

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

**SENATE**

S. No. 660



Senate  
Office of the Secretary

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Introduced by **SENATOR RAMON BONG REVILLA, JR.** '19 JUL 22 P 2 :07

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**AN ACT**  
**TO PROVIDE FOR A HOUSING PROGRAM FOR TEACHERS**

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**EXPLANATORY NOTE**

The state of our economy today makes it almost impossible for our public school teachers to achieve something so basic to a quality of life they deserve, and that is to have a place to call home. Realistically, the current economic climate makes searching for affordable housing almost impossible and this dilemma resonates through almost all sectors of society, especially for our noble public school teachers.

Most of these teachers cannot afford to have their own homes since property rates have gone up to unattainable numbers. Despite the salary adjustment our public school teachers received, it still doesn't permit them to own a home in this trying economic weather. In addition to this, more than 20% of our public school teachers have unemployed spouses, they bear the burden of putting food on the table and being the breadwinner struggling with a limited income, just trying to make ends meet.

There have been efforts to solve this dilemma by providing for a special homing facility through the state pension fund. However, its implementation got caught up in the web of politics and never pushed through. Thus, it is imperative that we provide for a stable housing program for our teachers through legislation.

This Act aims to institute a housing program for teachers by providing funds through loans at very affordable interest and flexible repayment period, which our teachers can use

to purchase a housing unit of their own choice. It also seeks to involve the private sector in providing housing units exclusively for teachers through the grant of fiscal incentives.

The State recognizes the plight of our noble teachers, hence, the passage of this bill is into law is earnestly sought.

  
**RAMON BONG REVILLA, JR.**

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AN ACT  
TO PROVIDE FOR A HOUSING PROGRAM FOR TEACHERS

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

1 Section 1. *Title.* - This Act shall be known as the "Teacher's Housing Program".

2 Sec. 2. *Declaration of Policy.* - It is hereby declared the policy of the State to  
3 uplift the living conditions of teachers and promote a housing program to enable them  
4 to acquire their own housing units. To this end, the State affirms its commitment to  
5 strength, promote, and support the component activities of housing production and  
6 finance in order to enable teachers to acquire decent housing and basic services at  
7 the lowest affordable price.

8 Sec. 3. *Coverage.* - The Program shall cover the teachers of the Department of  
9 Education (DepEd) with a permanent status.

10 Sec. 4. *Role of Government Housing and Financing Agencies.* - To ensure the  
11 accomplishment of the objectives under this program, the hereunder mentioned  
12 housing agencies shall perform the following in addition to their respective existing  
13 powers and functions:

14 (a) The National Housing Authority shall undertake special  
15 housing projects for teachers. In addition, it may also provide  
16 technical and other forms of assistance to private developers  
17 in the development of housing projects;

18

1 (b) The National Home Mortgage Finance Corporation shall  
2 provide the mortgage market for teacher's housing through the  
3 purchase of

4 Teacher's housing mortgages and/or issuance of securities. It  
5 shall administer the funds provided for housing loans and  
6 developer assistance under this Act as well as long-term funds  
7 provided by the Government Service Insurance System and the  
8 Home Development Mutual Fund for teacher's housing.

9 (c) The Home Guaranty Corporation shall design an appropriate  
10 guarantee scheme to encourage financial institutions and  
11 private developers to undertake mass housing production for  
12 teachers. It shall administer the Guarantee System Fund as  
13 provided for under this Act.

14 (d) The Government Service Insurance System and the  
15 Development Mutual fund shall be the primary provider of  
16 funds for long-term housing mortgages.

17 *Sec. 5. Role of the DepEd.* - The Department of Education shall undertake the  
18 implementation of the program among its teachers and shall ensure collection of  
19 amortization payments through a salary deduction scheme In line with this, the DepEd  
20 shall:

21 (a) Create a Teacher's Housing Secretariat which shall issue  
22 and collect the necessary documentation, receive and process  
23 application, and transfer the same to the appropriate housing  
24 agencies;

25 (b) Deduct amortization from their teachers on a monthly basis  
26 and remit the same to the appropriate agency.

27 *Sec. 6. Program Financing Scheme.* - In the implementation of the Teacher's  
28 Housing Program, the following shall consist the financing scheme:

29 (a) Housing Loans for Teachers which shall be used for any of  
30 the following purpose:  
31

- 1                   1. Purchase of a lot and construction of a residential unit
- 2                   thereon;
- 3                   2. Purchase of any of the following:
- 4                   i.       brand new or old existing units;
- 5                   ii.      housing properties mortgaged with any
- 6                   institution;
- 7                   iii.     housing assets being disposed through public
- 8                   bidding or negotiated sale;
- 9                   3. Purchase of a fully developed lot within a residential area;
- 10                  4. Construction of completion of a residential unit on a lot
- 11                  owned by the beneficiary;
- 12                  5. Home' improvement or any alteration in an existing
- 13                  residential unit;
- 14                  6. Restructuring of an existing housing loan in any government
- 15                  housing of financial institution, provided that the account is
- 16                  updated.

