

NINETEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
Third Regular Session)

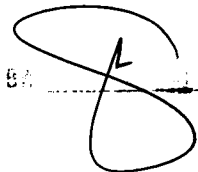
OFFICE OF THE SECRETARY
OF THE SENATE

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SENATE

S. No. 2818

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(In substitution of Senate Bill Nos. 653, 1258 and 1713 taking into consideration House Bill No. 10172)

Prepared and submitted jointly by the Committees on Urban Planning, Housing and Resettlement; Government Corporations and Public Enterprises; Ways and Means; and Finance with Senators Tolentino, Ejercito, Marcos, and Villar (M), as authors thereof

AN ACT

STRENGTHENING THE NATIONAL HOUSING AUTHORITY BY EXTENDING ITS CORPORATE TERM AND RATIONALIZING ITS POWERS, REPEALING PRESIDENTIAL DECREE NO. 757 SERIES OF 1975, AS AMENDED, 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 the "National Housing
2 Authority Act".

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

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

- 1 a. Expand people’s access to affordable, adequate, safe and secure shelter in
2 well-planned and sustainable communities;
- 3 b. Enable informal settler families to live in resilient, vibrant and connected
4 urban communities;
- 5 c. Promote inclusive and integrated housing that is culturally sensitive,
6 responsive to local context and special needs, and in accordance with
7 appropriate standards and designs;
- 8 d. Develop and sustain close partnerships with local government units (LGUs)
9 to enhance and streamline the formulation, preparation and implementation
10 of housing programs;
- 11 e. Develop and sustain investments in the housing and urban development
12 sector by promoting partnerships, improving market linkages, simplifying
13 government procedures and facilitating access to finance, among others;
- 14 f. Improve access to and affordability of housing programs and projects; and
- 15 g. Promote climate change resilient housing and basic infrastructure taking
16 into account the importance of cultural and environmental stewardship, and
17 make land available and accessible for housing.

18 **SEC. 3. *Statement of Objectives.*** - The State, through its primary national
19 government agency engaged in direct housing production, shall endeavor to
20 achieve the following objectives:

- 21 a) Develop integrated, sustainable, safe, affordable and resilient communities,
22 particularly for the underprivileged, homeless and low-income households;
- 23 b) Implement innovative and alternative solutions in addressing the housing needs
24 of informal settler families, the lower-income classes, and the vulnerable sector;

- 1 c) Ensure efficient utilization of existing and future assets to support the programs
2 of the Authority;
- 3 d) Adopt viable land acquisition and management approaches;
- 4 e) Promote fast and efficient response to the needs of families due to natural or
5 human-induced disasters and calamities; and
- 6 f) Strengthen housing as a platform to reduce poverty, promote climate resilience,
7 improve health and socio-cultural outcomes, and promote economic development.

8 **SEC. 4. *Name and Corporate Existence.*** – The National Housing Authority
9 (NHA) herein referred to as the “*Authority*”, created by virtue of Presidential Decree
10 No. 757, series of 1975, as amended, shall continue to exist as a body corporate and
11 shall operate under the provisions of this Act. It shall develop and implement a
12 comprehensive, integrated and affordable housing program. The Authority shall retain
13 its principal office in Metro Manila but may have such regional and district offices, or
14 subsidiaries in other areas all over the country, as it may deem proper and necessary.
15 The Authority shall be under the administrative supervision of the Department of
16 Human Settlements and Urban Development (DHSUD) pursuant to Republic Act No.
17 11201, or the “Department of Human Settlements and Urban Development Act” and
18 shall exist for another fifty (50) years, commencing on July 31, 2025.

19 **SEC. 5. *Capitalization.*** - The authorized capitalization of the Authority shall
20 be increased from five billion pesos (PHP5,000,000,000.00) as provided under
21 Presidential Decree No. 1924, series of 1984 to ten billion pesos
22 (PHP10,000,000,000.00) which shall be fully subscribed by the Republic of the
23 Philippines.

