



Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila



Nineteenth Congress
Second Regular Session

HOUSE BILL NO. 9499

Introduced by **Representative MA. VICTORIA CO-PILAR**

EXPLANATORY NOTE

Housing is a fundamental human right, and its significance cannot be overstated. It provides shelter, security, and a sense of belonging, ultimately contributing to the well-being and development of individuals and communities.

Section 9, Article XIII of the 1987 Constitution states that: *The State shall, by law, and for the common good, 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 under-privileged and homeless citizens in urban centers and resettlement areas.* Addressing the housing needs of marginalized Filipinos is not merely a humanitarian gesture; it is a formal imperative with profound social, economic, and cultural implications.

The UN-Habitat Philippines Country Report of 2023 has shown that the number of Informal Settler Families (ISFs) in the country has reached an estimate of 3.7 million, with over half a million of which residing in high-risk areas and danger zones. To exacerbate the problem further, our current housing backlog is recorded to be at 6.57 million units since 2022. These figures are not mere numbers — they represent millions of Filipino families lacking access to decent, sustainable, and affordable housing.

Recognizing this need, President Ferdinand Marcos Jr., declared the Pambansang Pabahay Para sa Pilipino Program (4PH) as a flagship program of the government to address the housing needs of ordinary Filipinos. This bill, seeks to institutionalize the Pambansang Pabahay Para sa Pilipino Program and provide for the funding sources for amortization and interest subsidy for the buyer-beneficiaries.

By providing dignified housing, we uphold the principles of human rights, reduce socioeconomic inequalities, and foster resilient communities. Furthermore, focusing on the economic aspects of housing initiatives can alleviate poverty and stimulate growth.

In view of the foregoing, the passage of this bill is earnestly sought.



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AN ACT
INSTITUTIONALIZING THE PAMBANSANG PABAHAY PARA SA PILIPINO
PROGRAM, IDENTIFYING OTHER SOURCES OF FUNDING AND
APPROPRIATING FUNDS THEREFOR

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 “Pambansang Pabahay para
2 sa Pilipino Program Act of 2023.”

3
4 **Sec. 2. *Declaration of Policy*** – It is hereby declared a policy of the state to pursue
5 a continuing program of housing and urban development which shall make available at
6 affordable cost, decent housing and basic services especially the underprivileged and
7 homeless citizens by establishing a housing interest subsidy program with particular
8 focus on assisting informal settler families (ISFs) acquire their own decent housing.

9
10 **Sec. 3. *The Pambansang Pabahay Para Sa Pilipino Program*** – The Department of
11 Human Settlement and Urban Development (DHSUD) shall implement the Pambansang
12 Pabahay para sa Pilipino Program, hereinafter referred as the “Program”, which shall
13 have the following objectives:

- 14 a. Develop one million housing units every year;
- 15 b. Prioritize the lowest 30% income decile of the population and low wage earners as
16 primary beneficiaries of the Program;
- 17 c. Pursue innovative strategies to make housing finance accessible and housing units
18 affordable to the target beneficiaries, through but not limited to the following:

1. Allocate government funds for the payment of housing interest support to lower the monthly interest rate payment of qualified program beneficiaries;
 2. Utilize vacant, idle, blighted and/or under-utilized government and private-owned lands for housing and mixed-use development;
 3. Tap government financing institutions (GFIs) and private banks to provide development loans & end-user financing; and
 4. Promote varied forms of modalities in implementing housing and mixed-use development.
- d. Capacitate and support the local government units (LGUs) as one of the main project components in implementing housing projects; and
 - e. Encourage and incentivize the private sector to participate in the 4PH program implementation.

Sec. 4. Program components -

- a. Site identification. - As the main project proponents, the LGUs shall, in coordination with the DHSUD, be responsible for project site identification and the development of their respective residential project/s. LGUs may engage and/or enter into a joint venture with government entities or private developers or builders, to undertake and construct housing projects using DHSUD-guided housing parameters.

The following lands may be used for the housing projects:

1. LGU-owned property. The property identified for the project should have a “clean” or a “near-clean” title. For this purpose, a “clean title” shall be defined as one that is registered in the name of the LGU and is entirely free of any lien or encumbrance. On the other hand, a “near-clean title” shall be defined as one that is affected by a lien or encumbrance including any adverse claim or interest or any issue, complication or obstacle that can be resolved within the timeframe needed for its utilization and the completion of the project.
2. NGA-owned property. LGUs who intend to use the properties of National Government Agencies (NGAs) for their housing projects shall be mainly responsible for securing the issuance of authority to use such land and/or the disposal/transfer thereof to them from the NGAs concerned.
3. Privately-owned property. Private landowners of blighted areas or land occupied by ISFs are encouraged to participate in the 4PH Program by (a) donating their land, or (b) selling their properties at a reduced/discounted

1 price. Subject to the cap on the proposed selling price of the planned
2 housing units, the LGUs may consider purchasing such land or entering
3 into a joint venture agreement with the owner, subject to compliance with
4 appropriate government laws and regulations.
5

