



Social Housing Finance Corporation

a subsidiary of National Home Mortgage Finance Corporation

CORPORATE CIRCULAR CMP No. 07-005

24 October 2007

Series of 2007

**SUBJECT : GROUNDS FOR THE CANCELLATION AND SUSPENSION
OF COLLECTION AGREEMENT**

In the interest of service, we are heretofore adopting the following grounds for the cancellation and suspension of the Collection Agreement with the Community Association after giving ten (10) days notice to the concerned Community Association/s, viz:

- a.) Inefficient servicing of collection as reflected in unacceptably low collection efficiency and delays in servicing/remittance of collection;
- b.) Unremitted collections;
- c.) Inactive CA officers;
- d.) Negligence in collection during transition period towards new set of officers;
- e.) Other similar grounds which resulted to low collection efficiency.

SHFC shall then accept direct payments from MBs until SHFC lifts the suspension.

In cases of internal conflicts between the CA officers and MBs, SHFC shall accept-in-trust, until conflicts have been resolved, all direct payments from the MBs. However, full payments for the period shall not be considered in the computation of the CER. Based on the final resolution by SHFC and CA or the authorized body that has jurisdiction over the conflict/issue, SHFC shall either reactivate or terminate the Collection Agreement with finality and accordingly inform the CA of the action taken by the SHFC.

This Office Order takes effect immediately. Any office policies, office orders and memoranda or parts hereof inconsistent with any provisions of this Order are deemed modified or repealed accordingly.


ATTY. FERMIN T. ARZAGA
President