

Republic of the Philippines  
**HOUSE OF REPRESENTATIVES**  
Quezon City

NINETEENTH CONGRESS

First Regular Session

HOUSE BILL NO. 4305



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Introduced by the **Honorable ANIELA BIANCA N. TOLENTINO**

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**EXPLANATORY NOTE**

Having a house is one of the basic needs of human beings. The proposed measure herein will be the true catalyst for the efforts of the government to give homes to less fortunate Filipinos. This representation seeks to have the housing programs of the country properly funded, thru this proposed legislation.

The bill herein aims to increase housing production by forging partnership among housing stakeholders to address the housing needs of the Filipino families. After its passage into law, the bill herein will generate and mobilize funds for housing purposes of Filipino families, giving priority to the homeless and underprivileged. It will also ensure the provision of support mechanisms and have subsidy program to improve access of Filipino families to a variety of housing options

This representation believes that the proposed law herein will guarantee the development of a strong, sustainable, accessible, and affordable housing finance system. At this point the Constitutional mandate on the matter should be highlighted, to wit: *"The State shall promote a just and dynamic social order that will ensure the prosperity and independence of the nation and free the people from poverty through policies that provide adequate social services, promote full employment, a rising standard of living, and an improved quality of life for all"* (Section 9, Article II, 1987 Constitution).

For the Filipino people, the approval of the bill is earnestly sought.

A handwritten signature in black ink, appearing to be "Aniel", with a large loop at the end.

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**Introduced by the Honorable ANIELA BIANCA D. TOLENTINO**

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

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

**SECTION 1. *Short Title.*** – This Act shall be known as the “National Comprehensive Housing Financing Act of 2022.”

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

- (a) Promote a just and dynamic social order that will ensure the prosperity and independence of the nation and free the people from poverty through policies that provide adequate social services, promote full employment, a rising standard of living, and an improved quality of life for all;
- (b) Promote social justice in all phases of national development; and
- (c) Undertake, in cooperation with the private sector, a continuing program of urban land reform and housing which will make available at affordable cost decent housing and basic services to underprivileged and homeless citizens in urban centers and resettlement areas.

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

- (a) Increase housing production by forging partnership among housing stakeholders to address the housing needs of the Filipino families;
- (b) Generate and mobilize funds for housing purposes of Filipino families, giving priority to the homeless and underprivileged;
- (c) Ensure the provision of support mechanisms/subsidy program to improve access of Filipino families to a variety of housing options;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- (2) Defining the preliminary structure of the notes, bonds, and or instruments to be issued, as well as third parties to be hired; and
- (3) Education or briefing of target investors for all the issues.

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

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

(g) Bonds purchased by private real estate developers shall be considered as an alternative compliance to the balanced housing requirements under Section 18 of R.A. No. 7279, as amended by R.A. No. 10884, subject to the rules promulgated by the DHSUD.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

*Approved,*