



Social Housing Finance Corporation

a subsidiary of National Home Mortgage Finance Corporation

Corporate Circular CMP No. 13-028
Series of 2013

SUBJECT : RELEASE OF LOAN FOR OFF-SITE PROJECTS

In order to operationalize the provisions of Corporate Circular No. 018 concerning the release of loan for off-site projects, the following procedural guidelines shall apply:

1. Release 100% of the loan in a single tranche when at least 85% of the Community Association (CA) membership have transferred to the CMP off-site area;
2. Release in two or more tranches if less than 85% of the CA membership have transferred to the site.
 - The first 50% of the loan shall be released after the issuance of the Letter of Guaranty (LOG) upon the submission of a written request from the Landowner and all documentary requirements pertinent to the take-out of loan are complied.
 - The final 50% of the loan shall be released on a staggered basis at a rate proportionate to the occupancy performance of the CA until such occupancy reaches the required 85% level.


In the event that the off-site CMP project fails to reach the required 85% occupancy level to merit full release of the remaining 50%, the basis of computation for the succeeding release of the loan proceeds shall be the latest occupancy performance.

Illustrative Example:

A. Given/available data:	
(a) Amount of Loan	Php10,000,000.00
(b) Latest occupancy rate	75%
(c) Amount of Initial Release (1 st 50%)	Php5,000,000.00
B. Computation for Next Release:	
Occupancy Factor $\left(\frac{.75}{.85}\right) = 0.8824$	
Loan Proceeds due for release to the landowner	Php8,824,000.00
Less: Amount of initial release	Php5,000,000.00
Second Loan Release	Php3,824,000.00

The staggered basis of loan release shall be applied until the required 85% level on occupancy performance of the CA is reached.

For your information and guidance.


MA. ANA R. OLIVEROS
President

Nov. 15, 2013