For Non-Government Organizations (NGOs)***

An NGO applicant must submit the following documents:

- a) Duly accomplished application letter
- b) Duly accomplished CMP-M Information Sheet
- c) SEC/CDA Certificate of Registration, Articles of Incorporation and By-Laws;
- d) Bio-data of officers indicating past and present positions held in relation to their involvement in community-based economic/social development projects (Please include references);
- e) Notarized Board Resolution or Secretary's Certificate (re: community coordinating activities on the project);
- f) List and Description of Programs in CMP and/or housing or social development projects;
- g) Organizational structure (including the functional chart of officers and staff);
- h) Annual audited financial statements (for the last two years);

#### ***5.2. For Local Government Units (LGUs)***

An LGU applicant must submit the following documents:

- a) Council/Sangguniang Bayan Resolution; (for LGU applicant) and
- b) Permanent unit/department who will handle processing of CMP (For LGU applicant)

#### ***5.3. For Government Agencies***

A government agency must submit the following:

- a) Copy of charter if entity is not involved in housing; and
- b) Authority from board/head of office to do CMP community coordination (for other government entities).

### ***Section 6. - Procedure***

The following procedures shall be followed in the accreditation of CMP-Ms:

- a) SHFC reviews the completeness and correctness of the documents submitted by the applicant.
- b) Endorsement of applicant's documents to the appropriate SHFC department/unit for evaluation.
- c) Conduct of background investigation.
- d) After determining that the applicant CMP-M has met the necessary qualifications, the application shall be forwarded to the SHFC Credit Committee for approval.
- e) Issuance of a valid, serialized Certificate of Accreditation to be issued by the Accreditation Unit.

The accreditation process shall be completed within thirty (30) days from receipt of the complete set of documentary requirements.

## **RULE IV –THE 2-YEAR MENTORING PERIOD**

### ***Section 7. – Rules during the Mentoring Period***

The applicant CMP-M which does not possess the required 2-year experience on community organizing works must enter into an agreement with an accredited and active CMP-M which has an

80% CER at time of the filing of application for accreditation as certified by SHFC. The partnership agreement shall contain the following minimum provisions:

- a) Obligations of the parties including, but not limited to the scope of participation and/or supervision by the mentor CMP-M over the project/s of the applicant CMP-M; and,
- b) Sharing of fees and incentives on taken-out projects by the applicant CMP-M, if any.

Upon signing of the partnership/mentoring agreement, the applicant CMP-M shall be under the supervision of the mentor CMP-M who shall assist the former in the following areas:

- a) Organizing and mobilizing the community association in the preparation and implementation of the CMP project;
- b) Conducting trainings and implementing a capacity building program for the community association;
- c) Helping the CA in gathering and completing of CMP loan requirements;
- d) Advising the CA in negotiating with the landowners;
- e) Assisting the CA in accessing support from LGU's especially on development of the site e.g., electrical connections, drainage, road network, etc.; and
- f) Aiding the CA in the documentation of the loan and mortgage such as amortization schedules, repayments, delinquency, and legal transactions involved in the CMP loan, mortgage, sale and others.

The mentor CMP-M shall be the official CMP-M for the CMP project applications and all take-outs during the period shall be credited to the former. The mentor CMP-M at the end of the mentoring period shall certify under oath that the applicant CMP-M has:

- a) conducted post-take out activities on project/s taken-out by it; and
- b) performed community organizing works and other CMP related activities during the 2-year mentoring period.

If within the 2-year mentoring period, the CER of the mentor CMP-M falls below 80% and the applicant CMP-M has a pending CMP application with SHFC, the latter may opt to partner with another CMP-M or an LCMP-accredited LGU in order to take-out the project.

However, the 2-year mentoring period may be shortened and the applicant CMP-M may be accredited if it proves its capacity on the ground based on predetermined criteria and parameters. The performance of the applicant CMP-M of the functions under Rule V as may be assigned by the mentor CMP-M shall form the core of said criteria.

## **RULE V- FUNCTIONS AND DUTIES OF A CMP-MOBILIZER**

### ***Section 8. – Functions and Duties***

The accredited CMP-M shall perform the following functions:

- a) Study and profile prospective groups of informal settlers and their intended site for possible assistance or intervention:
  - i. Identify households and household characteristics;
  - ii. Profile the site and document its physical characteristics;
  - iii. Identify issues in the community (social, political, etc.); and
  - iv. Identify potential or apparent leaders.
- b) Assist and guide the CA in their functions:
  - i. Educate CA on the mechanics of CA formation;
  - ii. Educate and assist the CA in preparing their constitution and by-laws;
  - iii. Educate and assist the CA in preparing the CA Book of Accounts and Official Records;





- iv. Educate the members on the rights, privileges, duties and responsibilities of CA membership;
  - v. Assist them in the election of their officers; and
  - vi. Assist them in registering with the HLURB.
- c) Educate and assist the CA in gathering and completing CMP loan requirements, and informing them of CMP standards and policies;
  - d) Assist in site analysis and evaluation, and in the identification of site deficiencies and development needs;
  - e) Advise the CA in negotiating with landowners;
  - f) Assist in values formation and in bringing out potential issues that may affect the viability of the loan application;
  - g) Assist the CA in accessing support from LGUs and other potential sources of support; and
  - h) Assist in the documentation of the loan and mortgage, and must have the capacity to orient the members thereof on the duties and responsibilities of a CA as landowner and as CMP debtor:
    - i. Advise and assist the CA on the various aspects of the CMP, such as amortization schedules, repayments, delinquency and others; in particular, ensure that the minimum CER is obtained as required by Sec 9.3 of Corporate Circular 11-017.
    - ii. Assist the CA on legal transactions involved in the CMP loan, mortgage, sale and others.
  - i) Undertake such other duties and responsibilities which SHFC deems necessary in carrying out the mandate of CMP and other housing programs.

