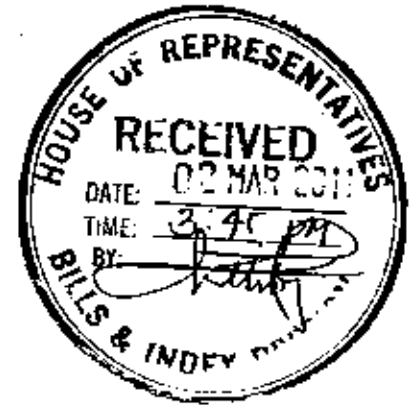




Republic of the Philippines
House of Representatives
Quezon City, Metro Manila

15th Congress
1st Regular Session



COMMITTEE REPORT NO. 693

Submitted by the Committee on Housing and Urban Development on 02 MAR 2011
Re: House Bill No: 2316
Recommending its approval in substitution of House Bill Nos. 215 and 915
Sponsors: Representatives Valencia, Yap, and Gunigundo

Mr. Speaker:

The Committee on Housing and Urban Development to which were referred House Bill No. 215 introduced by Rep. Gunigundo, entitled:

"AN ACT TO AMEND PRESIDENTIAL DECREE 957 TO INCREASE THE PENALTIES FOR VIOLATION THEREOF";

and House Bill No. 915 introduced by Rep. Yap, entitled:

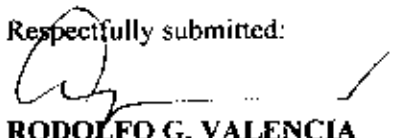
"AN ACT TO INSTITUTE REFORMS IN THE SUBDIVISION AND CONDOMINIUM BUYERS' PROTECTIVE DECREE"

has considered the same and recommends that the attached House Bill No. 2316, entitled:

"AN ACT TO INSTITUTE REFORMS IN THE SUBDIVISION AND CONDOMINIUM BUYERS' PROTECTIVE DECREE"

be approved in substitution of House Bill Nos. 215 and 915 with Reps. Yap, Gunigundo, and Ocampo as authors thereof.

Respectfully submitted:


RODOLFO G. VALENCIA

Chairman

Committee on Housing and Urban Development

THE HONORABLE SPEAKER
HOUSE OF REPRESENTATIVES
QUEZON CITY

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

FIFTEENTH CONGRESS

First Regular Session

HOUSE BILL NO. 2316

Introduced by: Representatives Susan A. Yap, Magtanggol T. Gunigundo I, and
Rosenda Ann M. Ocampo

AN ACT
INSTITUTING REFORMS IN THE SUBDIVISION AND CONDOMINIUM BUYERS'
PROTECTIVE DECREE

*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 Subdivision and
Condominium Buyers’ Protective Decree Amendments of 2011.”

SEC. 2. *Declaration of Policy.* – It is the policy of the State to undertake, in
cooperation with the private sector, a comprehensive and continuing urban
development. Toward this end, certain remedial reforms ought to be introduced to
the operational provisions of the Subdivision and Condominium Buyers’ Protective
Decree in order to strengthen and make the same responsive and attuned to the
needs of the present times.

SEC. 3. *Remedial Provisions.* – For purposes of this Act and in order to
strengthen Presidential Decree No. 957, entitled: “Regulating the Sale of
Subdivision Lots and Condominiums, Providing Penalties for Violation Thereof”
otherwise known as “The Subdivision and Condominiums Buyers’ Protective
Decree,” the following provisions are hereby amended:

(a) Paragraph (n), Sec. 2 of P.D. 957 is hereby amended to read as follows:

1 “(n) [Authority. “Authority”] **BOARD**. “BOARD” shall mean the [National
2 Housing Authority] HOUSING AND LAND USE REGULATORY BOARD.”

3 The term “Authority” found elsewhere in the decree is hereby amended to
4 read as “BOARD”.

5 **(b)** Section 3 of P.D. No. 957 is hereby amended to read as follows:

6 “**Sec. 3.** [National Housing Authority. – The National Housing Authority]
7 **HOUSING AND LAND USE REGULATORY BOARD. - THE HOUSING AND**
8 **LAND USE REGULATORY BOARD** shall have exclusive jurisdiction to
9 regulate the real estate trade and business in accordance with the provisions of
10 this Decree.

11 **(c)** Paragraph 1, Section 5 of P.D. No. 957 is hereby amended to read as
12 follows:

13 “**SEC. 5. License to Sell. - A CERTIFICATE OF REGISTRATION DOES**
14 **NOT AUTHORIZE** [S]such owner or dealer [to whom has been issued a
15 registration certificate shall not, however, be authorized] to sell any subdivision
16 lot or condominium unit in the registered project [unless] **UNTIL** he shall have
17 first obtained a license to sell the project within two weeks from the registration
18 of such project.”

19 **(d)** Paragraph 1, Section 17 of P.D. No. 957 is hereby amended to read as
20 follows:

21 “**SEC. 17. Registration.** – All [contracts to sell,] deeds of sale [and
22 other similar instruments relative to the sale or conveyance] of [the]
23 subdivision lots and condominiums units, [whether or not the] **WHOSE**
24 purchase price is **ALREADY** paid in full[,] shall be registered by the seller in
25 the Office of the Register of Deeds of the province or city where the
26 property is situated **AT HIS EXPENSE. IN CASES OF INSTALLMENT**

1 PAYMENTS, THE CONTRACT TO SELL SHALL ALSO BE REGISTERED
2 BY THE DEVELOPER WITH THE PROPER REGISTER OF DEEDS, THE
3 EXPENSE FOR WHICH SHALL BE SHARED PROPORTIONATELY BY
4 THE SELLER AND THE BUYER: *PROVIDED, HOWEVER*, THAT IN
5 CASE OF CANCELLATION OR RESCISSION OF SAID CONTRACT TO
6 SELL, SUCH REGISTRATION OF CONTRACT TO SELL SHALL BE
7 CANCELLED BY THE PROPER REGISTER OF DEEDS, WITHOUT NEED
8 OF ANY COURT ORDER, UPON EXECUTION BY THE SELLER OF AN
9 AFFIDAVIT THAT SAID CONTRACT TO SELL HAS BEEN CANCELLED
10 OR RESCINDED DUE TO DEFAULT ON THE PART OF THE BUYER,
11 WITHOUT PREJUDICE TO THE RIGHTS OF THE BUYER UNDER
12 REPUBLIC ACT NO. 6552, OTHERWISE KNOWN AS THE "REALTY
13 INSTALLMENT BUYER PROTECTION ACT": *PROVIDED, FINALLY*,
14 THAT THE BOARD SHALL HAVE JURISDICTION OVER DISPUTES
15 BETWEEN THE BUYER AND THE SELLER REGARDING THE
16 CANCELLATION OF THE REGISTRATION OF A CONTRACT TO SELL."