6 b. Housing design. – LGUs shall be responsible for preparing the parameters of their
7 proposed housing projects, in accordance with existing government-prescribed
8 laws and standards, and the following DHSUD design and proposed price ceiling
9 parameters for projects to be accredited under the Program.
10

11 c. Housing construction. – LGUs shall procure or select qualified developers and/or
12 contractors to construct the proposed housing project/s in accordance with
13 applicable government rules and regulations. Notwithstanding the entry of new
14 developers who are known to have good standing and have already undertaken
15 projects within their areas of jurisdiction and need to develop corresponding
16 socialized housing projects in compliance with the balanced housing development
17 program requirement.
18

19 d. Financing for the housing project. – The Pag-IBIG Fund (HDMF), as well as other
20 GFIs and private banks, shall make their funds available for the LGUs' housing
21 projects through their respective developmental loan programs. They shall also
22 participate by providing end-user financing to homebuyers;
23

24 e. Beneficiaries. – LGUs shall set the eligibility criteria for, and identify, the project
25 beneficiaries. In formulating such criteria, they shall coordinate with GFIs and
26 private banks that will provide end-user financing to ensure alignment of all their
27 selection criteria particularly as regards the credit-worthiness and amortization
28 capacity of potential buyer-beneficiaries.

29 Beneficiaries must be capable of and committed to paying the monthly
30 housing loan amortization over the 30-year loan term, to the GFIs or private banks.
31 The above notwithstanding, the LGUs and their development partners are not
32 prohibited from developing housing projects that incorporate or provide cross
33 subsidies between different income classes so as to benefit more ISFs and lower-
34 bracket wage earners.
35

- 1 f. Subsidy on amortization and interest. – The DHSUD shall, directly or through its
2 attached corporations, provide amortization subsidy payable to the end-user
3 finance providers for the account of the buyer-beneficiaries' units, using funds that
4 will be made available under this Act, through the General Appropriations Act
5 (GAA), and/or other identified funding sources, LGUs are also encouraged to
6 provide monthly amortization support to buyer-beneficiaries of the units, if
7 needed to enable them to meet their monthly amortization obligations.
8

9 **Sec. 5. Roles and Responsibilities** – The implementing agencies shall, at the
10 minimum, undertake the following roles, functions, and responsibilities:

11 a. Department of Human Settlement and Urban Development (DHSUD)

- 12 1. Act as the overall initiator, coordinator, and facilitator of the Program;
13 2. Facilitate the provision of funds through the GAA and private banks, for
14 use as: (a) development loans, (b) interest support for the program's project
15 beneficiaries, (c) end-user financing, (d) guarantee financing, and (e)
16 purchase of loan accounts;
17 3. Oversee and monitor the implementation of the Program, including the
18 project implementation and performance of all participants;
19 4. Provide parameters/specifications, extend support and technical assistance
20 to LGUs, developers, and other program partners including facilitating the
21 issuance of Development Permits and Licenses to Sell within its areas of
22 responsibilities; and
23 5. Perform such other roles, functions and acts which it may deem proper and
24 necessary for the effective and full implementation of the Program.
25

26 b. Local Government Units (LGUs)

- 27 1. Act as the main proponent and major player in the planning,
28 implementation and management of their respective housing projects;
29 2. Have the primary responsibility of identifying lands for potential project
30 locations as well as making it available for their proposed housing projects;
31 3. Determine and prepare the project concept to be used for their housing
32 projects;
33 4. Determine the implementation modalities for each of their envisioned
34 housing projects, including which project to undertake on its own, through
35 joint venture or using other options;

5. Identify the project proponent that would undertake the development of each project, whether solely or in joint venture with third parties;
6. Identify, select and enter into agreements with qualified developers and/or contractors to implement their proposed housing projects, in accordance with applicable government laws, rules and regulations;
7. Provide support to their priority housing projects and beneficiaries, either through monthly amortization support and/or other commitments or forms/modes of assistance, such as land donation and site development, to make the units affordable to target buyer-beneficiaries;
8. Issue the appropriate resolutions and/or ordinances needed for the proposed projects, including the allocation of land, funds and other necessary support for the successful implementation of the projects;
9. Establish an office and provide qualified personnel to implement their housing program;
10. Conduct social preparation activities for target beneficiaries in coordination with the DHSUD and its pertinent KSAs;
11. Facilitate the expeditious issuance of local permits and clearances for their projects;
12. Take charge, to the extent possible and applicable, of all documentation necessary for the full implementation of their housing program; and
13. Undertake estate/property management responsibilities for their projects and ensure the availability of funds for the purpose.

c. National Housing Authority (NHA) and Social Housing Finance Corporation (SHFC)

1. As landowners, enter into appropriate partnership agreements with the concerned partner LGUs;
2. As a developer and/or project manager, implement project/s in coordination with the LGUs and other entities in accordance with the roles and responsibilities as may be agreed by the parties involved; and
3. Provide support to the LGUs in the social preparation, project development, and such other assistance needed for the successful implementation of the LGUs' housing program and projects under the Program.

d. Home Development Mutual Fund (HDMF), Participating Government Financial Institutions (GFIS) and Private Banks

1. Establish special lending programs with simplified, streamlined and expedited guidelines, requirements, and processes, and allocate exclusive funds for the Program, such as those needed for developmental loans to developers, and end-user financing to project buyer-beneficiaries to allow the latter to purchase their housing units;

e. National Home Mortgage Finance Corporation (NHMFC)

1. Provide liquidity to GFIs and private banks to ensure the sustainability of the Program by purchasing eligible Real Estate Mortgage (REM) accounts from them, securitizing such loan portfolios, and issuing asset-backed securities to attract more funds for housing.