## **RULE VI- REVIEW OF ACCREDITATION OF A CMP-MOBILIZER**

### ***Section 9. - Review of CMP-M Performance***

1. SHFC shall conduct an evaluation of CMP-M's performance for the last three (3) years and every 3 years thereafter. The accredited CMP-M shall be evaluated based on the following factors:
  - a) No. of CAs & MBs assisted based on LOG issued & total loan released **for the last 3 years**
  - b) CER of projects assisted for the last 3 years
  - c) Compliance with the CMP rules & regulations as well as strict observance of its prescribed duties & functions
2. If after evaluation of the 3-year performance, SHFC determines that the CMP-M has a failing performance, SHFC shall initiate intervention measures to assist the CMP-M improve its performance including, but not limited to re-training of its officers and staff.
3. CMPs which obtain satisfactory performance shall be entitled to non-monetary rewards and/or recognition in addition to the post-take service fee.



## **RULE VII- FEES, INCENTIVES AND PENALTIES**

### ***Section 10. – Service Fee and Post-Take Out Fee***

1. The CMP-M, upon take-out of its project, shall be entitled to the following service fee:
  - a) For On-site projects- 2% of the loan amount or P1,000.00 per CA member, whichever is higher. SHFC shall pay the same in two (2) tranches. The first half shall be payable to the CMP-M upon issuance of the LOG while the remaining half will be payable upon the full release of the loan. (Section 18 of Corporate Circular No. 11-017); and
  - b) For Off-site projects- 2% of the loan amount or P1,500.00 per CA member, whichever is higher (Section X of Corporate Circular No. 11-018)
2. CMP-Ms shall also be entitled to a one-time post take-out fee as provided for under the following CMP Circulars:
  - a) CMP Circular No. 12-021, Series of 2012 - CMP-Ms whose CMP projects were taken-out beginning the year 2008 shall be entitled to a one-time annual post take-out service fee of P 200 per member-beneficiary provided that they have consistently maintained a CER of at least 85 percent in a particular project for a period of one (1) year. This entitlement shall be awarded during the first five (5) years of the loan reckoned from take-out date.
  - b) CMP Circular No. 08-006, Series of 2008 - CMP-Ms whose CMP projects were taken-out prior to the year 2008 shall likewise be entitled a post take-out service fee of P 500.00 per beneficiary provided that:
    - i. They have consistently maintained a CER of at least 80 percent in a particular project for the required holding period of five (5) years and;
    - ii. They are able to complete the individualization (Stage I – parcellation of Mother Title of the same project) within the said holding period.
3. In addition to the requirements under Section 10.2b, CMP-Ms covered by CMP Circular No. 12-021, Series of 2012 and CMP Circular No. 08-006, Series of 2008 should submit a Certification from the Community Association (CA) that the CMP-M has assisted the CA in the individualization of the mother title for projects that were taken out prior to 2008. However, for projects that were taken out beginning 2008, individualization of the mother title is optional.
4. The validation and approval process for the granting of the post-take-out fee to qualified CMP-Ms under CMP Circular No. 12-021, Series of 2012 and CMP Circular No. 08-006, Series of 2008 shall be guided by the following procedures:
  - a) The Accreditation Unit shall continually review and validate the collection performance (CER) of CMP Mobilizers and certify the list of CMP-Ms in good standing and with passing CERs.
  - b) The Project Individualization Department (PID) shall validate the take-out dates of project/s under the said Mobilizer and verify if the said project/s was individualized (Stage I) within the holding period of five(5) years.
  - c) Upon submission and favorable evaluation of other requirements as specified under Section IV, a recommendation for payment will be submitted by the Accreditation Unit to the Executive Vice-President (EVP) who shall endorse the same to the President for approval. Payment will be processed by the Finance Controllership Department (FCD) and Treasury Department after the President's approval.
5. Generated lots after parcellation/individualization of the mother title/s shall not be considered as member-beneficiaries (MBs) in the computation of the post take-out service fee under said Circulars.

### ***Section 11. – Processing Fee***

CMP-Ms may charge CA members processing fees for actual out-of-pocket expenses incurred in the performance of community organizing and education activities, but in no case shall this processing fee exceed two percent (2%) of the MBs CMP loan entitlement. Expenses of the community association involving third parties (i.e. due to engineers for survey and titling and to lawyers) shall not be included in the processing fee but shall be contained in a separate agreement.

### ***Section 12. Penalties for Violations***

CMP-Ms who violate provisions of Rule VII, Section 10(a)(b) and Section 11 of this IRR, and those who have been found to commit offenses enumerated in Section VII of the "*Guidelines for the Accreditation of CMP Mobilizers (CMP-Ms)*" shall not be entitled to the above-cited fees and shall be penalized accordingly - either by Suspension for such a length of time as may be warranted by the circumstances or Disqualification as provided for in the *Guidelines*.

## **RULE VIII THE SHFC OVERSIGHT COMMITTEE**

### ***Section 13. –Jurisdiction***

The SHFC Oversight Committee, in addition to exercising jurisdiction over complaints concerning acts and omissions of corporate officers and employees which amount to administrative offenses, shall have exclusive and primary jurisdiction over the following:

- a) violations of Rule VII Section 10(a)(b) and Section 11 of this IRR;
- b) complaints filed by CA or other stakeholder against CMP-M for offenses enumerated in Section VII of the Guidelines; and
- c) complaints filed by CMP-M against SHFC employees and/or officers.

This Circular shall be effective and in force immediately upon its posting in the SHFC Website.

For your information and guidance.

  
**MA. ANA R. OLIVEROS**  
*President*

Date Approved: July 09, 2013