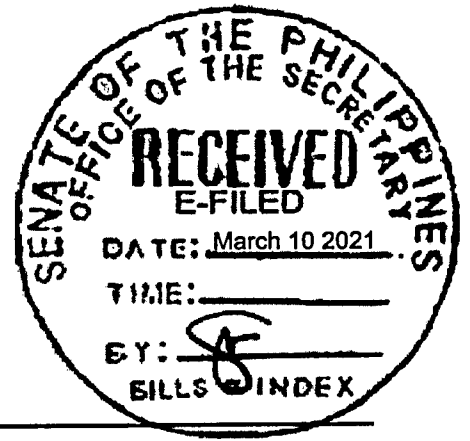


**EIGHTEENTH CONGRESS OF THE  
REPUBLIC OF THE PHILIPPINES )  
Second Regular Session )**

**SENATE**

**S.B. No. 2098**



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Introduced by **SEN. IMEE R. MARCOS**

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**AN ACT  
STRENGTHENING THE NATIONAL HOUSING AUTHORITY,  
EXTENDING ITS CORPORATE TERM, AND AMENDING FOR THIS PURPOSE  
PRESIDENTIAL DECREE NO. 757 (P.D. 757), "CREATING THE NATIONAL  
HOUSING AUTHORITY AND DISSOLVING THE EXISTING HOUSING  
AGENCIES, DEFINING ITS POWERS AND FUNCTIONS,  
PROVIDING FUNDS THEREFOR, AND  
FOR OTHER PURPOSES"**

**EXPLANATORY NOTE**

Section 9, Article XIII of the 1987 Constitution provides that, *"the State shall, by law, and for the common good, undertake, in cooperation with the private sector, a continuing program of urban land reform and housing which will make available at affordable cost, decent housing and basic services to underprivileged and homeless citizens in urban centers and resettlement areas. It shall also promote adequate employment opportunities to such citizens. In the implementation of such program the State shall respect the rights of small property owners."*

The National Housing Authority (NHA) is a government-owned and controlled corporation (GOCC), duly organized and established by virtue of Presidential Decree No. 757 issued by President Ferdinand E. Marcos on 31 July 1975 that will expire fifty (50) years thereafter, but may be extended, which was later amended by Executive Order No. 90 on 17 December 1986.

According to the Commission on Audit 2020 Report, NHA is the primary government agency in charge of providing housing assistance to the lowest 30% of urban population through slum upgrading, informal settler relocation, development of sites and services and construction of core housing units.

On 14 February 2019, Republic Act (RA) No. 11201 otherwise known as the "Department of Human Settlements and Urban Development (DHSUD) Act" was enacted which put NHA as an attached agency and under the administrative

supervision of the DHSUD. RA 11201 provides that NHA shall continue to function as a production and financing arm in housing and shall exercise all other functions based on its existing charter and its other mandates as provided under existing laws.

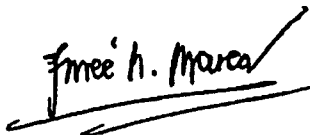
In 19 September 2019, the Philippine News Agency published that there were about 4.5 million homeless people in the Philippines of a population of about 106 million and about 3 million of them in Manila, according to the Philippine Statistics Office.

Furthermore, the National Economic and Development Authority (NEDA) emphasized to the business sector the importance of housing and urban development in reducing poverty in the country in its *Ambisyon Natin 2040*, which was aimed at making the Philippines a prosperous, middle-class society where no one will be poor by 2040. Among the goals of *Ambisyon Natin 2040* is to provide every Filipino family their own house.

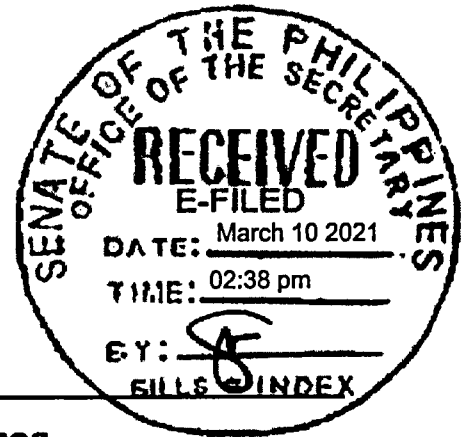
The year 2020 was never easy for any sector or any country. It was started by a volcanic eruption which cost a lot of people their residences. This was followed by the onslaught of the COVID-19 which highlighted shelter as the primary essential for protection against the virus. And while battling through the pandemic, more people lost their houses to typhoons, floods, earthquakes, landslides, and other calamities. As of end of 2020, NHA has completed 26,280 housing units or 39% of its target. It had also started building 42,490 housing units or 82% of the 51,543 target.