1 **SEC. 6. Powers and Functions of the Authority.** - The Authority shall

2 exercise the following powers and functions:

3 **I. General Powers**

4 a. Exercise the power of succession, to sue and be sued, to adopt and use a seal which
5 shall be judicially noticed;

6 b. Enter into contracts, whenever necessary, under such terms and conditions as it
7 may deem proper and reasonable;

8 c. Acquire property rights and interests, and encumber or otherwise dispose the same,
9 as it may deem appropriate;

10 d. Borrow funds from any source, private or government, foreign or domestic;

11 e. Receive donations, grants, bequests, and fund transfers from private persons or
12 entities and other branches of the government, and utilize the same for the
13 attainment of its objectives. Such donations, grants and bequests shall be exempt
14 from the payment of transfer taxes and be fully deductible from the gross income of
15 the donor or grantor for income tax purposes;

16 f. Maintain a provident fund, which shall consist of contributions made by both the
17 earnings of the Authority and its officers and employees, for the payment of benefits
18 to such officials and employees or their heirs under such terms and conditions, as it
19 may prescribe, subject to the provisions of Republic Act No. 10149, or the "GOCC
20 Governance Act of 2011" and other executive issuances; and

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

23 **II. Management Services**

- 1 a. Formulate and enforce general and specific policies for housing and resettlement
2 according to the National Housing and Urban Development Policy set by the DHSUD;
3 b. Monitor and discharge all responsibilities of the government as may arise from
4 treaties, agreements, and other commitments on housing and resettlement to which
5 it is a signatory, including the determination of forms of assistance for housing
6 development to be extended through multilateral or bilateral assistance programs;
7 c. Develop and maintain a database and census of households and families along
8 waterways, in danger areas, government infrastructure project sites and government-
9 owned lands in Metro Manila and all regions nationwide, which shall be used for
10 subsequent government interventions with housing and resettlement component; and
11 d. Approve restructuring proposals, condonation of interests and penalties, and
12 amnesty for the payment of unpaid amortizations under such terms and conditions as
13 the Board of Directors may prescribe.

14 ***III. Housing Operations and Support Services***

- 15 a) Develop and implement comprehensive and integrated housing and urban and rural
16 development programs for qualified beneficiaries, including but not limited to:
17 i. Upgrading of informal settlements programs to improve blighted urban areas
18 including existing resettlement sites;
19 ii. Production and disposition of shelters for underprivileged and homeless
20 including the provision of housing grants and socialized housing programs
21 pursuant to Republic Act No. 7279 or the "Urban Development Housing Act of
22 1992";
23 iii. Resettlement of informal settler families affected by government
24 infrastructure projects and families living in danger areas;

1 iv. Relocation of families subject of court-ordered eviction; and

2 v. Housing programs for low-income and homeless government employees.

3 b) Prescribe guidelines and standards for the reservation, conservation, and utilization
4 of public lands identified for housing and resettlement;

5 c) Formulate an internal control, monitoring and management system to develop a
6 dynamic organizational culture, ensure efficient operations and financial sustainability,
7 and enforce standards and parameters for site selection, housing design, project
8 management, social preparation, and beneficiary selection, cost recovery and grant
9 schemes, estate management, and project close-out and disengagement, consistent
10 with applicable policies set by the DHSUD;

11 d) Strengthen participation of affected families from the social preparation stage until
12 the actual relocation and resettlement. Housing programs and projects shall be
13 publicly available in a manner that provides housing residents, assisted families and
14 other interested parties an opportunity for a period not shorter than sixty (60) days to
15 study and comment on the measures. The Authority, in preparing a final plan of
16 amendments shall consider comments or views received from stakeholders. The final
17 plan, program, amendment or report shall be made available to the public.

