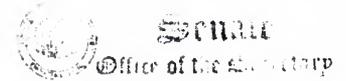


**NINETEENTH CONGRESS OF THE
REPUBLIC OF THE PHILIPPINES**)
First Regular Session)



'22 JUL 12 P2:03

SENATE
S. No. 401

RECEIVED BY: _____

Introduced by SENATOR FRANCIS "TOL" N. TOLENTINO

AN ACT
ESTABLISHING A NATIONAL COMPREHENSIVE HOUSING FINANCING
PROGRAM, PROVIDING FOR THE ANNUAL AUTOMATIC APPROPRIATION
OF FUNDS, AND FOR OTHER PURPOSES

EXPLANATORY NOTE

Article XIII, Section 9 of the 1987 Constitution provides that the State shall 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.

The country has a growing need in socialized housing. For the period 2017 to 2022, there is a 6.57-million-unit deficiency to attain one hundred percent housing security for Filipinos. The Philippine Statistical Research and Training Institute has projected that the country's housing need will grow to 22.6 million units by the end of 2040.

Chapter 12 of the Philippine Development Plan provides that a total of 927,541 permanent housing units are targeted to be constructed, with 34,900 housing units financed, and transitional resettlement assistance and additional

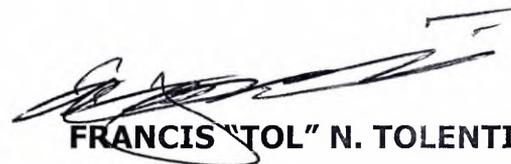
community facilities provided within 2017 to 2022, while *Ambisyon Natin 2040* envisions that by 2040, all Filipino families will live together in a place of their own.

However, the country's ability to address the housing problem and attain its goals is limited by the budget allocated for the housing agencies. Over the last decade, the housing agencies' highest appropriation was only 1.66% of the national budget, or Php37 Billion.

During this time of pandemic, there is even a more urgent need to ensure that the country's attainment of its national housing goals must be on track as more Filipinos will be in need of affordable quality homes. According to the Department of Human Settlements and Urban Development, the health crisis has slowed the housing production by the government with the imposition of the work stoppage bringing the construction to a standstill.

To address the country's housing problem, this bill proposes to automatically appropriate funds for the government's housing agencies to ignite a large scale housing program in order for our country to catch up with the its housing backlog while providing every Filipino a decent, affordable, and quality home.

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



FRANCIS "TOL" N. TOLENTINO

'22 JUL 12 P2:03

SENATE
S. No. 401

RECEIVED BY 

Introduced by SENATOR FRANCIS "TOL" N. TOLENTINO

AN ACT
ESTABLISHING A NATIONAL COMPREHENSIVE HOUSING FINANCING
PROGRAM, PROVIDING FOR THE ANNUAL AUTOMATIC APPROPRIATION
OF FUNDS, AND FOR OTHER PURPOSES

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

1 **SEC. 1. Short Title.** – This Act shall be known as the "National
2 Comprehensive Housing Financing Act of 2022."

3 **SEC. 2. Declaration of Policy.** - It Is hereby declared the policy of the
4 State to:

5 (a) Promote a just and dynamic social order that will ensure the prosperity
6 and independence of the nation and free the people from poverty through policies
7 that provide adequate social services, promote full employment, a rising
8 standard of living, and an improved quality of life for all;

9 (b) Promote social justice in all phases of national development; and

10 (c) Undertake, in cooperation with the private sector, a continuing
11 program of urban land reform and housing which will make available at affordable
12 cost decent housing and basic services to underprivileged and homeless citizens in
13 urban centers and resettlement areas.

1 **SEC. 3. Objectives.** – Towards this end, the State shall:

2 (a) Increase housing production by forging partnership among housing
3 stakeholders to address the housing needs of the Filipino families;

4 (b) Generate and mobilize funds for housing purposes of Filipino families,
5 giving priority to the homeless and underprivileged;

6 (c) Ensure the provision of support mechanisms/subsidy program to
7 improve access of Filipino families to a variety of housing options;

8 (d) Guarantee the development of a strong, sustainable, accessible, and
9 affordable housing finance system; and

10 (e) Encourage public and private sector participation in the implementation
11 of government National Housing Development and Production Financing Program.

12 **SEC. 4. Revolving Fund.** - The amount of not less than Fifty Billion Pesos
13 (PhP50,000,000,000.00) is hereby authorized to be initially appropriated for the
14 Department of Human Settlements and Urban Development (DHSUD) and its
15 attached agencies in the General Appropriations Act to carry out the objectives of
16 this Act. The amount initially appropriated shall be replenished in the General
17 Appropriations Act of the following year over a period of twenty (20) consecutive
18 years commencing the year immediately succeeding the effectivity of this Act.