17 (e) Section 18 of P.D. No. 957 is hereby amended to read as follows:

18 "SEC. 18. *Mortgages*. – No mortgage on any unit or lot shall be made
19 by the owner or developer without prior written approval of the [Authority]
20 BOARD. Such approval shall not be granted unless it is shown that the
21 proceeds of the mortgage loan shall be used for the development of the
22 condominium or subdivision project and effective measures have been
23 provided to ensure such utilization. The loan value of each lot or unit
24 covered by the mortgage shall be determined and the buyer thereof, if any,
25 shall be notified before the release of the loan. THE DEED OF SALE OR
26 CONTRACT TO SELL COVERING A LOT OR UNIT SUBJECT OF A

1 **MORTGAGE SHALL INCLUDE A PARTIAL RELEASE CLAUSE OR A**
2 **PROVISION GUARANTEEING THE IMMEDIATE RELEASE OF THE**
3 **TITLE TO SAID LOT OR UNIT UPON FULL PAYMENT BY ITS BUYER.**

4 The buyer may[, at his option, pay his] **OPT TO PAY THE** installment for
5 the lot or unit directly to the mortgagee who shall apply the payments to the
6 corresponding mortgage indebtedness secured by the particular lot or unit
7 being paid for, with a view to enabling said buyer to obtain title over the lot
8 or unit promptly after full payment thereof.

9 **"IN CASE A COMPLAINT IS FILED FOR THE IMMEDIATE**
10 **RELEASE OF THE TITLE UPON FULL PAYMENT OF A PROPERTY,**
11 **THE MORTGAGEE MUST BE IMPEADED AS AN INDISPENSABLE**
12 **PARTY."**

13 (f) Section 20 of P.D. No. 957 is hereby amended to read as follows:

14 **"SEC. 20. *Time of Completion.*** – Every owner or developer shall
15 construct and provide the facilities, improvements, infrastructures and other
16 forms of development, including water supply [and], lighting facilities, **AND**
17 **DEVELOPMENT OF ROADS, AS PROVIDED FOR** [which are offered and
18 indicated] in the approved subdivision or condominium plans, brochures,
19 prospectus, printed matters, letters or in any form of advertisement, within
20 [one year] **EIGHTEEN (18) MONTHS** from the date of the issuance of the
21 license for the subdivision or condominium projects or such other period of
22 time as may be fixed by the [Authority] **BOARD: PROVIDED, THAT IN**
23 **CASES OF FORTUITOUS EVENTS, THE BOARD SHALL THEREAFTER,**
24 **UPON EVALUATION OF THE NATURE OF THE PROJECT AND THE**
25 **CAPABILITY OF THE DEVELOPER TO COMPLETE THE SAME,**

1 DETERMINE THE REASONABLE TIME WITHIN WHICH THE PROJECTS
2 SHALL BE COMPLETED.

3 "IN THE EVENT THAT THE OWNER OR DEVELOPER FAILS TO
4 COMPLETE THE DEVELOPMENT OF THE PROJECT AFTER THE
5 PERIOD OF EIGHTEEN (18) MONTHS MANDATED ABOVE FOR ITS
6 COMPLETION FROM THE DATE OF THE ISSUANCE OF THE LICENSE
7 FOR THE SUBDIVISION OR CONDOMINIUM PROJECT, AND UNLESS
8 THE BOARD SETS ANOTHER TIME FOR COMPLETION OWING TO
9 THE CIRCUMSTANCES STATED ABOVE, THE BOARD SHALL, UPON
10 WRITTEN NOTICE TO THE DEVELOPER OR THROUGH PUBLICATION
11 WHERE THE DEVELOPER CANNOT BE LOCATED, DECLARE THE
12 PROJECT ABANDONED AND THE ROADS IN THE ABANDONED
13 PROJECT SHALL BECOME PUBLIC IN CHARACTER ONE YEAR FROM
14 THE DECLARATION OF ABANDONMENT OF THE PROJECT."

15 (g) Section 22 of P.D. No. 957 is hereby amended to read as follows:

16 "SEC. 22. *Alteration of Plans.* – No owner or developer shall change
17 or alter the roads, open spaces, infrastructures, facilities for public use
18 and/or other forms of subdivision OR CONDOMINIUM development as
19 contained in the approved subdivision OR CONDOMINIUM plan and/or
20 represented in its advertisements, without the permission of the [Authority]
21 BOARD and the written conformity or consent of the duly organized
22 homeowners association OR CONDOMINIUM CORPORATION, or in the
23 absence of the latter, by the majority of the [lot] buyers [in the] OF
24 subdivision LOTS OR CONDOMINIUM UNITS WHO HAVE ALREADY
25 PAID AT LEAST FIFTY PERCENT (50%) OF THE PURCHASE PRICE.

26 (h) Section 25 of P.D. No. 957 is hereby amended to read as follows:

1 **"SEC. 25. Issuance of Title.** – The owner or developer shall deliver
2 the title of the lot or unit to the buyer upon full payment of the lot or unit a[.];
3 **PROVIDED, THAT WHERE THE OWNER OR DEVELOPER PROPERLY**
4 **PROCESSED AND SUBMITTED THE DOCUMENTS TO THE**
5 **GOVERNMENT AGENCIES CONCERNED FOR THE ISSUANCE OF**
6 **TITLE AND CAN SHOW PROOF OF THE SAME AND THE DELAY IN**
7 **THE ISSUANCE OF TITLE IS NOT THE FAULT OF SUCH OWNER OR**
8 **DEVELOPER OR WHERE THE NON-ISSUANCE IS PURSUANT TO A**
9 **COURT ORDER, THE OWNER OR DEVELOPER SHALL NOT BE HELD**
10 **LIABLE FOR SUCH DELAY OR NON-ISSUANCE OF TITLE.**

11 "No fee, except those required for the registration of the deed of sale
12 in the Registry of Deeds, shall be collected for the issuance of such title. In
13 the event a mortgage over the lot or unit is outstanding at the time of the
14 issuance of the title to the buyer, the owner or developer shall redeem the
15 mortgage or the corresponding portion thereof [within six months]
16 **IMMEDIATELY** from such issuance in order that the title over any fully paid
17 lot or unit may be secured and delivered to the buyer in accordance
18 herewith. **IN SUCH A CASE, THE MORTGAGEE SHALL NOT**
19 **UNREASONABLY REFUSE RELEASE OF THE TITLE BASED ON THE**
20 **LOAN VALUE THEREOF."**

21 (i) Section 27 of P.D. No. 957 is hereby amended to read as follows:

22 **"SEC. 27. Other Charges.** – No owner or developer shall levy upon
23 any lot or unit buyer a fee for an alleged community benefit. Fees to finance
24 services for common comfort, security and sanitation may be collected only
25 by a properly organized homeowners association **OR CONDOMINIUM**

CORPORATION and only with the consent of a majority of the lot or unit buyers actually residing in the subdivision or condominium project.

