



SOCIAL HOUSING FINANCE CORPORATION

Enhancing People's Lives and Empowering Communities through FAIR Shelter Solutions

CMP CORPORATE CIRCULAR NO. 17-049

Series of 2017

SUBJECT: GUIDELINES ON THE UTILIZATION OF SUBSIDY FOR THE COMMUNITY MORTGAGE PROGRAM

Under the General Appropriations Act (GAA), the National Budgetary Support to the Community Mortgage Program (CMP) included a special provision on subsidy for technical assistance and housing repairs needs. This provision allows for five percent (5%) of the appropriated amount to be used for technical support activities to prepare and comply with the documentary requirements for the availment and processing of CMP loans and for the immediate housing repair needs of existing CMP clients affected by calamities or disasters.

These guidelines are hereby issued to cover the use and disbursement of the five percent (5%) subsidy for projects under CMP.

Section 1. Objective of the subsidy

These guidelines are promulgated to help SHFC scale up and accelerate housing delivery to the underprivileged and homeless. Through the subsidy, SHFC can financially unburden informal settler families (ISFs) by covering some of the costs related to its CMP loan application for land acquisition, site development and house construction, and consequently fast track compliance with the CMP requirements.

Further, the subsidy aims to provide emergency financial assistance to existing CMP communities affected by calamities and disasters. The emergency financial assistance can help cushion the impact of said calamities and disasters on affected ISFs who are generally considered most vulnerable. With the emergency financial assistance, affected ISFs can hopefully recover and rebuild faster.

Section 2. Definition of Terms

The terms or words used in these guidelines shall be understood as follows:

- 2.1 **Calamities or disasters** shall be used interchangeably and shall be generally understood as adverse events resulting from natural or human-aggravated processes. **Natural calamities or disasters** may include severe storms, tropical storms, floods, fires, earthquakes, volcanic eruptions, tsunamis, and other geologic processes. On the other hand, **human-aggravated calamities or disasters** may include fire, chemical threats, hazardous materials, explosions, civil unrest and terrorism, and other threats that may have resulted from human negligence, error, or intent.

2.2 **Subsidy** refers to the sum of money released to or on behalf of the affected CMP beneficiaries and/or Community Association (CA) for technical assistance or addressing the immediate housing needs of CMP who were affected by calamities.

Section 3. Scope of Subsidy

The subsidy appropriated for CMP shall be used for: a) technical support activities; and b) emergency housing repair assistance for CMP projects affected by calamities or disasters.

A maximum allocation for technical support activities per project shall be equivalent to five percent (5%) of the total project cost, while the maximum allocation for emergency housing repair assistance shall be Five Thousand Pesos (₱5,000.00) per member beneficiary.

3.1 Technical Support Activities

The technical support subsidy shall be utilized to cover costs related to the following items, and in the following order of priority:

- a. **CMP requirements.** – All documentary requirements secured or obtained from different government agencies and local government units under Corporate Circular Nos. 16-044 (*Revised Checklist of Requirements for CMP Site Development and House Construction Phases 2 and 3 Loans*) and 16-045 (*Revised Checklist of Requirements for CMP Lot Acquisition Phase 1 Loan*).

Additional documentary requirements (in compliance to SHFC findings or conditions or as alternative compliance) needed by SHFC to process and evaluate the loan application shall likewise be covered under this section and shall be subsidized.

- b. **Transfer Taxes, Registration Fees, and Permits for projects.** – Transfer taxes and costs, registration fees, and permits related to the acquisition of the land, development of the site, or construction and occupancy of the houses for projects under usufruct with the CA shall likewise be covered by the subsidy.

Transfer of title from Landowner to SHFC

- Expenses related to the registration of title with the Registry of Deeds (RD)
- Transfer fees
- Assessor's fee (Tax Declaration)

Transfer of title from SHFC to HOA

- Expenses related to the registration of title with the Registry of Deeds (RD)
- Transfer fees

- Assessor's Fee (Tax Declaration)
 - Expenses related to the registration of sale to CA and mortgage to SHFC with the RD
 - Documentary stamp tax on the sale and mortgage
 - Other taxes necessary for the transfer of title in HOA's name
 - Real property tax until issuance of Certificate of Completion and Acceptance
- c. **Professional fees for the preparation of technical plans.** – With a cap of Two Thousand Five Hundred Pesos (₱2,500.00) per member beneficiary for land acquisition loans, SHFC may cover as subsidy costs or fees incurred in the preparation, completion, and approval of technical plans, such as, but not limited to lot plan and technical description of the net CMP area, subdivision plans, and individual technical description/lot data computation.

For site development and house construction loan applications, a cap of One Hundred Thousand Pesos (₱100,000.00) per project shall be provided by SHFC to cover the completion of site development plan, detailed architectural and engineering plans, bill of materials/cost estimates, and other relevant technical plans and requirements.

3.2 Emergency Housing Repair Assistance to CAs/MBs affected by calamities or disasters

In the event of calamities or disasters, SHFC shall disburse a maximum of Five Thousand Pesos (₱5,000.00) per member beneficiary in the form of cash or building materials to cover the immediate housing repair needs of affected MBs of existing CMP projects.

Section 4. Requirements for Release of Subsidy

- 4.1** To access the subsidy for technical support activities, the CMP project must be included in SHFC's list of priority projects for funding for the year as certified by the concerned unit.

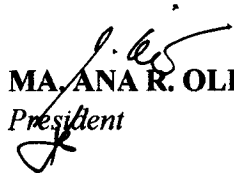
The subsidy for technical support activities shall be released to the CA as follow: a) through reimbursement of expenses provided that original receipts are submitted to SHFC; or b) through direct payment to the concerned government agency or LGU based on the statement of account or billing from the said government agency or LGU.

For professional fees, the subsidy shall be released upon submission of an original official receipt or acknowledgement receipt, contract or agreement, and the approved plan from the DENR/LRA.

4.2 To access the subsidy for emergency housing repair assistance, the CA or MB affected by calamities or disasters shall submit to SHFC a certification from the concerned LGU attesting that said CAs or MB was indeed affected by the calamity or disaster.

Section 5. Effectivity

This circular shall be effective and in force after fifteen (15) days from publication in a newspaper of general circulation.


MA. ANA R. OLIVEROS
President

Date Approved: May 25, 2017