19 A total amount of One Trillion Pesos (PhP1,000,000,000,000.00) covering the
20 continuing requirement of this Act shall be appropriated to the DHSUD and its
21 attached agencies over the twenty (20) year period for the implementation of the
22 following housing programs:

23 (a) One hundred sixty-eight billion pesos (P168,000,000,000.00) for the
24 implementation of the following programs of the DHSUD:

25 (1) One hundred thirty billion pesos (P130,000,000,000.00) to finance the
26 Public Housing;

1 (2) Thirty billion pesos (P30,000,000,000.00) as subsidy, broken down as
2 follows:

3 i. Six billion, eight hundred fifty million pesos (P6,850,000,000.00)
4 as Interim Shelter Finance Assistance for the informal settler-
5 families who will be relocated;

6 ii. Twenty billion, six hundred million pesos (P20,650,000,000.00)
7 as upfront subsidy; and

8 iii. Two billion, five hundred million pesos (P2,500,000,000.00) as
9 amortization support.

10 (3) Seven billion, six hundred fifty million pesos (P7,400,000,000.00) to
11 finance public rental housing; and

12 (4) Six hundred million pesos (P600,000,000.00) to finance survey of
13 proclaimed lands and conduct of inventory of government idle lands
14 suitable for socialized housing.

15 (b) Six hundred thirty billion pesos (P630,000,000,000.00) for the
16 implementation of the following programs of National Housing Authority (NHA):

17 (1) Two hundred ninety-seven billion, seven hundred million pesos
18 (P297,700,000,000.00) to finance the Resettlement Program;

19 (2) Two hundred three billion, five hundred million pesos
20 (P203,500,000,000.00) to finance as subsidy for Government
21 Employees Housing;

22 (3) Sixty-three billion, seven hundred million pesos (P63,700,000,000.00)
23 for the Settlements Upgrading;

24 (4) Thirty-nine billion, three hundred million pesos (P39,300,000,000.00)
25 for the Housing Program for Calamity Victims;

1 (5) Twenty-five billion, eight hundred million pesos (P25,800,000,000.00)
2 for Land Banking.

3 (c) One hundred fifty-two billion pesos (P152,000,000,000.00) for the
4 implementation of the Community Mortgage Program of Social Housing Finance
5 Corporation.

6 (d) Fifty billion pesos (P50,000,000,000.00) for the capitalization of
7 National Home Mortgage Finance Corporation (NHMFC).

8 **SEC. 5. LGU Sources of Funds.** – Section 43 of Republic Act (R.A.) No.
9 7279, otherwise known as the “Urban Development and Housing Act of 1992,” is
10 hereby amended to read, thus:

11 "Sec. 43. *Socialized Housing Tax.* - Consistent with the constitutional
12 principle that the ownership and enjoyment of property bear a social
13 function and to raise funds for the Program, all local government units are
14 hereby authorized to impose an additional one-half percent (0.5%) tax on the
15 assessed value of all lands in urban areas [~~in excess of Fifty thousand pesos~~
16 ~~(P50,000)] **THE PROCEEDS FROM THE IMPOSITION OF SOCIALIZED**
17 **HOUSING TAX SHALL ACCRUE TO THE SPECIAL FUNDS OF THE**
18 **LOCAL GOVERNMENT UNIT, WHICH SHALL BE USED FOR THE**
19 **DEVELOPMENT OF SOCIALIZED HOUSING PROJECTS AND FOR THE**
20 **CONSTRUCTION AND ESTATE MANAGEMENT OF PUBLIC RENTAL**
21 **HOUSING."**~~

22 **SEC. 6. National Housing Securitization Program.** - The National
23 Housing Securitization Program for the development of the secondary market for
24 home mortgages and other housing related receivables, conveyances and financial
25 instruments and the development or promotion of and investments in new housing-
26 related financial instruments and investment vehicles and the capital markets
27 thereof, to increase and sustain funds available for housing and home development,
28 shall be implemented as follows:

1 (a) The NHMFC shall be the sole implementing agency for the
2 securitization program;

3 (b) The NHMFC in coordination with the DHSUD, DOF, BSP, and other
4 concerned agencies and private sector organizations, shall formulate a program
5 whose proceeds shall be earmarked for the housing programs of the government.

6 (c) The mortgages to be generated as a result of the implementation of
7 the housing programs shall be sold and transferred to the NHMFC, which shall also
8 serve as asset pool for securitization.

9 (d) The NHMFC shall manage the whole securitization process which
10 includes the following activities:

11 (1) Determining the eligibility criteria for the asset pool;

12 (2) Defining the preliminary structure of the notes, bonds, and or
13 instruments to be issued, as well as third parties to be hired; and

14 (3) Education or briefing of target investors for all the issues.

15 (e) The bonds, notes, and securities shall be exempt from the registration
16 requirements under the Securities Regulation Law to accelerate the issuance of their
17 housing related securities/financial instruments and, thus, more reasonably provide
18 the necessary fund for housing developments.

19 (f) Any socialized housing or economic housing-related bond or asset-
20 backed securities issued by NHMFC directly or through a special purpose entity shall
21 enjoy all the tax exemptions granted under R.A. No. 9267, or the "Securitization Act
22 of 2004," pursuant to the State's policy of promoting the securitization of mortgage
23 and housing-related receivables of government housing agencies, to generate
24 investment and accelerate the growth of the housing finance sector, especially for
25 socialized economic housing.