(j) Section 31 of P.D. No. 957, as amended by P.D. No. 1216, is hereby amended to read as follows:

"SECTION 31. Roads, Alleys, Sidewalks and Open Spaces –

The owner [as] OR developer of a subdivision shall provide adequate roads, alleys and sidewalks. For subdivision projects one (1) hectare or more, the owner or developer shall reserve thirty percent (30%) of the gross area for open space **EXCLUSIVELY FOR ROADS, ALLEYS, SIDEWALKS, SCHOOLS, PLACES OF WORSHIP, HOSPITALS, HEALTH CENTERS, BARANGAY CENTERS, PARKS, PLAYGROUNDS, RECREATIONAL USES, CLUBHOUSES, AND OTHER SIMILAR FACILITIES AND AMENITIES.**

Such open space shall have the following standards allocated exclusively for parks, playgrounds and recreational use:

- a. 9% of gross area for high density or social housing (66 to 100 family lots per gross hectare).
- b. 7% of gross area for medium-density or economic housing (21 to 65 family lots per gross hectare).
- c. 3.5% of gross area for low-density or open market housing (20 family lots and below per gross hectare).

These areas reserved for parks, playgrounds and recreational use shall be [non-alienable public lands, and non-buildable] **EXCLUSIVELY FOR THEIR INTENDED PURPOSES.** The plans of the subdivision project shall include tree planting on such parts of the subdivision as may be designated by the [Authority] **BOARD.**

1 Upon their completion **PURSUANT TO SECTION 20 HEREOF**
2 **AND** as certified to by the [Authority] **BOARD**, the roads, alleys, **AND**
3 sidewalks[, and playgrounds,] shall, **WITH THE CONSENT OF THE**
4 **HOMEOWNERS' ASSOCIATION UPON CONSULTATION**, be
5 donated by the owner or developer to the city or municipality and it
6 shall be mandatory for the local governments to accept: **PROVIDED,**
7 **THAT OPEN SPACES RESERVED FOR SCHOOLS, PLACES OF**
8 **WORSHIP, HOSPITALS, HEALTH CENTERS, AND BARANGAY**
9 **CENTERS SHALL BE DONATED BY THE OWNER OR**
10 **DEVELOPER TO THE CITY OR MUNICIPALITY AND IT SHALL**
11 **LIKEWISE BE MANDATORY FOR THE LOCAL GOVERNMENTS TO**
12 **ACCEPT:** *Provided, however,* that the **OPEN SPACES RESERVED**
13 **EXCLUSIVELY FOR** parks, [and] playgrounds, [may]
14 **RECREATIONAL USES, CLUBHOUSES, AND OTHER SIMILAR**
15 **FACILITIES AND AMENITIES SHALL** be donated to the Homeowners
16 Association of the project with the consent of the city or municipality
17 concerned. **UPON ACCEPTANCE OF THE DONATION BY THE**
18 **CITY OR MUNICIPALITY OR THE HOMEOWNERS' ASSOCIATION**
19 **CONCERNED, [N]no portion of the [parks and playgrounds] AREA**
20 donated thereafter shall be converted to any other purpose or
21 purposes: **PROVIDED, FURTHER, THAT ROADS IN SUBDIVISIONS**
22 **WHICH HAVE BECOME PUBLIC IN CHARACTER ONE YEAR**
23 **AFTER THE DECLARATION OF ABANDONMENT BY THE BOARD**
24 **OF THE SUBDIVISION PROJECT WHERE THEY ARE LOCATED**
25 **SHALL IPSO FACTO BECOME THE PROPERTY OF THE LOCAL**

1 **GOVERNMENT UNIT THAT HAS JURISDICTION OVER THE SAID**
2 **ROADS.”**

3 (k) Section 38 of P.D. No. 957 is hereby amended to read as follows:

4 **“SEC. 38. *Administrative Fines.*** - The [Authority] **BOARD** may prescribe
5 and impose **A** fine[s] not exceeding [ten] **FIFTY** thousand pesos (**₱50,000.00**)
6 for **EACH** violation[s] **OF ANY** of the provisions of this Decree or of any rule or
7 regulation thereunder. Fines shall be payable to the [Authority] **BOARD** and
8 enforceable through writs of execution in accordance with the provisions of the
9 Rules of Court.”

10 (l) Section 39 of P.D. No. 957 is hereby amended to read as follows:

11 **“SEC. 39. *Penalties.*** – Any person who shall violate any of the
12 provisions of this Decree and/or any rule or regulation that may be issued
13 pursuant to this Decree, **INCLUDING, BUT NOT LIMITED TO, THE**
14 **FAILURE TO COMPLETE THE DEVELOPMENT OF THE PROJECT**
15 **WITHIN THE PRESCRIBED PERIOD PURSUANT TO SECTION 20**
16 **HEREOF, FAILURE TO REFUND THE PURCHASE PRICE OR THE**
17 **INSTALLMENT PAYMENT MADE IN VIOLATION OF SECTION 23**
18 **HEREOF, FAILURE TO DELIVER THE TITLE PURSUANT TO SECTION**
19 **25 HEREOF, FAILURE TO FOLLOW CONSTRUCTION SPECIFICATIONS**
20 **OR POOR WORKMANSHIP RESULTING TO SUB-STANDARD UNITS**
21 **OR TO CONSTRUCTION DEFECTS,** shall [, upon conviction, be punished
22 by a fine of not more than twenty thousand pesos (**₱20,000.00**) and/or
23 imprisonment of not more than ten years: *Provided, That in* **SUFFER:**

24 **A) ON THE FIRST OFFENSE, A FINE OF NOT MORE THAN FIVE**
25 **HUNDRED THOUSAND PESOS (₱500,000.00) OR FIFTY PERCENT**
26 **(50%) OF THE TOTAL PURCHASE PRICE OF THE PROPERTY AS**

1 **STATED IN THE CONTRACT TO SELL OR DEED OF SALE, INCLUDING**
2 **ALL THE CHARGES IMPOSED BY THE DEVELOPER WHICHEVER IS**
3 **HIGHER AND/OR IMPRISONMENT OF NOT MORE THAN FOUR (4)**
4 **YEARS, AT THE DISCRETION OF THE COURT;**

