



SOCIAL HOUSING FINANCE CORPORATION
a subsidiary of National Home Mortgage Finance Corporation

CORPORATE CIRCULAR LCMP NO. 004
Series of 2012

SUBJECT: SUPPLEMENT TO THE “AMENDED IMPLEMENTING GUIDELINES FOR THE LOCALIZED COMMUNITY MORTGAGE PROGRAM”

I. RATIONALE

To expedite the processing of Localized Community Mortgage Program (LCMP) projects and as a form of assistance and encouragement to Local Government Units (LGUs) to fully and actively participate in our Program, the SHFC Board Directors instructed management “to formulate policy guidelines on the requirement of a performance warranty to cover all properties for LCMP.”¹

II. PERFORMANCE WARRANTY

Sub-section 5.2.6 of the Amended Implementing Guidelines for LCMP requires LGUs to deliver to SHFC a cash deposit equivalent to the six (6) months amortization as Performance Warranty prior to issuance of Letter of Guaranty (LOG).

As an alternative compliance to the cash deposit performance warranty, the LGU may instead request SHFC to deduct from the loan proceeds the equivalent of the 6 months amortization as its Performance Warranty.

This circular applies only to CMP projects owned or registered under the LGU’s name.

III. REQUIREMENTS

The LGU is required to submit the following documents:

- a) Letter from the LGU requesting SHFC to deduct from the loan proceeds the equivalent of 6 month amortization as Performance Warranty;
- b) Duly notarized Authority to Deduct

IV. REPEALING CLAUSE

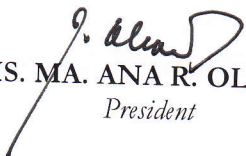
Any office policies, office orders, memoranda or circulars or parts thereof inconsistent with any provision of this circular are deemed modified accordingly.

¹ Board Resolution No. 297, series of 2012

V. *EFFECTIVITY*

This corporate circular takes effect immediately upon posting of this circular in the SHFC website and upon publication in two (2) newspapers of general circulation.

June 18, 2012


MS. MA. ANA R. OLIVEROS
President