Sec. 6. *Amortization and Interest Subsidy Fund* – There is hereby created an Amortization and Interest Subsidy Fund to be administered and managed by the DHSUD and to be composed by the following sources:

- a. Twenty percent (20%) of the mandatory fifty percent (50%) share of the National Government from the annual aggregate gross earnings of the Philippine Amusement and Gaming Corporation (PAGCOR), as provided for in Section 12 of Presidential Decree No. 1869;
- b. Twelve percent (12%) of all the proceeds of any sale, after deducting all expenses related to the sale, of portions of Metro Manila military camps shall be used to finance mass social housing projects for underprivileged and homeless citizens of the country. Section 1 of Republic Act No. 7917, therefore, is hereby amended accordingly;
- c. All fund sources outlined in Republic Act No. 7279, not accruing to the local government units, to wit:
 1. A minimum of fifty percent (50%) from the annual net income of the Public Estates Authority to be used by the National Housing Authority to carry out its program of land acquisition for resettlement purposes;
 2. Proceeds from ill-gotten wealth not otherwise previously set aside for any other purpose;
 3. Loans, grants, bequests and donations, whether from local or foreign sources; and

1 4. Proceeds from the sale or disposition of alienable public lands in urban
2 areas.

3 d. Proceeds from forfeited customs bonds.
4

5 **Sec. 7. *Other Fund Sources*** – The following non-budgetary funding sources shall
6 be used to augment those mentioned in the preceding section in the implementation of
7 the Program:

8 a. All unused agri-agra allocation funds from banks in the preceding year: *Provided,*
9 That the used agri-agra portion has been solely devoted to agricultural or agrarian
10 reform credit; and

11 b. The *Bangko Sentral ng Pilipinas* shall make available its rediscounting facilities to
12 institutions or entities providing financing for the Program in amounts and rates
13 to be determined by the Monetary Board, taking into consideration the policy of
14 the State as enunciated in this Act.
15

16 Notwithstanding any law to the contrary, the President may allocate cash, funds,
17 investments, including unutilized or unreleased subsidies and transfers, held by any
18 GOCC or any national government agency in order to augment the amortization and
19 interest subsidy fund in the preceding Section.
20

21 **Sec. 8. *Application for Amortization and Interest Subsidy Fund*** – A buyer-
22 beneficiary may apply for financial grant from the Amortization and Interest Subsidy
23 Fund which shall be filed with the DHSUD.
24

25 For purposes of this Section, the DHSUD shall create an integrated system that
26 includes the Local Government Units in the evaluation and assessment of application for
27 financial grant.
28

29 **Sec. 9. *Audit*** – The Commission on Audit shall be the *ex officio* Auditor of all the
30 funds provided for in this Act and is, accordingly, empowered to designate and appoint
31 its representative(s) and other subordinate personnel to perform such necessary audit
32 duties as the Commission shall direct. They shall be responsible to and shall only be
33 removed by the Commission on Audit.
34

35 **Sec. 10. *Annual Report of the Program*** – The DHSUD shall annually publish a full
36 report of the Program covering the implementation of the previous fiscal year. The said

1 report shall include financial disclosures, number of clients or beneficiaries served, and
2 recommendations to the President and to both chambers of Congress on how to further
3 enhance the program.
4

5 **Sec. 11. *Program Transparency*** – The DHSUD shall regularly and timely post and
6 update on its website a report of financial disclosures and information about beneficiaries
7 based on geographical area, social, economic, and cultural circumstances.
8

9 **Sec. 12. *Joint Congressional Oversight Committee*** – Upon the effectivity of this
10 Act, a Congressional Oversight Committee, hereafter referred to as the Pambansang
11 Pabahay Oversight Committee is hereby constituted. This Committee shall set the overall
12 framework to review the implementation of this Act. It shall likewise determine inherent
13 gaps in the law and recommend necessary remedial legislations or executive measures.
14

15 **Sec. 13. *Appropriation*** – The amount necessary to implement this Act shall be
16 included in the General Appropriations Act.
17

18 **Sec. 14. *Separability Clause*** – If any provision or part hereof is held invalid or
19 unconstitutional, the remainder of the law or the provision not otherwise affected shall
20 remain valid and subsisting.
21

22 **Sec. 15. *Repealing Clause*** – Any law, presidential decree or issuance, executive
23 order, letter of instruction, administrative order, rule or regulation contrary to or
24 inconsistent with, the provisions of this Act are hereby repealed, modified, or amended
25 accordingly.
26

27 **Sec. 16. *Effectivity Clause*** – This Act shall take effect fifteen (15) days after its
28 publication in the Official Gazette or in a newspaper of general circulation.
29

30 Approved,