



SOCIAL HOUSING FINANCE CORPORATION

a subsidiary of National Home Mortgage Finance Corporation

CORPORATE CIRCULAR NO. **12-021**
Series 2012

TO : **ALL CMP MOBILIZERS**

SUBJECT : **GUIDELINES FOR THE ACCREDITATION OF
CMP MOBILIZERS (CMP-M)**

I. STATEMENT OF POLICY

Pursuant with the objectives of Republic Act No. 7279, otherwise known as the Urban Development and Housing Act of 1992 particularly Articles I, V, and VIII, the Community Mortgage Program (CMP) aims to improve the living conditions of homeless and underprivileged citizens by providing them affordable financing with which they can secure their tenure on the land they occupy.

Towards the achievement of this purpose, the SHFC recognizes the need for a strong partnership with Local Government Units (LGUs), Non-Government Organizations (NGOs) and other government and private sector entities which will assist informal settler families in organizing themselves into Community Associations (CAs) and make sure that they are ready and able to assume the responsibilities of availing a CMP loan.

II. DEFINITION

A CMP Mobilizer (CMP-M) refers to an organization working with communities of informal settlers and duly accredited by SHFC which may either be a local government unit; a national government agency, bureau or corporation; or a non-government organization (NGO) whose principal role under the CMP is to assist, organize and prepare the community for participation in the program.

III. QUALIFICATIONS FOR THE ACCREDITATION OF A CMP-MOBILIZER

A non-government organization (NGO) or private corporation shall gain accreditation as a CMP-M by acquiring all of the following qualifications:

1. Must be a stock or non-stock corporation duly registered with the appropriate government agencies;
2. Must have had at least two (2) years experience as an organization in community development and organizing work. This said experience may have been acquired by the applicant CMP-M itself or through the assistance of another CMP-M or reputable private sector or non-government organizations engaged in subdivision/housing activities and community organizing work;
3. Must have sufficient resources, both financial and physical resources such as an office, necessary equipment, etc. to undertake responsibly the functions stated in Section IV of this set of guidelines;

4. Must have a well-defined organizational structure that shows clear delineation of functions and management hierarchy. One or more of the principal officers must have been engaged in subdivision/ housing activities and community organizing work; and
5. Majority of its officers and staff must have taken a training course on the CMP provided by the SHFC or its accredited institutions.

A local government unit or a national government agency, bureau or corporation may be automatically accredited provided it has a department/unit that will handle CMP concerns and majority of the officers and staff of the said department/unit has taken a training course on the Community Mortgage Program provided by SHFC or its accredited institutions.

A barangay unit may also be accredited if it passes the requirements enumerated in Section III (1 to 5) of this guidelines.

IV. FUNCTIONS OF A CMP-MOBILIZER

The accredited CMP-M will perform the following functions:

1. Study and profile prospective groups of informal settlers and their intended site for possible assistance or intervention:
 - i. Identify households and household characteristics;
 - ii. Profile the site and document its physical characteristics;
 - iii. Identify issues in the community (social, political, etc.); and
 - iv. Identify potential or apparent leaders.
2. Assist and guide the CA in their functions:
 - i. Educate CA on the mechanics of CA formation;
 - ii. Educate and assist the CA in preparing their constitution and by-laws;
 - iii. Educate and assist the CA in preparing the CA Book of Accounts and Official Records;
 - iv. Educate the members on the rights, privileges, duties and responsibilities of CA membership;
 - v. Assist them in the election of their officers; and
 - vi. Assist them in registering with the HLURB.
3. Educate and assist the CA in gathering and completing CMP loan requirements, and informing them of CMP standards and policies;
4. Assist in site analysis and evaluation, and in the identification of site deficiencies and development needs;
5. Advise the CA in negotiating with landowners;
6. Assist in values formation and in bringing out potential issues that may affect the viability of the loan application;
7. Assist the CA in accessing support from LGUs and other potential sources of support; and
8. Assist in the documentation of the loan and mortgage, and must have the capacity to orient the members thereof on the duties and responsibilities of a CA as landowner and as CMP debtor;

- ii. Assist the CA on legal transactions involved in the CMP loan, mortgage, sale and others.
9. Undertake such other duties and responsibilities which SHFC deems necessary in carrying out the mandate of CMP and other housing programs.