Thus, this bill seeks to extend for a period of Fifty (50) years, upon approval, the corporate term of the National Housing Authority (NHA) and provide for the continued existence of NHA that will enable the plans and address the aforementioned concerns to realize the objectives of ensuring a continuing program of urban land reform and housing, which will make available at affordable cost, decent housing and basic services to underprivileged and homeless citizens, in order to guarantee enjoyment of the people to a decent standard of living and improved quality of life for all.

In view of the foregoing, the immediate passage of this bill is earnestly sought.

  
**IMEE R. MARCOS**

EIGHTEENTH CONGRESS OF THE)  
REPUBLIC OF THE PHILIPPINES )  
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PROVIDING FUNDS THEREFOR, AND  
FOR OTHER PURPOSES"**

*Be it enacted by the Senate and House of Representatives of the Philippines in  
Congress assembled:*

1           SECTION. 1. *Short Title.* – This Act shall be known as "*National Housing Authority*  
2 *Act.*"

3           SEC. 2. *Declaration of Policy.* – It is the policy of the State to ensure a continuing  
4 and sustainable program for urban land reform and housing which shall make  
5 available, affordable, and decent housing with basic services to underprivileged and  
6 homeless citizens, in order to guarantee freedom from poverty, rising standard of  
7 living, and improved quality of life for all.

8           The State, in partnership with the private sector, and its stakeholders shall also:

- 9           a) Expand people's access to affordable, adequate, safe, and secure shelter  
10           in well-planned communities;
- 11           b) Enable informal settler families to live in resilient, vibrant, and connected  
12           urban communities;
- 13           c) Promote inclusive and integrated housing that are culturally sensitive,  
14           responsive to local context and/or special needs, and in accordance with  
15           appropriate standards and designs;

- 1 d) Encourage and sustain investments in the housing and urban  
2 development sector by, among others, promoting partnerships, improving  
3 market linkages, simplifying government procedures and facilitating  
4 access to finance;
- 5 e) Improve affordability of housing programs and projects;
- 6 f) Promote climate change, resilient housing, and basic infrastructure; and
- 7 g) Make land available and accessible for housing.

8 **SEC. 3. *Statement of Objectives.*** – Towards this end, the State shall integrate all  
9 laws relating to the National Housing Authority to effectively achieve the following  
10 objectives:

- 11 a) Develop integrated, sustainable, safe, affordable and resilient  
12 communities, particularly for the underprivileged and homeless, as well as  
13 low-income households;
- 14 b) Implement innovative and alternative solutions in addressing the housing  
15 needs of informal settler families, the lower-income classes, and the  
16 vulnerable sector;
- 17 c) As a government-owned and -controlled corporation, to generate income  
18 through the efficient utilization of existing and future assets to support  
19 the programs of the Authority;
- 20 d) Adopt viable land acquisition and management approaches; and,
- 21 e) Strengthen housing as a platform to reduce poverty, promote climate  
22 resilience, and improve social outcome.

23 **SEC. 4. *Extension of Corporate Term.*** – The corporate term of the government  
24 corporation known as the "*National Housing Authority (NHA)*," hereinafter, the  
25 "*Authority*" created by virtue of Presidential Decree No. 757 (P.D. 757) shall be  
26 extended for a period of fifty (50) years, upon the approval of this Act.

27 As such, the Authority shall continue to perform its mandates, exercise its powers  
28 and functions, and enjoy its incentives, as provided in P.D. 757, and subsequent laws  
29 and issuances, unless expressly repealed herein. Likewise, it shall continue to enjoy  
30 all rights and assume all of the liabilities that pertain thereto.

31 **SEC. 5. *Office.*** – The Authority shall retain its principal office at the NHA Main  
32 Office, Elliptical Road, Diliman, Quezon City 1101, but may have such regional and  
33 district offices, agencies, or subsidiaries in other areas all over the country, as it may  
34 deem proper and necessary.