17           Loans provided under this program shall be computed based on a net take  
18 home pay which shall not be lower than Three Thousand Pesos (Php 3,000.00). The  
19 interest rate on the loan shall not be more than twelve percent (12%) per annum and  
20 shall be fixed for the entire term of the loan. Provided, That if the borrower defaults  
21 on his amortization payment for reasons of his own doing, the financing agency may  
22 subject the borrower to a regular interest rate for the periods that he/she is in default.

23           To increase the benefits provided to teachers, loans under this scheme shall  
24 not be subject to such charges, fees or premiums except minimum processing fees to  
25 be charged by the appropriate agencies.

26           Loans provided for teachers earning less than Twelve Thousand Pesos (Php  
27 12,000.00) per month shall not be less than sixty percent (60%) of all available funds  
28 allotted for this purpose. At least forty five percent (45%) of the year appropriation  
29 for the Program shall be for Housing Loans.

30  
31           (b) Developer Assistance Fund – Proponents or developers of  
32 housing projects exclusively for teachers and with a selling cost

1 not exceeding One Hundred Twenty Thousand pesos (Php  
2 120,000.00) per house and/or lot package which shall be  
3 available exclusively for teachers, may avail of a financing loan  
4 not exceeding eighty percent (80%) of the entire project cost.  
5 The National Home Mortgage and Finance Corporation, in  
6 coordination with the HUDCC, shall issue the appropriate  
7 guidelines for this purpose.

8 At least fifteen percent (15%) of the early appropriation for the program shall  
9 be for developer financing: Provided, that the unused funds for developer financing  
10 shall be utilized for Housing Loans.

11 (c) Guarantee System Fund – There is hereby created a  
12 guarantee system fund for Teacher's Housing Loans not  
13 exceeding One Hundred Fifty Thousand Pesos (Php 150,000.00)  
14 with an interest rate of not exceeding twelve percent (12  
15 percent) per annum as originate by the funding agencies or  
16 their accredited financial institutions. Such loans shall be  
17 assigned to the Fund immediately after origination for which  
18 the Fund shall issue promissory notes.

19 At least forty percent (40%) of the yearly appropriation for the Programs shall  
20 be for the loan guarantee. The Home Guarantee Corporation shall undertake the  
21 guarantee system under this act and shall act as the administration and trustee of the  
22 fund. The HGC shall issue the appropriate guidelines within one (1) year from the  
23 approval of this Act.

24 *Sec. 7. Fiscal Incentives for Private Sector participation in Teacher's Housing. -*

25 Private sector developers who participate in the development of teacher's housing  
26 shall be entitled to the following fiscal incentives:

- 27 (a) Exemption from income taxes for housing projects  
28 exclusively dedicated for teachers;  
29 (b) Exemption from capital gains tax on housing projects  
30 exclusively dedicated for teachers;

31

- 1 (c) Exemption from documentary stamp tax for all project  
2 related documentation;  
3 (d) Exemption from value-added tax for the project concerned;  
4 (e) Exemption from transfer taxes for both raw and completed  
5 projects; and,  
6 (f) Exemption from donor's tax for lands certified by the local  
7 government units to have been donated to teacher's housing  
8 purposes.

9 Provided, That upon application for exemption, the housing development plan  
10 shall have already been approved by the appropriate government agencies concerned:  
11 Provided further, that all the savings acquired by virtue of this provision shall be used  
12 to minimize the cost of the housing units subject to the implementing guidelines to be  
13 issued by the Housing and Urban Development Coordinating Council.

14 The Department of Finance, in consultation with the Housing and Urban  
15 Development Coordinating Council, shall prepare the necessary implementing  
16 guidelines for the proper implementation of the tax exemption mentioned in this  
17 section within one (1) after the approval of this Act.

18 *Sec. 8. Funding Source.* - The Government Service Insurance System and the  
19 Home Development Mutual Fund shall contribute a total of Two Billion Pesos  
20 (P2,000,000,000) for the initial implementation of the Program. Thereafter, each  
21 institution shall allocate at least ten percent (10%) of their annual investible funds for  
22 long-term teacher's housing mortgages and shall be made available to the National  
23 Home Mortgage and Finance Corporation under terms which ensure their repayment.  
24 The National Government shall contribute One Billion Pesos (P1,000,000,000) annually  
25 for the continuous implementation  
26 of the Program.

27 *Sec. 9. Appropriation.* - The amount necessary to carry out the purposes of this  
28 Act shall be included in the General Appropriations Act of the year following its  
29 enactment into law and every year thereafter.

30 *Sec. 10. Separability.* - If for any reason, any provision of this Act is declared  
31 invalid or unconstitutional, the remaining provisions not affected thereby shall  
32 continue to be in full force and effect.

1           Sec. 11. *Effectivity.* - This act shall take effect fifteen (15) days after its  
2 complete publication in at least two (2) national newspapers of general circulation.

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4           *Approved,*