26 (g) Bonds purchased by private real estate developers shall be considered
27 as an alternative compliance to the balanced housing requirements under Section 18

1 of R.A. No. 7279, as amended by R.A. No. 10884, subject to the rules promulgated
2 by the DHSUD.

3 (h) The Philippine Guaranty Corporation created pursuant to Executive
4 Order No. 58, series of 2018, shall guaranty the payment of the balance outstanding
5 and due on the guaranteed principal obligation, plus interest and yields thereon for
6 socialized housing packages, for low-cost housing packages, for medium-cost
7 housing packages, and for open housing packages, the rates of which is to be
8 determined by the Philippine Guaranty Corporation.

9 **SEC. 7. Capitalization of NHMFC.** - The authorized capital stock of the
10 NHMFC is hereby increased from Five billion, five hundred million pesos
11 (P5,500,000,000.00) to Fifty billion pesos (P50,000,000,000.00) to expand its
12 leveraging capacity based on the volume of mortgage loans being service to improve
13 its profitability by reducing the average cost of its fund made available for home
14 lending programs.

15 The Fifty billion peso (P50,000,000,000.00) capital shall be fully subscribed by
16 the Government of the Republic of the Philippines; Provided, That the
17 P25,000,000,000.00 of the capitalization shall be funded from the General
18 Appropriations Act and the remaining P25,000,000,000 shall be funded from the
19 declared dividends of the NHMFC in favor of the National Government. For this
20 purpose, any and all declared dividends of the NHMFC in favor of the National
21 Government shall be deposited in a special account in the General Fund, and
22 earmarked for the payment of NHMFC's increase in capitalization. Such payment
23 shall be released and disbursed immediately and shall continue until the increase in
24 capitalization has been fully paid.

25 **SEC. 8. Tax Exemptions.** - The NHMFC shall be exempt from all national,
26 provincial, municipal, and city taxes on income derived from its governmental
27 functions, specifically income from its activities or transactions in the exercise of its
28 mandates.

1 **SEC. 9. Multi-Year Obligational Authority.** – The DHSUD and its attached
2 agencies shall be given a multi-year obligational authority for housing programs or
3 projects which will take more than one year to complete that requires multi-year
4 appropriations, subject to the provisions of existing laws and regulations including
5 those of the Commission on Audit and other terms and conditions most favorable to
6 the government.

7 **SEC. 10. Private Sector Participation.** - To fast-track the approval and
8 implementation of housing projects and reduce the cost of socialized and low-cost
9 housing units, the Bureau of Internal Revenue, the Department of Agriculture, the
10 National Irrigation Authority, the Philippine Coconut Authority, the Sugar Regulatory
11 Administration, the Department of Agrarian Reform, the Department of Environment
12 and Natural Resources, the Mines and Geosciences Bureau, the Laguna Lake
13 Development Authority, the Department of the Interior and Local Government, local
14 government units, the Land Registration Authority, DHSUD, and all other agencies,
15 shall facilitate the release of the required housing-related permits, licenses,
16 certifications, and tax exemptions/rulings in accordance with R.A. No. 11032,
17 otherwise known as the "Ease of Doing Business and Efficient Delivery of
18 Government Service Delivery Act of 2018."

19 In case the responsible officers of the agencies concerned fail or refuse to
20 dispose of the application within the periods prescribed under R.A. No. 11032, the
21 applicable administrative and criminal liability stated in Section 22 of R.A. No. 11032
22 shall be imposed.

23 All the incentives enumerated under Section 20(d) of R.A. No. 7279, as
24 amended by R.A. No. 10884, shall be extended to the private sector engaged in
25 socialized and low-cost housing development including the construction and estate
26 management of public rental housing.

27 The participation of owners and/or developers in any of the component
28 programs of this Act shall be treated as one of the manners of compliance to the
29 balanced housing requirements subject to the conditions set forth under R.A. No.
30 7279.

1 **SEC. 11. *Collection Efficiency.*** – In order to improve collection efficiency,
2 the NHA, NHMFC, and the Social Housing Finance Corporation shall have authority to
3 foreclose mortgages and/or evict beneficiaries in accordance with existing laws.

4 **SEC. 12. *Implementing Rules and Regulations.*** – The DHSUD, in
5 consultation with its attached agencies, shall promulgate rules and regulations
6 necessary for the implementation of this Act within ninety (90) days from its
7 effectivity.

8 **SEC. 13. *Separability Clause.*** - If any provision of this Act is declared
9 invalid or unconstitutional, the remaining provisions not affected thereby shall
10 continue to be in full force and effect.

11 **SEC. 14. *Repealing Clause.*** – All laws, decrees, executive orders,
12 proclamations, rules and regulations, and issuances, or parts thereof which are
13 inconsistent with the provisions of this Act, are hereby repealed, amended, or
14 modified accordingly.

15 **SEC. 15. *Effectivity.*** — This Act shall take effect fifteen (15) days after its
16 publication in the *Official Gazette* or in a newspaper of general circulation.

Approved,