1           **SEC. 6. Powers and Functions of the Authority.** – The Authority, in line with its  
2 role as the sole government agency engaged in direct housing production, and in  
3 pursuit of the foregoing policies and objectives, shall also exercise the following  
4 powers and functions:

5           **I. Housing Operations and Support Services**

6           **a) Develop and implement comprehensive and integrated housing and**  
7           **urban and rural development programs for citizens including, but not**  
8           **limited to:**

9                   **i. programs for the improvement of urban areas;**

10                   **ii. direct shelter production and disposition primarily for**  
11                   **informal settler families and the underprivileged and**  
12                   **homeless;**

13                   **iii. relocation of families subject of court-ordered eviction; and**

14                   **iv. housing programs for government employees and**  
15                   **uniformed personnel, such as: members of the Armed**  
16                   **Forces of the Philippines (AFP), Philippine National Police**  
17                   **(PNP), Bureau of Jail Management and Penology (BJMP),**  
18                   **Bureau of Fire Protection (BFP), and Bureau of Corrections**  
19                   **(BuCor).**

20           **b) Prescribe guidelines and standards for the reservation, conservation,**  
21           **and utilization of public lands identified for housing and resettlement;**

22           **c) Design and implement sustainable livelihood programs, fully funded**  
23           **by the national government, which are responsive to the needs of its**  
24           **housing community, in coordination with the concerned local and**  
25           **national government agencies and, whenever practicable, with**  
26           **participation of civil society organizations and the private sector;**

27           **d) Develop and undertake other urban and rural development projects**  
28           **including basic community facilities, by itself or through joint ventures**  
29           **or other arrangements with public and private entities;**

30           **e) Improve, redevelop, or revitalize completed but not yet turned-over**  
31           **NHA housing projects by constructing therein additional community**  
32           **structures, or whenever necessary, demolishing previously erected**  
33           **structures similar in nature, subject to existing laws and regulations;**

34           **f) Provide technical and other forms of assistance to local government**  
35           **units in the implementation of their own housing programs, or private**  
36           **developers undertaking low-cost housing projects, subject to the**  
37           **policies of the Authority;**

- 1 g) Undertake financing of housing programs initiated by local  
2 government units or local communities; and  
3 h) Extend shelter services to victims of calamities, natural or man-made,  
4 as declared by the President. For this purpose, the Authority is given  
5 sufficient leeway by other government agencies to expedite said  
6 process.

7 **II. Asset Management and Business Development**

- 8 a) Exercise the right of eminent domain, purchase, sell, lease and/or  
9 exchange lands for purposes of housing development, resettlement  
10 and other related services and facilities;  
11 b) Issue bonds or contract loans, credits, or indebtedness, including  
12 suppliers credit or any deferred payment arrangements with any  
13 person or entity, domestic or foreign, for the implementation of its  
14 housing programs;  
15 c) Invest its funds, as it may deem proper, in bonds and securities issued  
16 and guaranteed by the government or by the *Bangko Sentral ng*  
17 *Pilipinas (BSP)*, and to invest, own, or otherwise participate in equity  
18 in any establishment, firm or entity or to form, organize, invest in or  
19 establish and maintain a subsidiary or subsidiaries in relation to any  
20 of its purposes;  
21 d) Ensure the collection and recovery of all indebtedness, liabilities  
22 and/or accountabilities, due from all obligors, whether public or  
23 private, with the right to demand payment of the obligations referred  
24 to herein, and in the event of failure or refusal of the obligor or debtor  
25 to comply with the demand, to initiate and institute the necessary or  
26 proper actions or suits, criminal, civil administrative or otherwise,  
27 before the courts, tribunals, commissions, boards or bodies of proper  
28 jurisdiction. *Provided that*, the Authority may compromise or release,  
29 in whole or in part, any interest, penalty or civil liability to the  
30 Authority in connection with the collection or amortizations, under  
31 such terms and conditions as prescribed by the Board of Directors:  
32 Provided further that, the Board may, upon recommendation of the  
33 General Manager, deputize any member of the Authority's legal staff  
34 to act as special sheriff in foreclosure cases, in the sale or attachment  
35 of the debtor's properties, and in the enforcement of court writs and  
36 processes in case involving the Authority; and  
37 e) Generate sources and formulate schemes for financing, with due  
38 delineation of government and private sector participation.