V. REVIEW OF ACCREDITATION OF A CMP-MOBILIZER

The performance of the CMP Mobilizers shall be reviewed every three (3) years. In reviewing the performance of a CMP Mobilizer, SHFC shall evaluate: (a) the number of community associations and member beneficiaries it has assisted in securing land tenure as indicated by the number of projects which the CMP-M was able to secure Letters of Guaranty and obtain loan releases within a minimal processing time; (b) collection efficiency rate of projects it successfully assisted for a CMP loan; and (c) whether the CMP-M continues to comply with the prescribed qualifications, duties and functions of a CMP-M as stated in this circular.

VI. LIMIT ON CMP-M PROJECT APPLICATION

The CMP-M's project applications shall be subject to a cap based on the number of projects taken-out and/or the total loan amount approved by the Board.

VII. SANCTIONS

The accreditation of the CMP Mobilizer is predicated on integrity. SHFC expects integrity to govern the activities of CMP Mobilizers at all times. SHFC shall act on a complaint filed against a CMP-M by a CA if there is substantial basis for the complaint. SHFC may also act on other parties' complaint pertaining to the offenses mentioned below. In acting on a complaint and in meting out sanctions, SHFC shall create a Committee which shall be guided by the principles of due process.

For the offenses mentioned below the corresponding sanctions shall be imposed by SHFC:

OFFENSES	SANCTION
Charging of processing fees amounting to more than the amount prescribed in On-site Land Acquisition and Off-site CMP guidelines	Suspension
Directly negotiating with the landowner re: purchase price of the property	Suspension
Bad track record in assisting CAs (This includes but shall not be limited to failing collection efficiency rating, substantial number of projects in litigation or foreclosure)	Suspension
Cases of abandonment of the CA with no formal termination of contract with CA. Specific cases shall be discussed in the IRR	Disqualification
Using CMP to pursue his/her own business interests in buying and selling lands	Disqualification

Suspension – A CMP Mobilizer shall be suspended for committing those offenses that have the sanction of Suspension. Upon rectifying or correcting the cause for suspension, it shall be allowed to continue to submit new projects. The specific terms and periods of the suspension shall be discussed in the IRR.

Disqualification – A CMP Mobilizer shall be disqualified to participate in the CMP for committing those offenses that have the sanction of Disqualification. The specific terms and periods of the disqualification shall be discussed in the IRR.

In the case of a third violation and after being suspended twice, a CMP Mobilizer shall be disqualified from participating in the CMP. This rule, however, should not be applied to CMP-Ms who were suspended due to CER failure.

VIII. SERVICE FEES, POST TAKE OUT FEE

As provided in the On-site and Off-site guidelines, the CMP Mobilizers, upon take-out of its project, shall be entitled to the following service fee:

1. 2% of the loan amount or P1,000.00 per CA member, whichever is higher, for On-site projects (Section 18 of Corporate Circular No. 11-017)
2. 2% of the loan amount or P1,500.00 per CA member, whichever is higher, for Off-site projects (Section X of Corporate Circular No. 11-018)

The CMP Mobilizers shall also be entitled to a one-time post-take out service fee of P200.00 per member beneficiary as determined annually within the required holding period of 5 years, provided that the CA maintained a CER of at least 85%.

CMP projects that were taken out beginning the year 2008 shall be entitled to receive the post take out service fee, if qualified. Those that were taken out prior to the year 2008 shall be covered under Corporate Circular CMP NO. 08-006.

IX. CMP MOBILIZERS' PROCESSING FEE

CMP Mobilizers may charge CA members processing fees for actual out-of-pocket expenses incurred in the performance of community organizing and education activities, but in no case shall this processing fee exceed two percent (2%) of the member's CMP loan entitlement. Expenses of the community association involving third parties (i.e. due to engineers for survey and titling and to lawyers) shall not be included in the processing fee but shall be contained in a separate agreement.

X. REPEALING CLAUSE

All provisions of Circulars, Memoranda, Guidelines, Notices and Policies inconsistent with any of the provisions of this Circular are accordingly repealed or modified.

XI. IMPLEMENTING RULES AND REGULATIONS

Within thirty (30) days from approval of this Circular by the SHFC Board of Directors, the necessary implementing rules and regulations shall be formulated by Management.


MA. ANA R. OLIVEROS
President