18 e) Provide technical assistance to local government units (LGUs) in the implementation
19 of their own housing programs, or private developers undertaking low-cost housing
20 projects, consistent with the standards and direction set by the DHSUD;

21 f) Undertake financing of housing programs initiated by the LGUs or families affected
22 by calamities and strictly monitor its implementation and completion;

23 g) Extend shelter services to victims of calamities, natural or man-made, as declared
24 by the President;

- 1 h) Expedite the processing and issuance of national and local permits, licenses and
2 certifications in times of national emergency pursuant to Republic Act No. 11517, or
3 "An Act Authorizing the President To Expedite The Processing and Issuance of National
4 and Local Permits, Licenses and Certifications in Times of National Emergency";
- 5 i) Support national government agencies and LGUs requiring assistance in the
6 implementation of their program, and projects for socialized housing by producing
7 housing units for informal settler families and low-income families identified for priority
8 relocation, including those residing in areas earmarked for national infrastructure
9 projects of the Department of Public Works and Highways (DPWH) and the
10 Department of Transportation (DOTr); and
- 11 j) Improve or redevelop completed but not yet turned over housing projects of the
12 Authority, including the demolition of previously erected structures that are
13 determined to be structurally unsound, subject to existing laws and regulations;
- 14 k) Develop and undertake housing development and resettlement projects through
15 joint-ventures or other arrangements with relevant government agencies, LGUs, and
16 private entities to:
- 17 1) ensure the implementation of sustainable livelihood programs and provision
18 of job opportunities, which are responsive to the needs of its housing
19 community;
 - 20 2) construct basic community facilities and implement urban and rural
21 development projects in permanent resettlement areas; and
 - 22 3) strengthen convergence programs for socialized housing beneficiaries.

23 ***IV. Asset Management and Business Development***

- 1 a) Exercise the right of eminent domain, purchase, sell, lease or exchange lands for
2 purposes of housing development, resettlement and other related services and
3 facilities;
- 4 b) Issue bonds or contract loans, credits, or indebtedness, including suppliers' credit
5 or any deferred payment arrangements with any person or entity, domestic or foreign,
6 for the implementation of its housing programs as well as for the refinancing of its
7 debt;
- 8 c) Invest its funds, as it may deem proper, in bonds and securities issued or
9 guaranteed by the government or by the *Bangko Sentral ng Pilipinas (BSP)*;
- 10 d) Ensure the collection and recovery of all indebtedness, liabilities and accountabilities,
11 due from all obligors, whether public or private, with the right to demand payment of
12 the obligations referred to herein. In the event of failure or refusal of the obligor or
13 debtor to comply with the demand, the Authority shall initiate and institute the
14 necessary actions or suits, criminal, civil administrative or otherwise, before the courts,
15 tribunals, commissions, boards or bodies of proper jurisdiction.

16 The Authority may compromise or release, in whole or in part, any interest,
17 penalty or obligation to the Authority in connection with the collection or amortizations
18 from its awardees: *Provided*, however, that the Authority shall have the power to
19 summarily eject and dismantle, without the necessity of judicial order, any and all
20 informal settler families, as well as any illegal occupants in any homelots, apartments,
21 or dwelling units from government resettlement projects, as well as properties owned
22 or administered by it. In all these cases, however, proper notice of ejectment, either
23 by personal service or by posting the same on the lot or door of the apartment, as the
24 case may be, shall be given to the informal settler family or illegal occupant concerned

1 at least ten (10) days before the scheduled ejection from the premises. In the
2 exercise of such power, the Authority shall promulgate guidelines for the
3 implementation of the eviction and dismantling process; and
4 e) Generate additional sources of financing through but not limited to Public-Private
5 Partnerships (PPP) or Build Operate and Transfer (BOT) or any other arrangements
6 between the government and the private sector.