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**III. Management Services**

- a) Formulate and enforce general and specific policies for housing and resettlement;
- b) Monitor and/or discharge of all responsibilities of the government as may arise from treaties, agreements, and other commitments on housing and resettlement to which it is a signatory, including the determination of forms of assistance for housing development to be extended through multilateral or bilateral assistance programs;
- c) Serve as central repository of database and census list of households/families along waterways, danger areas, government infrastructure project site and government owned lands in Metro Manila and all regions nationwide, which shall be used for subsequent government interventions with housing and resettlement component; and
- d) Approve restructuring proposal for the payment of unpaid amortizations under such terms and conditions as the Board of Directors may prescribe.

**IV. General Powers**

- a) Have the power of succession, to sue and be sued, to adopt and use a seal which shall be judicially noticed;
- b) Enter into contracts whenever necessary under such terms and conditions as it may deem proper and reasonable;
- c) Acquire property rights and interests, and encumber or otherwise dispose the same, as it may deem appropriate;
- d) Borrow funds from any source, private or government, foreign or domestic;
- e) Receive donations, grants, bequests and fund transfers from other branches of the government, and utilize the same for the attainment of its objectives. Such donations, grants and bequests shall be exempt from the payment of transfer taxes and be fully deductible from the gross income of the donor or grantor for income tax purposes;
- f) Maintain a provident fund, which shall consist of contributions made by both the Authority and its officers and employees and their earning, for the payment of benefits to such officials and employees or their heirs under such terms and conditions as it may prescribe; and

- 1 g) Perform such other acts not inconsistent with this Act, as may be  
2 necessary to effect the policies and objectives herein declared.

3 SEC. 7. *The Board of Directors; Its Composition.* – The Board of Directors,  
4 hereinafter referred to as the “*Board*”, is hereby reconstituted to have a maximum of  
5 thirteen (13) members, consisting of the following:

6 a) Eleven (11) *ex officio* members, namely:

- 7 1. Secretary of the Department of Human Settlements and Urban  
8 Development (DHSUD);  
9 2. Secretary of the Department of Public Works and Highways  
10 (DPWH);  
11 3. Secretary of the Department of Finance (DOF);  
12 4. Secretary of the Department of Trade and Industry (DTI);  
13 5. Secretary of the Department of Labor and Employment (DOLE);  
14 6. Secretary of the Department of Environment and Natural  
15 Resources (DENR);  
16 7. Secretary of the Department of Interior and Local Government  
17 (DILG);  
18 8. Secretary of the Department of Budget and Management (DBM);  
19 9. Director-General of the National Economic and Development  
20 Authority (NEDA);  
21 10. Executive Secretary; and  
22 11. General Manager of the Authority.

23 b) Two (2) expert panel members with expertise in housing, urban  
24 planning and development.

25 The two (2) expert panel members must have the following qualifications: (i)  
26 Filipino citizens and of good moral character; (ii) be of recognized probity and  
27 independence, (iii) must have distinguished themselves professionally in public, civic,  
28 or academic service; (iv) in the active practice of their professions for at least seven  
29 (7) years; and (v) not appointed within one (1) year after losing in the immediately  
30 preceding elections, whether regular or special.

31 The Secretary of the DHSUD shall be the *ex officio* Chairperson of the Board.  
32 *Provided that*, all appointive directors must have qualified under the *Fit and Proper*  
33 *Rule*, as defined by Republic Act 10149 or the Governance Commission for GOCCs  
34 (GCG) Law. An appointive director shall be for one (1) year, unless sooner removed  
35 for cause, however, the appointive director shall continue to hold office until the  
36 successor is appointed.



1           The Board shall meet regularly at least once a month but special meetings may  
2 be called either by the Chairperson or by seven (7) members of the Board, as may be  
3 necessary. Provided that, seven (7) members of the Board shall constitute a quorum  
4 and all decisions of the Board shall require the concurrence of at least seven (7)  
5 members.