5 **B) ON THE SECOND OFFENSE, A FINE OF NOT MORE THAN**
6 **SEVEN HUNDRED FIFTY THOUSAND PESOS (P750, 000.00) OR**
7 **SEVENTY-FIVE PERCENT (75%) OF THE TOTAL PURCHASE PRICE OF**
8 **THE PROPERTY AS STATED IN THE CONTRACT TO SELL OR DEED**
9 **OF SALE, INCLUDING ALL THE CHARGES IMPOSED BY THE**
10 **DEVELOPER WHICHEVER IS HIGHER AND/OR IMPRISONMENT OF**
11 **NOT MORE THAN SEVEN (7) YEARS, AT THE DISCRETION OF THE**
12 **COURT; AND**

13 **C) ON THE THIRD OFFENSE, IN ADDITION TO A FINE OF NOT**
14 **MORE THAN ONE MILLION PESOS (P1,000,000.00) OR ONE HUNDRED**
15 **PERCENT (100%) OF THE TOTAL PURCHASE PRICE OF THE**
16 **PROPERTY AS STATED IN THE CONTRACT TO SELL OR DEED OF**
17 **SALE, INCLUDING ALL THE CHARGES IMPOSED BY THE**
18 **DEVELOPER WHICHEVER IS HIGHER AND/OR IMPRISONMENT OF**
19 **NOT MORE THAN TEN (10) YEARS, AT THE DISCRETION OF THE**
20 **COURT, THE BUSINESS PERMITS AND LICENSES, IN THE CASE OF A**
21 **BUSINESS ENTITY OR ESTABLISHMENT, SHALL BE REVOKED OR**
22 **CANCELLED.**

23 **IF BY REASON OF ADVERTISEMENTS IN VIOLATION OF THIS**
24 **DECREE, A REAL ESTATE OR A CONDOMINIUM UNIT IS SOLD, AN**
25 **ADDITIONAL FINE OF NOT LESS THAN FIVE HUNDRED THOUSAND**
26 **(P500,000.00) SHALL BE IMPOSED FOR EVERY UNIT SOLD.**

1 **IN** the case of corporations, partnership, cooperatives, or associations,
2 the President, Manager or Administrator or the person who has charge of
3 the administration of the business shall be criminally responsible for any
4 violation of this Decree and/or the rules and regulations promulgated
5 pursuant thereto."

6 **SEC. 4. Repealing Clause.** – All laws, decrees, executive orders,
7 proclamations, rules and regulations, and other issuances, or part or parts
8 thereof, which are inconsistent with the provisions of this Act are hereby repealed
9 or modified accordingly.

10 **SEC. 5. Separability Clause.** – If for any reason, any provision of this Act is
11 declared invalid or unconstitutional, the remaining provisions not affected thereby
12 shall continue to be in force and effect.

13 **SEC. 6. Effectivity Clause.** – This Act shall take effect fifteen (15) days after
14 the completion of its publication in the Official Gazette or at least two (2) newspapers
15 of general circulation.

16 Approved,

FACT SHEET

House Bill No. _____

(As Approved on February 9, 2011)

AN ACT INSTITUTING REFORMS IN THE SUBDIVISION AND CONDOMINIUM BUYERS' PROTECTIVE DECREE

Introduced by: REPS. YAP, GUNIGUNDO, and OCAMPO

Committee Referral: COMMITTEE ON HOUSING AND URBAN DEVELOPMENT

Committee Chairperson: REP. RODOLFO G. VALENCIA

OBJECTIVES:

- To amend Presidential Decree (PD) 957 or the Subdivision and Condominium Buyers' Protective Decree with the end view of instituting reform measures, making it more responsive and attuned to the needs of the present times.
- To increase the penalties provided under PD 957 to serve as a deterrent to the habitual and deliberate violation of the same by unscrupulous developers and, thereby, ensure further protection to the buyers of subdivision lots and condominium units.

KEY PROVISIONS:

- Makes simpler and unequivocal the provision that a certificate of registration does not vest the owner or dealer of a project the authority to sell without the necessary license to sell
- Mandates the registration by the developer of a contract to sell under an installment scheme, the registration expenses of which would be shared proportionately by the seller and the buyer, on top of the mandate for the seller to register all deeds of sale of subdivision lots and condominium units that are already paid in full at his expense
- Mandates, likewise, that the said registration of a contract to sell shall be cancelled by the proper register of deeds, without the need of a court order, upon execution by the developer of an affidavit that the cancellation or rescission was due to default on the part of the buyer, further mandating that disputes between the contracting parties regarding the cancellation of the registration of a contract to sell shall be adjudicated upon by the Housing and Land Use Regulatory Board (HLURB)
- Mandates the inclusion in the deed of sale covering a lot or unit subject of a mortgage a partial release clause or a provision ensuring the immediate release

of the title to the buyer of a lot or unit upon full payment

- Requires a developer to complete a project within eighteen (18) months from the date of issuance of license for said project and should a developer fail to complete a project due to a fortuitous event, the HLURB is mandated to determine the reasonable time within which the project must be completed
- Gives the HLURB the authority, upon written notice to the developer or through publication where the developer cannot be located, to declare a subdivision project abandoned where the developer fails to complete the development of the said project after 18 months absent a fortuitous event, and the roads in said abandoned project shall become public in character one (1) year after it was pronounced abandoned and shall become the property of the local government unit that has jurisdiction over them
- Prohibits the change or alteration of roads, open spaces, infrastructures, facilities for public use and/or other forms of subdivision or condominium development by the developer unless permitted by the HLURB and the homeowners association or condominium corporation gives its written consent or conformity or, in the absence of such homeowners association or condominium corporation, the required consent or conformity should come from the majority of the subdivision lot or condominium unit buyers who have paid at least fifty percent (50%) of the purchase price
- Frees the developer from any liability for the delay or non-issuance of title if he can show proof that he has properly processed and submitted the required documents to the concerned government agencies and the delay is not due to his fault or where the non-issuance is pursuant to a court order
- Mandates the developer to redeem, in the event a mortgage over a lot or unit is outstanding at the time of the issuance of the title to the buyer, the mortgage or the corresponding portion thereof immediately from such issuance so that the title over the fully paid lot or unit may be secured and delivered to the buyer and the mortgagee is enjoined not to unreasonably refuse release of such title
- Modifies the provision regarding the donation of roads and open spaces to local governments where developers are mandated to donate the roads, alleys and sidewalks, and open spaces reserved for schools, places of worship, hospitals, health centers, and barangay centers to the local government with the consent of the homeowners association upon consultation, and acceptance by said local government is mandatory
- Mandates the donation of other open spaces and areas reserved exclusively for parks, playgrounds, recreational uses, clubhouses, and other similar facilities and amenities to the homeowners association or to the condominium corporation with the consent of the local government unit concerned

