



Social Housing Finance Corporation

a subsidiary of National Home Mortgage Finance Corporation

Corporate Circular No. 15 - 032
Series of 2015

TO : ALL CMP BORROWERS, MOBILIZERS AND OTHER STAKEHOLDERS

SUBJECT : LOAN RELEASE WITH ACCOMMODATION MORTGAGE

Loan release with Accommodation Mortgage shall be implemented in order to realize the following objectives: (a) to expedite the full release of loan proceeds to landowners without waiting for a considerable length of time to process the transfer of title in the name of the Homeowner Associations and; (b) to secure a collateral for the SHFC through the annotation of the mortgage in favor of SHFC on the property of the landowner which was purchased by the CMP Homeowners Associations.

A. LOAN RELEASE WITH ACCOMMODATION MORTGAGE FOR ON-SITE PROJECTS UNDER REGULAR CMP AND THE LOCALIZED CMP

In undertaking an accommodation mortgage, the landowner, who is not a party to the principal obligation between SHFC and the CMP HOA, agrees to secure the CMP HOA's loan by mortgaging his/her property in favor of SHFC while the title is still in his/her name. When this is undertaken and upon compliance with the guidelines and requirements mentioned below, the landowner shall receive full payment for his/her property.

The following guidelines shall be observed:

- a. Upon issuance of the Letter of Guaranty (LOG), the landowner shall execute an accommodation mortgage over his/her property to secure the loan of the borrower Homeowners Association pending the transfer of title in the HOA's name;
- b. The accommodation mortgage is annotated on the title of the property purchased by the HOA;
- c. The landowner shall shoulder the documentary stamp tax on sale and mortgage with the Bureau of Internal Revenue, transfer tax with the City Treasurer's Office and the registration fee for the Accommodation Mortgage with the Registry of Deeds;



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d. The following documents shall be submitted to SHFC:

1. Owner's Duplicate and RD certified copy of the Transfer Certificate of Title with the annotation of the accommodation mortgage;
2. RD certified copy of the accommodation mortgage;
3. Letter of Guaranty with conformity of the landowner;
4. Notarized Deed of Absolute Sale in favor of the HOA
5. Proof of payment of the Documentary Stamp Tax on sale and transfer tax
6. Updated Real Property Tax

e. In case the CMP area is smaller than the area in the TCT, the cost for the segregation of title shall be deducted from the loan release.

B. LOAN RELEASE WITH ACCOMMODATION MORTGAGE FOR OFF-SITE PROJECTS UNDER REGULAR CMP

The occupancy requirement of 85% for off-site projects as provided for in Corporate Circular 11-018, Section VIII (A) shall be complied before full release of the loan and subject to compliance with the above guidelines.

C. LOAN RELEASE WITH ACCOMMODATION MORTGAGE FOR HIGH DENSITY HOUSING AND CMP EXPRESS LANE PROJECTS

Release of loan proceeds with Accommodation Mortgage under Corporate Circular 14-001 (Section 9) of the High Density Housing and under Corporate Circular No. 13-022 (Section V) of the CMP Express Lane shall continue to be implemented.

All circulars, memoranda and guidelines inconsistent with any of the provisions of this Circular are accordingly repealed or modified.


MA. ANA R. OLIVEROS

President

February 23, 2015