6           **SEC. 8. Powers and Functions of the Board.** – The Board shall have the powers  
7 and functions specified in this Act, as well as the usual corporate powers:

- 8           a) Formulate, prescribe, and promulgate the implementing rules and  
9 regulations required under this Act;
- 10          b) Promulgate such rules and regulations as may be necessary or proper  
11 for the effective exercise of the powers and functions, as well as the  
12 discharge of the duties and responsibilities of the Board, its officers  
13 and employees;
- 14          c) Act upon the annual budget and such supplemental budgets of the  
15 Authority submitted by the General Manager. Provided that, the Board  
16 may reduce but may not increase any item proposed by the General  
17 Manager;
- 18          d) Approve the Authority's organizational and administrative structures  
19 and staffing pattern, and to establish, fix, review, revise and adjust  
20 the appropriate compensation package of its officers and employees  
21 as submitted by the General Manager;
- 22          e) Design, formulate, negotiate, and implement financial or investment  
23 schemes;
- 24          f) Enter into such contract or agreement, as may be necessary, for the  
25 attainment of the purposes and objectives of this Act;
- 26          g) Enter into and execute memoranda of agreements, joint ventures,  
27 long-term leases and management contracts with the private sector,  
28 which may include real estate developers or construction companies  
29 with dependable reputation and proven track record in developing and  
30 managing real estate ventures;
- 31          h) Condone or compromise, in whole or in part, penalties, interests or  
32 civil liabilities imposed on beneficiaries with delinquent accounts who,  
33 for justifiable reasons prescribed by the Board, failed to pay on time  
34 any obligation due to the Authority;
- 35          i) Render annual reports to the President and such special reports, as  
36 may be requested; and

1 j) Exercise such other powers necessary for the attainment of the  
2 purposes of this Act.

3 SEC. 9. *Responsibilities of the General Manager.* – The General Manager shall  
4 have the following responsibilities:

5 a) Execute and administer the policies and resolutions approved by the  
6 Board of Directors and prepare its agenda;

7 b) Direct and supervise the operations, management, and internal affairs  
8 of the Authority. The General Manager may delegate certain of his  
9 administrative responsibilities to other officers of the Authority,  
10 subject to the rules and regulations promulgated by the Board;

11 c) Subject to the approval of the Board, to fix the number and salaries  
12 of and appoint, the subordinate officers and personnel of the Authority  
13 and to remove, or otherwise sanction, for cause, any such officer or  
14 employee pursuant to the Civil Service Commission;

15 d) Represent the Authority in all dealings with other officers, agencies,  
16 and instrumentalities of the Government and with all persons and  
17 entities, public or private, domestic or foreign;

18 e) Act, in the conduct of the business, on all matters that are not by this  
19 Act specifically reserved to the Board;

20 f) Solely confer lot awards to the eligible beneficiaries;

21 g) Decide, to the exclusion of courts and any other government agencies,  
22 cases filed questioning the propriety of lot awards granted to the  
23 Authority's beneficiaries; for this purpose, the General Manager may  
24 create a body for the investigation and adjudication of such cases;

25 h) Report and submit to the Board within thirty (30) days after the close  
26 of each fiscal year, if applicable, a comprehensive report of the  
27 operations of the Authority for the preceding year, and the state of its  
28 affairs; and

29 i) Exercise such other powers and duties as may be vested by the Board.

30 SEC. 10. *Assistant General Managers.* – The General Manager shall be assisted  
31 by three (3) Assistant General Managers, who shall be appointed by the President,  
32 upon the recommendation of the General Manager. *Provided,* That at least one (1)  
33 Assistant General Manager shall be a career officer. The General Manager is further  
34 authorized to delineate and assign other functional areas or responsibilities of the  
35 Assistant General Managers.

1           **SEC. 11. *Qualifications and Appointment.*** – No person shall be appointed General  
2 Manager and Assistant General Manager of the Authority unless he or she is a citizen  
3 and resident of the Philippines, of good moral character, of proven integrity, probity,  
4 competence and has expertise in housing, urban planning and development.

5           **SEC. 12. *Organizational Structure and Staffing Pattern.*** – Subject to the approval  
6 of the Governance Commission for GOCCs (GCG), the Board shall determine the  
7 Authority's organizational structure, and create new divisions or units, as it may deem  
8 necessary in accordance with civil service laws, rules and regulations.

9           Subject to the approval of the Board, the General Manager shall likewise  
10 determine the rates of allowances, honoraria and such other additional compensation  
11 which the Authority is hereby authorized to grant to its officers, technical staff and  
12 consultants, including the necessary detailed personnel. In no case shall the rates of  
13 allowances, honoraria and such other additional compensation shall exceed ten  
14 percent (10%) of the annual total savings prior to the grant thereof, subject to  
15 confirmation of such savings by the Department of Budget Management (DBM) and  
16 the Commission on Audit (COA).