- Increases the administrative fine to not more than fifty thousand pesos (P50,000) for each violation of any of the provision of the decree or of any rule or regulation thereunder which shall be payable to the board
- Provides that violation of any provision of the law shall be penalized, but gives emphasis particularly on the following violations: a) failure to complete the development of the project within the prescribed period, b) failure to deliver the title, c) failure to refund the purchase price or the installment payment made in violation of the provision on the non-forfeiture of payment in the event of desistance by the buyer to further pay due to the failure to complete the development of the project according to the approved plans and within the prescribed period, and d) failure to follow construction specifications or poor workmanship resulting to sub-standard units or to construction defects
- Provides for the following penalties – i) on the 1st offense, a fine of not more than ₱500,000 or 50% of the total purchase price of the property as stated in the contract to sell or deed sale, including all the charges imposed by the developer whichever is higher and/or a four-year imprisonment, ii) 2nd offense, a fine of not more than ₱750,000 or 75% of the purchase price of the property, including all the charges imposed by the developer whichever is higher and/or a seven-year imprisonment, and, iii) 3rd offense, a fine of not more than ₱1,000,000 or 100 % of the total purchase price of the property, including all the charges imposed by the developer whichever is higher and/or a ten-year imprisonment plus revocation of the business permits and licenses
- Provides for an additional fine of not less than P 500, 0000 will be charged for every real estate or condominium unit sold by reason of advertisements.

RELATED LAW:

- PD 957 – Subdivision and Condominium Buyers' Protective Decree

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila
15th Congress
1st Regular Session

Committee on Housing and Urban Development

FOR : THE HONORABLE SPEAKER
THRU : THE DEPUTY SECRETARY GENERAL
FOR COMMITTEE AFFAIRS
RE : SPOT REPORT ON THE MEETING OF THE COMMITTEE ON HOUSING AND URBAN
DEVELOPMENT HELD ON 09 FEBRUARY 2011 AT CONFERENCE ROOMS 1 & 2.
DATE : 09 FEBRUARY 2011

A. Approval of Committee Report:

1. Substitute Bill to HB Nos. 215 and 915 (The Subdivision and Condominium Buyers' Protective Decree Amendments of 2011)

B. Deliberation on Measures:

1. HB Nos. 154, 1161, 3278 (Local Housing Board Act of 2011), created a Technical Working Group to refine the substitute bill; and
2. HR Nos. 443 and 568 (Inquiry into the non-performing assets of certain key shelter agencies with the end view of generating revenues to augment the meager funding sources for housing)

a. Major position and view aired

- the Home Mutual Development Fund, National Home Mortgage Finance Corporation, Home Guaranty Corporation, National Housing Authority, Social Housing Finance Corporation and Housing and Urban Development Coordinating Council expressed full support to the proposed resolution
- the committee is of the observation that most of the key shelter agencies were not able to present sufficient, credible, and workable solutions on how to liquefy their non-performing assets

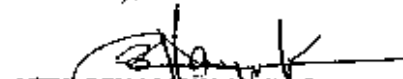
b. Agreement reached/Decision made

- for all the key shelter agencies and government financing institutions with housing loan exposure to submit an aging report for each of their respective loan accounts within fifteen (15) days

Prepared by:


NELSON F. RENDON
Committee Secretary

Noted by:


ATTY. BENJAMIN M. TAGAYUNA, JR.
Service Director

cc: The Chairperson, Committee on Rules
The Secretary General
The Executive Director, CAD
The Deputy Executive Director, CAD
The Services Director, CASS

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Diliman, Quezon

FIFTEENTH CONGRESS
First Regular Session

HOUSE BILL NO. 215

Introduced by ATTY. MAGTANGGOL T. GUNIGUNDO I

EXPLANATORY NOTE

This re-filed bill is originally HB 5384 that we filed in the 14th Congress which was extensively discussed and consolidated with two other bills with same import by the Committee on Housing and Urban Development and was approved on Third and Final Reading in the House of Representatives last December 10, 2008 but the Senate counterpart bill was not taken up for deliberations at the Senate.

This very important bill seeks to increase the penalty for violation of Presidential Decree Nine hundred fifty seven (PD 957) otherwise known as the law regulating the sale of subdivision lots and condominiums. This law has been out-dated and needs to go in cadence with the present time.

Complaints against real estate developers who violate PD 957 are mounting everyday. Offers to sell without appropriate license, failure to deliver title even after full payment of the estate, failure to complete project in accordance with the correct specifications or approved plan and, misleading advertisements are just some of the reasons among hundreds of cases filed with the HLURB legal department in violation of PD 957.

Due to the obsolete penalty for violation of PD 957 many land and condominium developers contravene PD 957 knowing fully well that what they will pay for the defiance of the law is so small and thereby make a mockery of our laws.

This bill seeks to increase the penalties to serve as deterrent.

Immediate approval of this bill is earnestly sought.


ATTY. MAGTANGGOL T. GUNIGUNDO I

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Diliman, Quezon

FIFTEENTH CONGRESS
First Regular Session
HOUSE BILL NO. 215

Introduced by **ATTY. MAGTANGGOL T. GUNIGUNDO I**

**AN ACT TO AMEND PRESIDENTIAL DECREE NINE HUNDRED
FIFTY SEVEN (PD 957) TO INCREASE THE PENALTIES FOR
VIOLATION THEREOF**

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

SECTION 1. Section 39 of Presidential Decree 957 or the law regulating the sale of subdivision lots and condominiums, providing penalties for violations thereof, as amended, is hereby further amended to read as follows:

x x x

"Sec. 39. *Penalties.* Any person who shall violate any of the provisions of this Decree and/or any rules or regulations that may be issued pursuant to this Decree shall suffer:

- a) On the **first offense**, a fine of not more than Five hundred thousand pesos (*Php500,000.00*) or 100 percent of the total purchase price of the properties sold whichever is higher and/or imprisonment of not more than four (4) years, at the discretion of the court.
- b) On the **second offense**, a fine of Seven hundred thousand pesos (*Php700,000.00*) or 100 percent of the total purchase price of the properties sold whichever is higher and/or imprisonment of not more than seven (7) years, at the discretion of the court.
- c) On the **third offense**, in addition to a fine of not more than One million pesos (*Php 1,000,000.00*) or 100 percent of the total purchase price of the properties sold whichever is higher and/or imprisonment of not more than ten (10) years, at the discretion of the court, the business permits and licenses, in the case of a business entity or establishment shall be revoked or cancelled.

If by reason of advertisements in violation of this decree, a real estate or a condominium unit is sold, an additional fine of not less than Five hundred thousand (*Php 500,000.00*) shall be imposed for every unit sold.