7 **SEC. 7. The Board of Directors; Its Composition.** -The powers of the
8 Authority shall be exercised through the Board of Directors herein referred to as the
9 "Board", which shall be composed of nine (9) members, consisting of the following:
10 Secretary of the DHSUD; Secretary of the DPWH; Secretary of the Department of
11 Finance (DOF); Secretary of the Department of the Interior and Local Government
12 (DILG); Secretary of the Department of Budget and Management (DBM); Director-
13 General of the National Economic and Development Authority (NEDA); General
14 Manager of the Authority and two (2) expert panel members with expertise in housing,
15 urban planning and development.

16 The two (2) expert panel members shall be appointed by the President of the
17 Philippines from a shortlist submitted by the Governance Commission for GOCCs (GCG).

18 They must have the following qualifications: (i) Filipino citizens and of good
19 moral character; (ii) of recognized probity and independence; (iii) have distinguished
20 themselves professionally in public, civic, or academic service; (iv) with at least seven
21 (7) years in the practice of their professions; and (v) have not been appointed within
22 one (1) year after losing in the immediately preceding elections, whether regular or
23 special. The members of the Board shall appoint their respective permanent alternates

1 who shall be officials next in rank to them and whose acts shall be considered as acts
2 of their principals with the right to receive their benefits.

3 The Secretary of the DHSUD shall be the *ex-officio* Chairperson of the Board.
4 All appointive directors must have qualified under the Fit and Proper Rule, as defined
5 by Republic Act No. 10149. An appointive director shall serve for one (1) year, unless
6 sooner removed for cause, however, the appointive director shall continue to hold
7 office until the successor is appointed.

8 The Board shall meet regularly at least once a month but special meetings may
9 be called either by the Chairperson or by five (5) members of the Board, as may be
10 necessary: *Provided*, That five (5) members of the Board shall constitute a quorum
11 and all decisions of the Board shall require the concurrence of at least five (5)
12 members.

13 **SEC. 8. Powers and Functions of the Board.** - The Board shall have the
14 following powers and functions, as well as the usual corporate powers:

- 15 a. Promulgate such rules and regulations, as may be necessary or proper, for
16 the effective exercise of the powers and functions, as well as the discharge of
17 the duties and responsibilities of the Board, its officers, and employees;
- 18 b. Act upon the annual budget and such supplemental budgets of the Authority
19 submitted by the General Manager: *Provided*, That the Board may reduce but
20 may not increase any item proposed by the General Manager;
- 21 c. Subject to the approval of the GCG as provided under Republic Act No. 10149,
22 approve the Authority's organizational and administrative structures and
23 staffing pattern, and establish, fix, review, revise and adjust the appropriate

1 compensation package of its officers and employees as submitted by the
2 General Manager;

3 d. Approve financial or investment schemes and transactions to be entered into
4 by the General Manager;

5 e. Approve all contracts or agreements, as may be necessary, for the attainment
6 of the purposes and objectives of this Act;

7 f. Approve all memoranda of agreements, joint-ventures, long-term leases and
8 management contracts with the private sector, which may include real estate
9 developers or construction companies with dependable reputations and proven
10 track records in developing and managing real estate ventures;

11 g. Prescribe the policy for the condonation or compromise, in whole or in part,
12 of penalties, interests or civil liabilities imposed on beneficiaries with delinquent
13 accounts who, for justifiable reasons, failed to pay on time any obligation due
14 to the Authority;

15 h. Approve annual reports that will be submitted to the President and other
16 special reports, as may be requested; and

17 i. Exercise such other powers necessary for the attainment of the purposes of
18 this Act.