17           **SEC. 13. *Exemption from Taxes and Regulatory Fees.*** – All laws to the contrary  
18 notwithstanding, the Authority, its assets and properties, and all accruals thereto and  
19 income or investment earnings therefrom, as well as supplies, equipment, papers or  
20 documents shall be exempt from any tax, assessment, fee, charge, or customs or  
21 import duty, of any kind, whether imposed by local or national entities.

22           The exemption includes, but is not limited to the following: income tax, real  
23 property tax, capital gains tax, transfer tax, value added tax, donor's tax and similar  
24 taxes; and building permit fee, fire inspection permit fee, environmental compliance  
25 certificate (ECC) fees and other regulatory fees. Similarly, the Authority shall be  
26 exempt from the payment of documentary stamp tax and registration fees, including  
27 fees required for the issuance of transfer certificates of titles.

28           Furthermore, to promote the policy of improving housing affordability, projects  
29 of the NHA, in cooperation with local government units, the private sector and other  
30 entities, shall also enjoy the exemptions enumerated above.

31           **SEC. 14. *Lands for Authority Projects, Management, Conversion and***  
32 ***Classification.*** – Lands identified and designated for Housing and Urban and Rural  
33 Development, pursuant to Section 24 of Republic Act No. 11201, shall be assessed by  
34 the Authority for program or project feasibility. Should the site evaluation be in the  
35 affirmative, said lots shall forthwith be transferred to the Authority.

1 This shall not, however, preclude the Authority from pursuing its continuing  
2 mandate of identifying, acquiring and managing lands for the immediate and future  
3 needs of its beneficiaries. In pursuit thereof, the Authority must consider, among  
4 others, the degree of availability of basic services and utilities, access to modes of  
5 transport, proximity to economic opportunities and the preservation of the social  
6 capital of beneficiaries.

7 Furthermore, all lands acquired by the Authority, for any of its programs and  
8 projects, shall be automatically converted and/or re-classified, in order to facilitate its  
9 immediate development. The Authority, in coordination with the DHSUD, the DILG,  
10 the DA and the DAR shall craft the rules and regulations necessary to implement this  
11 provision.

12 The conversion and reclassification of lands for housing projects shall be without  
13 prejudice to the rights of the beneficiaries under Republic Act No. 6657, as amended.

14 **SEC. 15. *Designation of the National Housing Authority (NHA) as Lead Agency in***  
15 ***the Disposition Program.*** – The Authority, under the supervision of the DHSUD, shall  
16 take the lead in the disposition activities of the lands in the preceding section:  
17 Provided, that disposition activities shall include the preliminary stages of identification  
18 and evaluation of lands suitable for disposition under this Act.

19 The DHSUD is hereby directed to submit immediately an updated list of  
20 government-owned lands suitable for socialized housing purposes. The DHSUD shall  
21 also make recommendations for the President relative to the disposition of the lands  
22 subject hereof.

23 **SEC. 16. *Management or Disposition of Completed Projects*** – The Authority shall  
24 determine, establish and maintain the most feasible and effective program for the  
25 management or disposition of specific housing or resettlement projects. Unless  
26 otherwise decided by the Board, completed housing or resettlement projects shall be  
27 managed and administered by the Authority until it has been turned over to the  
28 concerned local government unit or other concerned public or private entity, as the  
29 case may be.

30 **SEC. 17. *Issuance of Bonds.*** – Subject to the approval of the Secretary of  
31 Finance, after consultation with the Monetary Board of the *Bangko Sentral ng Pilipinas*,  
32 the Authority is hereby authorized to issue bonds and other securities to finance the  
33 implementation of its housing programs. Provided, That only so much of such bonds  
34 or securities shall be issued and sold as the annual project implementation would  
35 require. Provided further, That no bonds or securities shall be issued unless eighty per  
36 cent (80%) of those already issued had been sold. Provided finally That, the total

1 amount of the bonds or securities issued shall in no case exceed ten times its paid up  
2 capital and surplus.

3 The Authority, in consultation with the Secretary of Finance and the Monetary  
4 Board, shall prescribe the form, the rate of interest, and denominations, maturities,  
5 negotiability, call or redemption features and all other terms and conditions of the  
6 bonds and securities to be issued.