In the case of corporations, partnership, cooperatives, or associations, the President, Manager or Administrator or the person who has charge of the administration of the business shall be criminally responsible for any violation of this Decree and/or the rules and regulations promulgated pursuant thereto.

X X X

SECTION 2. *Repealing Clause* - All laws, decrees, orders, rules and regulations, other issuances, or parts thereof inconsistent with the provisions of this act are hereby repealed or modified accordingly.

SECTION 3. *Effectivity Clause* - This Act shall take effect fifteen (15) days after the completion of its publication in the Official Gazette or at least two (2) news papers of General Circulation.

Approved,

FIFTEENTH CONGRESS
OF THE REPUBLIC OF THE PHILIPPINES
First Regular Session

HOUSE OF REPRESENTATIVES

House Bill No. 915

Introduced by Representative Susan A. Yap

EXPLANATORY NOTE

It is the policy of the State to undertake, in cooperation with the private sector, a comprehensive and continuing urban development. Subdivision and condominium projects continued to thrive over the last decade brought about by lower interest rates and increased remittances from OFWs. This prompted many of our kababayans to buy houses and condominium units, which correspondingly increased queries and complaints against property developers.

Lack of clarity of laws is one of the problems seen in the real estate market. Towards this end, certain remedial measures ought to be introduced to the operational provisions of the Subdivision and Condominium Buyers' Protective Decree (PD 957) in order to strengthen and make the same responsive and attuned to the needs of the present times.

During the year 2007, HLURB issued 1,870 Licenses to Sell (LS) for residential and non-residential projects or 89% of the target of 2,100. About 62% or 1,112 of the residential projects issued LS were simple subdivisions, 262 or 15% open market, 12% or 213 economic, 7% or 77 socialized, and 4% or 77 condominium projects.

The 1,796 licensed residential projects covered 172,967 lots or house and lots. Of these, open market housing had the biggest share of 58,237 at 34%, followed by economic and socialized housing with 45,292 and 45,101 units at 26% respectively, condominium with 20,631 units at 12% and simple subdivision with 3,706 units at 2% (2007 HLURB Accomplishment report).

This proposed bill clarifies the role of the developer for the registration of deeds of sale and contract to sell to those buyers who have already paid the full purchase price and those buyers who are paying in installment. Another provision which seeks to put into law a common practice, is as regards the partial release of the title in case of buyers under mortgage, to wit: "the deed of sale or contract to sell covering a lot or unit subject of a mortgage shall include a partial release clause or a provision guaranteeing the release of the title to said lot or unit upon full payment by its buyer (Section 18)."

Because of the advent of condominium projects, this bill updates PD 957 on the inclusion of condominiums in the cover of prohibition of alteration of plans (Section 22) without the approval of the majority of homeowners association, or in the absence thereof, of majority of condominium unit buyers who have already paid at least 50% of the purchase price.

This bill also directs developers to compulsory donation of roads, alleys, and open spaces reserved for schools, hospitals, barangay centers, and the like to the local government unit in jurisdiction.


SUSAN A. YAP

Representative, 2nd District of Tarlac

HOUSE OF REPRESENTATIVES

House Bill No. 915

Introduced by Representative Susan A. Yap

AN ACT

TO INSTITUTE REFORMS IN THE SUBDIVISION AND CONDOMINIUM BUYERS' PROTECTIVE DECREE

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

SECTION 1. *Short Title.* - This Act shall be known as "The Subdivision and Condominium Buyers' Protective Decree Amendments of 2010".

SEC. 2. *Declaration of Policy.* - It is the policy of the State to undertake, in cooperation with the private sector, a comprehensive and continuing urban development. Towards this end, certain remedial reforms ought to be introduced to the operational provisions of the Subdivision and Condominium Buyers' Protective Decree in order to strengthen and make the same responsive and attuned to the needs of the present times.

SEC. 3. *Remedial Provisions.* - For purposes of this Act and in order to strengthen Presidential Decree No. 957, entitled: "Regulating the Sale of Subdivision Lots and Condominiums, Providing Penalties for Violations Thereof", otherwise known as The Subdivision and Condominium Buyer's Protective Decree, the following provisions are hereby amended:

(a) Paragraph 1, Section 5 of Presidential Decree No. 957 is hereby amended to read as follows:

"SEC. 5. License to Sell. - A CERTIFICATE OF REGISTRATION DOES NOT AUTHORIZE [S]such Owner or dealer [to whom has been issued a registration certificate shall not, however, be authorized] to sell any subdivision lot or condominium unit in the registered project [unless] UNTIL he shall have first obtained a license to sell the project within two weeks from the registration of such project."

(b) Paragraph 1, Section 17 of Presidential Decree No. 957 is hereby amended to read as follows:

"SEC. 17. Registration. - All [contracts to sell,] deeds of sale [and other similar instruments relative to the sale or conveyance] of [the] subdivision lots and condominium units, [whether or not the] WHOSE purchase price is ALREADY paid in full[,] shall be registered by the seller in the Office of the Register of Deeds of the province or city where the property is situated. IN CASES OF INSTALLMENT PAYMENTS, THE CONTRACT TO SELL SHALL ALSO BE REGISTERED BY THE DEVELOPER WITH THE PROPER REGISTER OF DEEDS AT THE EXPENSE OF THE BUYER: PROVIDED, FURTHER, THAT IN CASE OF CANCELLATION OR

1 RESCISSION OF SAID CONTRACT TO SELL, SUCH REGISTRATION
2 OF CONTRACT TO SELL SHALL BE CANCELLED BY THE PROPER
3 REGISTER OF DEEDS, WITHOUT NEED OF ANY COURT ORDER,
4 UPON EXECUTION BY THE SELLER OF AN AFFIDAVIT THAT SAID
5 CONTRACT TO SELL HAS BEEN CANCELLED OR RESCINDED
6 DUE TO DEFAULT ON THE PART OF THE BUYER, WITHOUT
7 PREJUDICE TO THE RIGHTS OF THE BUYER UNDER REPUBLIC
8 ACT NO. 6552, OTHERWISE KNOWN AS THE "MACEDA LAW":
9 *PROVIDED*, FINALLY, THAT THE AUTHORITY SHALL HAVE
10 JURISDICTION OVER DISPUTES BETWEEN THE BUYER AND THE
11 SELLER REGARDING THE CANCELLATION OF THE
12 REGISTRATION OF A CONTRACT TO SELL."
13

14 (c) Section 18 of Presidential Decree No. 957 is hereby amended to read as follows:

15 "SEC. 18. **Mortgages.** - No mortgage on any unit or lot shall be made by
16 the owner or developer without prior written approval of the Authority. Such
17 approval shall not be granted unless it is shown that the proceeds of the mortgage
18 loan shall be used for the development of the condominium or subdivision project
19 and effective measures have been provided to ensure such utilization. The loan
20 value of each lot or unit covered by the mortgage shall be determined and the buyer
21 thereof, if any, shall be notified before the release of the loan. **THE DEED OF**
22 **SALE OR CONTRACT TO SELL COVERING A LOT OR UNIT**
23 **SUBJECT OF A MORTGAGE SHALL INCLUDE A PARTIAL RELEASE**
24 **CLAUSE OR A PROVISION GUARANTEEING THE RELEASE OF**
25 **THE TITLE TO SAID LOT OR UNIT UPON FULL PAYMENT BY ITS**
26 **BUYER.** The buyer may, at his option, pay his installment for the lot or unit
27 directly to the mortgagee who shall apply the payments to the corresponding
28 mortgage indebtedness secured by the particular lot or unit being paid for, with a
29 view to enabling said buyer to obtain title over the lot or unit promptly after full
30 payment thereof."
31

32 (d) Section 20 of Presidential Decree No. 957 is hereby amended to read as follows:

33 "SEC. 20. **Time of Completion.** - Every owner or developer shall
34 construct and provide the facilities, improvements, infrastructures and other forms
35 of development, including water supply, [and] lighting facilities, **AND**
36 **DEVELOPMENT OF ROADS, AS PROVIDED FOR** [which are offered and
37 indicated] in the approved subdivision or condominium plans, brochures,
38 prospectus, printed manners, letters or in any form of advertisement, within [one
39 year] **EIGHTEEN (18) MONTHS** from the date of the issuance of the license
40 for the subdivision or condominium project or such other period of time as may be
41 fixed by the Authority[.]; *PROVIDED*, THAT IN CASES OF FORTUITOUS
42 EVENTS, THE AUTHORITY SHALL THEREAFTER DETERMINE
43 THE REASONABLE TIME WITHIN WHICH THE PROJECTS SHALL
44 BE COMPLETED. "IN THE EVE" THAT THE OWNER OR
45 DEVELOPER FAILS TO COMPLETE THE DEVELOPMENT OF THE
46 PROJECT AFTER THE PERIOD OF EIGHTEEN (18) MONTHS
47 MANDATED ABOVE FOR ITS COMPLETION FROM THE DATE OF
48 THE ISSUANCE OF THE LICENSE FOR THE SUBDIVISION OR
49 CONDOMINIUM PROJECT, AND UNLESS THE AUTHORITY SETS
50 ANOTHER TIME FOR COMPLETION OWING TO THE
51 CIRCUMSTANCES STATED ABOVE, THE AUTHORITY SHALL
52 DECLARE THE PROJECT ABANDONED AND THE ROADS IN THE
53 ABANDONED PROJECT SHALL BECOME PUBLIC IN CHARACTER
54 ONE YEAR FROM THE DECLARATION OF ABANDONMENT OF
55 THE PROJECT.

(c) Section 22 of Presidential Decree No. 957 is hereby amended to read as follows:

"SEC. 22. Alteration of Plans. No owner or developer shall change or alter the roads, open spaces, infrastructures, facilities for public use and/or other form of subdivision **OR CONDOMINIUM** development as contained in the approved subdivision **OR CONDOMINIUM** plan and/or represented in its advertisements, without the permission of the Authority and the written conformity or consent of/the duly organized homeowners association **OR CONDOMINIUM CORPORATION**, or in the absence of the latter, by the majority of the [lot] buyers [in the] **OF** subdivision **LOTS OR CONDOMINIUM UNITS WHO HAVE ALREADY PAID AT LEAST FIFTY PERCENT (50%) OF THE PURCHASE PRICE.**"

(f) Section 25 of Presidential Decree No. 957 is hereby amended to read as follows:

"SEC. 25. Issuance of Title. - The owner or developer shall deliver the title of the lot or unit to the buyer upon full payment of the lot or unit[:]. **PROVIDED, THAT WHERE THE OWNER OR DEVELOPER PROPERLY PROCESSED AND SUBMITTED THE DOCUMENTS TO THE GOVERNMENT AGENCIES CONCERNED FOR ISSUANCE OF TITLE AND THE DELAY IN THE ISSUANCE OF TITLE IS NOT 'THE FAULT OF SUCH OWNER OR DEVELOPER OR WHERE THE NON-ISSUANCE IS PURSUANT TO A COURT ORDER, THE OWNER AND/OR DEVELOPER SHALL NOT BE HELD LIABLE FOR SUCH DELAY OR NON-ISSUANCE OF TITLE.** "No fees, except those required for the registration of the deed of sale in the Registry of Deeds, shall be collected for the issuance of such title. In the event a mortgage over the lot or unit is outstanding at the time of the issuance of the title to the buyer, the owner or developer shall redeem the mortgage or the corresponding portion thereof [within six months] **IMMEDIATELY** from such issuance in order that the title over any fully paid lot or unit may be secured and delivered to the buyer in accordance herewith. **IN SUCH A CASE, THE MORTGAGEE SHALL NOT UNREASONABLY REFUSE RELEASE OF THE TITLE BASED ON THE LOAN VALUE THEREOF.**"

(g) Section 27 of Presidential Decree No. 957 is hereby amended to read as follows:

"SEC. 27. Other Charges. -No owner or developer shall levy upon any lot or unit buyer a fee for an alleged community benefit. Fees to finance services for common comfort, security and sanitation may be collected only by a properly organized homeowners association **OR CONDOMINIUM CORPORATION** and only with the consent of a majority of the lot or unit buyers actually residing in the subdivision or condominium project."

