

FOURTEENTH CONGRESS OF THE REPUBLIC)
OF THE PHILIPPINES)
First Regular Session)

7 JUL -2 1920

SENATE

RECEIVED BY: 

Senate Bill No. 428

INTRODUCED BY SEN. JINGGOY EJERCITO ESTRADA

EXPLANATORY NOTE

Shelter for the underprivileged and homeless is a mandate provided under the Constitution. Cooperatives are recognized as vital instruments for improving the quality of life of farmers, fisherfolk and small entrepreneurs and their families. This proposal which originated from the leaders and officers of cooperatives throughout the nation provides the legal means by which housing cooperatives shall provide access to and maximize housing opportunities under the law for the homeless, as well as for those who are members of cooperatives and of the community which the cooperatives serve.

Thus, a cooperative may be formed specifically as a service group or a multipurpose cooperative whose primary purpose is housing. Cooperatives already organized and registered may amend their articles of incorporation and by-laws and thereby maximize their capability as a cooperative to provide housing for their members who qualify under laws which have recently been passed to accelerate the provision of housing. A cooperative of agrarian reform grantees may include in their purpose and program the provision of agrarian reform housing which are not only shelters for the grantee and his family but a productivity and livelihood unit from which the family of an agrarian reform grantee will be able to augment the family income with a viable housing unit centered in economic livelihood activities.

This measure also emphasizes the opportunities today available under significant housing legislative measures which the housing cooperative may avail of. It is well-known might hesitate to avail of housing opportunities due to the documentation, paper work and other requirements which might be difficult for a person with an income of or below the poverty threshold to comply with. However, with solid foundation of cooperativism and the membership of a housing cooperative providing assistance and support, many more citizens can avail of the opportunities that housing legislation today offers and makes available to our citizens who need homes or to make secure their entitlement to the small lot and shelter they have today. These significant housing laws are: (1) R.A. 6846 or the Abot Kaya Pabahay Fund; (2) R.A. 6657, The Comprehensive Agrarian Reform Program, Chapter IX, Support Services Projects of the Law; and (3) R.A. 7729, The Urban Development and Housing Act of 1992. Under the Abot Kaya Pabahay Fund, a housing cooperative may avail of amortization support, and as sole proponent or in joint venture with a developer or a contractor of developmental financing.

For the sake of the homeless farmer, fisherfolk and small entrepreneurs and in recognition of cooperatives as practical and egalitarian instruments of balanced, sustained development and in improving the quality of life of our people, approval of this measure is urgently requested.



JINGGOY EJERCITO ESTRADA
Senator

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**AN ACT
TO PROMOTE AND ENCOURAGE THE ORGANIZATION AND SUSTAINED
DEVELOPMENT OF COOPERATIVES AS INSTRUMENTS FOR THE
FULFILLMENT OF THE BASIC NEED OF HOUSING FOR THE HOMELESS
AND UNDERPRIVILEGED AND AMENDING FOR THAT PURPOSE
REPUBLIC ACT NO. 6938, THE COOPERATIVE CODE OF THE PHILIPPINES
AND FOR OTHER PURPOSES**

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

SECTION 1. Short Title. – This Act shall be known as the **"Housing
Cooperative Act of the Philippines"**.

SEC 2. Declaration of Policy. – It is hereby declared the policy of the
State that cooperatives are vital and realistic instruments of people
empowerment and for meeting the basic need of shelter. Towards this end, it
shall promote and encourage the organization of cooperatives for socialized and
economic housing as service cooperatives, the primary purpose of which is to
provide the service of housing for its members and the community or as a
multipurpose or other type of cooperative which shall undertake as one of its
major activities the provision of housing.

SEC 3. Definition of "Housing Cooperative". – A housing cooperative is
one which engages primarily in assisting its members and the members of the
community it serves in the provision of housing and the amenities that
accompany the basic need of shelter. A housing cooperative may be registered
as a service cooperative which engages in housing, or as a multipurpose
cooperative which combines housing services with one or more of other business
activities as a credit consumer, producer or marketing cooperative pursuant to
Article 23 of Republic Act No. 6938, otherwise known as the Cooperative Code of
the Philippines.

SEC 4. Privileges and Rights of a Housing Cooperative. – Article 23 of
Republic Act No. 6938, the Cooperative Code of the Philippines, is hereby
amended by adding a new paragraph "(3)" as follows:

"ART. 23. Types and Categories of Cooperatives:

- (1) Types of Cooperatives – x x x
- (2) Categories of Cooperatives – x x x
- (3) PRIVILEGES AND RIGHTS OF HOUSING COOPERATIVES – A HOUSING COOPERATIVE IS A SERVICE COOPERATIVE PRIMARILY ENGAGED IN ASSISTING OR PROVIDING ACCESS TO HOUSING FOR THE BENEFIT OF ITS MEMBERS OR OF THE COMMUNITY THE COOPERATIVE SERVES. MULTIPURPOSE COOPERATIVES OR ANY OTHER TYPE OF COOPERATIVE SHALL BE DEEMED A HOUSING COOPERATIVE FOR PURPOSES OF THIS ARTICLE WHEN IT COMBINES HOUSING SERVICES WITH ONE OR MORE OF OTHER BUSINESS ACTIVITIES AS ONE OF ITS PRIMARY SERVICES.

A DULY REGISTERED HOUSING COOPERATIVE SHALL HAVE PREFERENTIAL RIGHTS AS FOLLOWS:

- (A) TO APPLY FOR AND BE GRANTED AMORTIZATION SUPPORT PURSUANT TO SECTION 3 (A) OF REPUBLIC ACT NO. 6846, THE ABOT KAYA PABAHAY FUND; *PROVIDED*, THAT THE MEMBERS OF THE COOPERATIVE OR THE NON-MEMBERS WHO ARE PART OF THE COMMUNITY THE COOPERATIVE SERVES WHO SHALL ENJOY THE PRIVILEGE OF AMORTIZATION SUPPORT MEET ALL THE QUALIFICATIONS THEREFOR AS ELIGIBLE BORROWERS FOR LEVEL A OR LEVEL B;
- (B) TO AVAIL OF THE COMMUNITY MORTGAGE PROGRAM AS A LEGALLY ORGANIZED ASSOCIATION WITH UNDERPRIVILEGED AND HOMELESS CITIZENS AS COOPERATIVE MEMBERS OR ON BEHALF OF SAID CITIZENS IN THE COMMUNITY THE COOPERATIVE SERVES PURSUANT TO THE RELEVANT PROVISIONS OF REPUBLIC ACT NO. 7279, THE URBAN DEVELOPMENT AND HOUSING ACT OF 1992."

SEC 5. *Repealing Clause.* – All laws, decrees, executive orders, proclamations, rules and regulations, and other issuances or parts thereof which are inconsistent with the provisions of this Act are hereby repealed or modified accordingly.

SEC 6. *Effectivity.* – This Act shall take effect upon its publication in at least one (1) national newspaper of general circulation.

Approved,