7 In the promotion of the sale bonds or securities, the Authority is authorized to  
8 adopt the lottery scheme enunciated under existing laws, rules and regulations.

9 The bonds and securities issued under this Act including the income thereof shall  
10 be exempt from all kinds of taxes and from attachment, execution and seizure which  
11 facts shall be stated on the face thereof.

12 A sinking fund shall be established by the Authority in such manner that the total  
13 annual contribution thereto, accrued at such rate of interest as may be determined by  
14 the Secretary of Finance in consultation with the Monetary Board, shall be sufficient  
15 to redeem at maturity the bonds or securities issued pursuant to this Act. The sinking  
16 fund shall be under the custody and administration of the *Bangko Sentral ng Pilipinas*  
17 which may invest the same in *Bangko Sentral* Certificates of Indebtedness and similar  
18 financing schemes subject to the approval of the Authority in consultation with the  
19 Secretary of Finance: Provided, that the proceeds from such scheme shall accrue to  
20 the Authority

21 **SEC. 18. *Guarantee by the Government.*** – The Republic of the Philippines hereby  
22 guarantees the payment of both the principal and the interest of the bonds,  
23 debentures, collaterals, notes or such other obligations issued or incurred by the  
24 Authority by virtue of this Act, and shall pay such principal and interest in case the  
25 Authority fails to do so. In such event, the Republic of the Philippines shall succeed to  
26 all the rights of the holders of such bonds, debentures, collaterals, notes or other  
27 instruments to the extent of the payment made, unless the sum so paid by the  
28 Republic of the Philippines shall be refunded by the Authority within a reasonable time.

29 **SEC. 19. *SSS and GSIS Participation.*** – Notwithstanding any provision of the  
30 respective charters to the contrary, the Social Security System (SSS) and the  
31 Government Service Insurance System (GSIS) shall absorb all or part of the bonds or  
32 securities issued by the Authority in such proportion as may be determined by the  
33 National Economic and Development Authority (NEDA) and approved by the President.

34 **SEC. 20. *Reports.*** – The Authority shall submit an annual report to the Office of  
35 the President, copy furnished to the Department of Human Settlements and Urban  
36 Development, indicating, among others, the housing program being implemented, the

1 stage of implementation, and the financial position of the Authority. It shall likewise  
2 submit such periodic or other reports as may be required from time to time.

3       **SEC. 21. *Audit.*** – The Chairperson of the Commission on Audit (COA) shall act  
4 as the ex-officio auditor of the Authority, and accordingly, is empowered to appoint a  
5 representative and other subordinate personnel to perform and report on such audit  
6 duties, responsible to and removable only by the COA Chairperson, without prejudice,  
7 however, to the power of the Board of Directors to contract for another mode of  
8 independent audit service, in addition to that provided by COA as provided for under  
9 Presidential Decree No. 1445, otherwise known as the Government Auditing Code of  
10 the Philippines.

11       **SEC. 22. *Implementing Rules and Regulations.*** – The implementing rules and  
12 regulations to effectively carry out the provisions of this Act shall be adopted by and  
13 promulgated by the Board of Directors of the Authority, not later than ninety (90) days  
14 after the approval of this Act.

15       The Departments, charged with crafting the implementing rules and regulations  
16 to effectively carry out Section 14 hereof, are given thirty (30) days after the approval  
17 of the Act to enact the same.

18       **SEC. 23. *Applicability of the Revised Corporation Law.*** – The provisions of the  
19 Revised Corporation Code, in so far as they are not inconsistent with the provisions  
20 and policies provided in this Act, shall be applicable to the Authority.

21       **SEC. 24. *Separability Clause.*** – If, for any reason or reasons, any part or provision  
22 of this Act shall be declared as unconstitutional or invalid, the other parts or provisions  
23 hereof which are not affected thereby shall continue to be in full force and effect.

24       **SEC. 25. *Repealing Clause.*** – All provisions of existing laws, orders, rules and  
25 regulations or parts thereof which are in conflict or inconsistent with the provisions of  
26 this Act are hereby repealed, amended or modified accordingly.

27       **SEC. 26. *Effectivity.*** – This Act shall take effect effect fifteen (15) days after its  
28 publication in the Official Gazette or in a newspaper of general circulation in the  
29 Philippines.

30       *Approved,*