19 **SEC. 9. *Duties and Responsibilities of the General Manager.*** - The
20 General Manager shall be appointed by the President and shall have the following
21 duties and responsibilities:

22 a. Execute and administer the policies and resolutions approved by the Board
23 of Directors and prepare its agenda;

1 b. Direct and supervise the operations, management, and internal affairs of the
2 Authority. The General Manager may delegate certain administrative
3 responsibilities to other officers of the Authority, subject to the rules and
4 regulations promulgated by the Board;

5 c. Recommend the number and compensation of, and appoint, the subordinate
6 officers and personnel of the Authority and to remove, or otherwise discipline,
7 for cause, any such officer or employee pursuant to the provisions of Republic
8 Act No. 10149 and laws, rules and regulations of the Civil Service Commission
9 (CSC);

10 d. Represent the Authority in all dealings with other officers, agencies, and
11 instrumentalities of the Government and with all persons and entities, public or
12 private, domestic or foreign;

13 e. Act in the conduct of the business, on all matters that are not specifically
14 reserved to the Board by this Act;

15 f. Solely confer house and lot or housing unit awards to the eligible beneficiaries
16 based on the beneficiary eligibility criteria provided by the Authority;

17 g. Adjudicate, to the exclusion of court cases filed, matters questioning the
18 propriety of house and lot or housing units awards granted to the Authority's
19 beneficiaries. The Authority shall promulgate its rules and regulations governing
20 the adjudication of cases before it: *Provided*, That the cases decided by the
21 General Manager may be elevated on appeal to the Secretary of the DHSUD;

22 h. Within the limits of the authority delegated to the General Manager by the
23 Board, to execute contracts, incur obligations, acquire and dispose of assets,
24 and documents on behalf of the Authority;

- 1 i. Report and submit to the Board within thirty (30) days after the close of each
2 fiscal year, if applicable, a comprehensive report of the operations of the
3 Authority for the preceding year, and the state of its affairs;
- 4 j. Prepare and submit to the DBM the budget proposals of all kinds for inclusion
5 in the National Expenditure Program (NEP), as approved by the Board; and
- 6 k. Exercise such other powers and duties as may be vested by the Board.

7 **SEC. 10. *Assistant General Managers.*** - The General Manager shall be
8 assisted by three (3) Assistant General Managers, who shall be appointed by the
9 President, upon the recommendation of the General Manager. The General Manager
10 is further authorized to delineate and assign other functional areas or responsibilities
11 of the Assistant General Managers.

12 **SEC. 11. *Qualifications and Appointment.*** – The General Manager and
13 Assistant General Manager of the Authority must be a citizen and resident of the
14 Philippines, of good moral character, of proven integrity, competence and expertise in
15 housing, urban planning and development, and must have qualified under Section 16
16 of Republic Act No.10149.

17 **SEC. 12. *Organizational Structure and Staffing Pattern.*** – Subject to the
18 approval of the GCG, the Board shall determine the Authority's organizational structure,
19 and create new divisions or units, as it may deem necessary in accordance with civil
20 service laws, rules and regulations.

21 Subject to the approval of the GCG as provided under Sections 8 and 9 of
22 Republic Act No. 10149, the General Manager shall likewise determine the rates of
23 allowances, honoraria, and such other additional compensation of its officers, technical
24 staff, and consultants including necessary detailed personnel.

1 **SEC. 13. *Disaster and Emergency Response Housing Office (DERHO).***

2 - There shall be a Disaster and Emergency Response Housing Office (DERHO) under
3 the Authority which shall formulate plans and programs addressing the needs of
4 displaced families due to natural and human-induced disasters and calamities and shall
5 ensure effective implementation of post-disaster or emergency housing programs
6 through sustainable, integrated, multi-sectoral and community-based approaches and
7 strategies, in coordination with the LGUs.

8 **SEC. 14. *Exemption from Taxes and Regulatory Fees.*** – All laws to the

9 contrary notwithstanding, the Authority, its assets and properties, and all accruals
10 thereto and income or investment earnings therefrom, as well as supplies, equipment,
11 papers or documents shall be exempt from any tax, assessment, fee, charge, or
12 customs or import duty, of any kind, whether imposed by local or national entities.

13 The exemption includes, but is not limited to the following: income tax, real
14 property tax, capital gains tax, transfer tax, value-added tax, donor's tax and similar
15 taxes, and building permit fee, fire inspection permit fee, environmental compliance
16 certificate (ECC) fees and other regulatory fees. The Authority shall be exempt from
17 the payment of documentary stamp tax and registration fees, including fees required
18 for the issuance of transfer certificates of titles.