(h) Section 31 of Presidential Decree No. 957, as amended by Presidential Decree No. 1216, insofar as donation of roads and open spaces to local government are concerned, is hereby amended to read as follows:

"SEC. 31. Donation of Roads and Open Spaces to Local Government.
- The registered owner or developer of the subdivision or condominium project, upon completion of the development of said project [may, at his option, convey by way of donation] **PURSUANT TO SECTION 20 HEREOF, SHALL DONATE** the roads, **ALLEYS AND SIDEWALKS,** and open spaces **RESERVED FOR SCHOOLS, PLACES OF WORSHIP, HOSPITALS, HEALTH CENTERS, AND BARANGAY CENTERS AS CONTEMPLATED IN PRESIDENTIAL DECREE NO. 1216 WHICH ARE** found within the project to the city or municipality wherein the project is located **AND IT SHALL BE MANDATORY FOR THE LOCAL**

1 GOVERNMENTS TO ACCEPT: *PROVIDED, HOWEVER, THAT OPEN*
2 *SPACES AND AREAS RESERVED EXCLUSIVELY FOR PARKS,*
3 *PLAYGROUNDS, RECREATIONAL USES, CLUBHOUSES, AND*
4 *OTHER SIMILAR FACILITIES AND AMENITIES SHALL BE*
5 *DONATED TO THE HOMEOWNERS ASSOCIATION OR TO THE*
6 *CONDOMINIUM CORPORATION WITH THE CONSENT OF THE*
7 *CITY OR MUNICIPALITY CONCERNED. Upon acceptance of the donation*
8 *by the city or municipality OR THE HOMEOWNERS ASSOCIATION OR*
9 *CONDOMINIUM concerned, no portion of the area donated shall thereafter be*
10 *converted to any other purpose or purposes [unless after hearing, the proposed*
11 *conversion is approved by the Authority.]: PROVIDED, FURTHER, THAT*
12 *ROADS IN SUBDIVISIONS WHICH HAVE BECOME PUBLIC IN*
13 *CHARACTER ONE YEAR AFTER THE DECLARATION OF*
14 *ABANDONMENT BY THE AUTHORITY OF THE SUBDIVISION OR*
15 *CONDOMINIUM PROJECT WHERE THEY ARE LOCATED SHALL*
16 *IPSO FACTO BECOME PROPERTY OF THE LOCAL GOVERNMENT*
17 *UNIT THAT HAS JURISDICTION OVER SAID ROADS."*
18

19 (i) Section 38 of Presidential Decree No. 957 is hereby mended to read as follows:
20

21 "SEC. 38. Administrative Fines. - The Authority may prescribe and
22 impose fines not exceeding [ten] FIFTY thousand pesos (P50,000.00) for
23 violations of the provisions of this Decree or of any rule or regulation thereunder.
24 Fines shall be payable to the Authority and enforceable through writs of execution
25 in accordance with the provisions of the Rules of Court."
26

27 (j) Section 39 of Presidential Decree No. 957 is hereby amended to read as follows:
28

29 "SEC.39. Penalties. - Any person who shall violate any of the provisions of
30 this Decree and/or any rule or regulation that may be issued pursuant to this
31 Decree, INCLUDING, BUT NOT LIMITED TO, THE FAILURE TO
32 COMPLETE THE DEVELOPMENT OF THE PROJECT WITHIN THE
33 PRESCRIBED PERIOD PURSUANT TO SECTION 20 HEREOF,
34 FAILURE TO DELIVER THE TITLE PURSUANT TO SECTION 25
35 HEREOF, FAILURE TO REFUND THE VIOLATION OF SECTION 23
36 HEREOF, FAILURE TO FOLLOW PURCHASE PRICE OR THE
37 INSTALLMENT PAYMENT MADE IN CONSTRUCTION
38 SPECIFICATIONS OR POOR WORKMANSHIP RESULTING TO
39 SUBSTANDARD UNITS OR TO CONSTRUCTION DEFECTS, shall,
40 upon conviction, be punished by a fine of not more than twenty thousand
41 (P20,000.00) pesos and/or imprisonment of not more than ten (10) years. Provided,
42 that in] SUFFER:
43

44 (A) ON THE FIRST OFFENSE, A FINE OF NOT MORE THAN
45 FIVE HUNDRED THOUSAND PESOS (P500,000.00) OR FIFTY
46 PERCENT (50%) OF THE TOTAL PURCHASE PRICE OF THE
47 PROPERTY AS STATED IN THE CONTRACT TO SELL OR DEED OF
48 SALE, INCLUDING ALL THE CHARGES IMPOSED BY THE
49 DEVELOPER WHICHEVER IS HIGHER AND/OR IMPRISONMENT
50 OF NOT MORE THAN FOUR (4) YEARS, AT THE DISCRETION OF
51 THE COURT.

52 (B) ON THE SECOND OFFENSE, A FINE OF SEVEN
53 HUNDRED FIFTY THOUSAND PESOS (P750,000.00) OR SEVENTY-
54 FIVE PERCENT (75%) OF THE TOTAL PURCHASE PRICE OF THE
55 PROPERTY AS STATED IN THE CONTRACT TO SELL OR DEED OF
56 SALE, INCLUDING ALL THE CHARGES IMPOSED BY THE
57 DEVELOPER WHICHEVER IS HIGHER AND/OR IMPRISONMENT

1 OF NOT MORE THAN SEVEN (7) YEARS, AT THE DISCRETION OF
2 THE COURT

3 “(C) ON THE THIRD OFFENSE, IN ADDITION TO A FINE OF
4 NOT MORE THAN ONE MILLION PESOS (P1,000,000.00) OR ONE
5 HUNDRED PERCENT (100%) OF THE TOTAL PURCHASE PRICE OF
6 THE PROPERTY AS STATED IN THE CONTRACT TO SELL OR
7 DEED OF SALE, INCLUDING ALL THE CHARGES IMPOSED BY
8 THE DEVELOPER WHICHEVER IS HIGHER AND/OR
9 IMPRISONMENT OF NOT MORE THAN TEN (10) YEARS, AT THE
10 DISCRETION OF THE COURT, THE BUSINESS PERMITS AND
11 LICENSES, IN THE CASE OF A BUSINESS ENTITY OR
12 ESTABLISHMENT, SHALL BE REVOKED OR CANCELLED.

13 “IF BY REASON OF ADVERTISEMENTS IN VIOLATION OF
14 THIS DECREE, A REAL ESTATE OR A CONDOMINIUM UNIT IS
15 SOLD, AN ADDITIONAL FINE OF NOT LESS THAN FIVE
16 HUNDRED THOUSAND PESOS (P500,000.00) SHALL BE IMPOSED
17 FOR EVERY UNIT SOLD.

18 “IN [the] case of corporations, partnerships, cooperatives, or associations,
19 the President, Manager or Administrator or the person who has charge of the
20 administration of the business shall be criminally responsible for any violation of
21 this Decree and/or the rules and regulations promulgated *pursuant* thereto.”

22
23 SEC. 4. *Repealing Clause.* - All laws, decrees, executive orders, proclamations, rules and
24 regulations, and other issuances, or part or parts thereof, which are inconsistent with the provisions
25 of this Act are hereby repealed or modified accordingly.

26
27 SEC. 5. *Separability Clause.* - If, for any reason, any provision of this Act is declared invalid or
28 unconstitutional, the remaining provisions not affected thereby shall continue to be in force and
29 effect.

30
31 SEC. 6. *Effectivity Clause.* - This Act shall take effect fifteen (15) days after the completion of
32 its publication in the *Official Gazette* or in at least *two* (2) newspapers of general circulation.

33
34 Approved,