19 **SEC. 15. *Lands for Authority Projects, Management, Conversion and***

20 ***Classification.*** – Lands identified and designated for Housing and Urban and Rural
21 Development, pursuant to Section 24 of Republic Act No. 11201, shall be assessed by
22 the Authority for program or project feasibility. Should the site evaluation be in the
23 affirmative, said lots may be transferred to the Authority for administration.

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 Subject to the approval of concerned government agencies, lands identified
8 and approved by the Authority, for rehabilitation projects to be developed within areas
9 that have been declared under a state of calamity by the President or any competent
10 authority or upon recommendation of the National Disaster Risk Reduction and
11 Management Council (NDRRMC) or any Local Disaster Risk Reduction Management
12 Council (LDRRMC) shall be converted and/or re-classified, in order to facilitate its
13 immediate development. For purposes of site selection under this modality, the
14 Authority shall be guided by the hierarchy of priorities in the acquisition of land under
15 Section 9 of Republic Act No. 7279, and ensure that protected lands, under special
16 laws such as Republic Act No. 8371, or the "Indigenous Peoples' Rights Act of 1997"
17 and Republic Act No. 6657, or the "Comprehensive Agrarian Reform Law of 1988", as
18 amended and other agrarian reform laws shall be preserved for equally important land
19 uses. The Authority, in coordination with the DHSUD, the DILG, the Department of
20 Agriculture (DA), the Department of Agrarian Reform (DAR), the Department of
21 Environment and Natural Resources (DENR) and the National Commission on
22 Indigenous Peoples (NCIP) shall craft the necessary rules and regulations to
23 implement this provision within one hundred eighty (180) days after the approval of
24 the Act.

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

4 The Authority, under the supervision of the DHSUD, shall take the lead in the
5 disposition of activities of the lands intended for calamity victims: *Provided*, That the
6 Authority, in coordination with the LGUs, shall determine the beneficiaries according
7 to existing rules and regulations and undertake the identification and evaluation of
8 lands suitable for disposition.

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

16 **SEC. 17. *Cancellation of Awards.*** - The Authority shall be authorized to
17 revoke the award of beneficiaries of unoccupied and abandoned socialized housing
18 units, consistent with the constitutional requirement of due process: *Provided*, That
19 these housing units have been unoccupied and abandoned for at least one (1) year
20 since the disposition of the housing unit to the beneficiary or these housing units have
21 been abandoned after occupancy for a span of one (1) year: *Provided, further*, That
22 in case of occupation of housing units by another party other than the beneficiary or
23 any member of the household, the award to the original beneficiary shall be revoked.

1 **SEC. 18. Issuance of Bonds.** – Subject to the approval of the Secretary of
2 the DOF, after consultation with the Monetary Board of the BSP the Authority is hereby
3 authorized to issue bonds and other securities to finance the implementation of its
4 housing programs: *Provided*, That only so much of such bonds or securities shall be
5 issued and sold as the annual project implementation would require: *Provided, further*,
6 That no bonds or securities shall be issued unless eighty percent (80%) of those
7 already issued had been sold: *Provided, finally*, That the total amount of the bonds or
8 securities issued shall in no case exceed ten (10) times its paid-up capital and surplus.
9 The Authority, in consultation with the Secretary of the DOF and the Monetary Board,
10 shall prescribe the form, the rate of interest, and denominations, maturities,
11 negotiability, call or redemption features and all other terms and conditions of the
12 bonds and securities to be issued.

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

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

18 **SEC. 19. Guarantee by the Government.** – The Republic of the Philippines
19 may guarantee the payment of both the principal and the interest of the bonds,
20 debentures, collaterals, notes or such other obligations issued or incurred by the
21 Authority by virtue of this Act, and may pay such principal and interest in case the
22 Authority fails to do so. In such event, the Republic of the Philippines shall succeed to
23 all the rights of the holders of such bonds, debentures, collaterals, notes or other
24 instruments to the extent of the payment made, unless the sum so paid by the

1 Republic of the Philippines shall be refunded by the Authority within a reasonable time:
2 *Provided*, That the issuance of the Republic of the Philippines Guarantee shall be
3 subject to necessary approvals from appropriate agencies such as the DOF, the
4 Monetary Board, and the Office of the President.

5 **SEC. 20. Reports.** -The Authority, upon approval of the Board, shall submit
6 an annual report to the Office of the President, copy furnished to the DHSUD,
7 indicating, among others, the housing program being implemented, the stage of
8 implementation, and the financial position of the Authority. It shall likewise submit
9 such periodic or other reports as may be required from time to time.

10 **SEC. 21. Audit.** - The Chairperson of the Commission on Audit (COA) shall
11 appoint a representative and other subordinate personnel to perform and report on
12 such audit duties, responsible to and removable only by the COA Chairperson.

13 **SEC. 22. Establishment and Upgrading of Operational Systems.** -
14 Within one (1) year after the approval of the Act and its Implementing Rules and
15 Regulations, the Authority shall establish and maintain the following systems and
16 mechanisms to ensure the effective performance of its mandate:

17 a. Debt collection management;

18 b. Information technology system that will integrate the records and database
19 of the different regional offices to facilitate exchange of information and record
20 management;

21 c. Database management system including but not limited to:

22 1. Census of households and families living along waterways, danger
23 areas, government infrastructure project sites and government-owned
24 lands in Metro Manila and all regions nationwide;

1 2. Lot awards and billing information;

2 3. Beneficiary profiling; and

3 4. Financial management.

4 d. Internal control system to improve management, administration of properties
5 and disposition of programs.

6 **SEC 23. *Transitory Provision.*** - Nothing in this Act shall operate to abolish
7 the Authority and affect the validity or legality of any right, duty or obligation created
8 by or in respect of the Authority prior to the effectivity of this Act. The Authority shall
9 continue to assume all rights, obligations, and liabilities that it had during the
10 effectivity of its original charter.

11 **SEC 24. *Absorption or Separation from Service of Employees.*** - The
12 existing employees of the Authority, holding permanent appointments, shall enjoy the
13 security of tenure and shall be given priority by the Authority in filling up the positions
14 that may be created upon the approval of the new Organizational Staffing Pattern.
15 The formulation of the new organizational staffing pattern shall be completed within
16 one (1) year after the effectivity of this Act and shall be implemented within a period
17 of six (6) months thereafter.

18 Employees who opt to be separated from the service shall within one (1) month
19 from separation, receive separation benefits in accordance with existing laws. Those
20 who are qualified to retire shall be allowed to retire and be entitled to all the benefits
21 provided under any of the existing retirement laws.

22 **SEC. 25. *Implementing Rules and Regulations.*** - The Authority shall
23 formulate the implementing rules and regulations necessary to effectively carry out
24 the provisions of this Act which shall be approved and promulgated by the Board of

1 Directors of the Authority, not later than ninety (90) days after the approval of this
2 Act.

3 **SEC. 26. *Separability Clause.*** – If any provision of this Act is declared
4 invalid or unconstitutional, the remainder thereof not otherwise affected shall remain
5 in full force and effect.

6 **SEC. 27. *Repealing Clause.*** – Presidential Decree No. 757, series of 1975,
7 as amended, is hereby repealed. All laws, presidential decrees, executive orders,
8 letters of instruction, proclamations or administrative regulations that are inconsistent
9 with the provisions this Act are hereby repealed, amended or modified accordingly.

10 **SEC. 28. *Effectivity Clause.*** — This Act shall take effect after fifteen (15)
11 days following the completion of its publication in the Official Gazette or in a
12 newspaper of general circulation.

13 *Approved,*