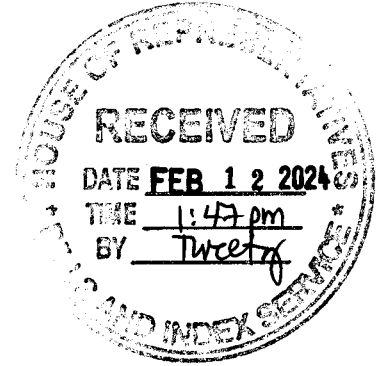


Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila
NINETEENTH CONGRESS
Second Regular Session
HOUSE BILL NO. 9911



Introduced by Representative Ivan Howard A. Guintu

EXPLANATORY NOTE

Section 9, Article 13 of the 1987 Constitution provides that “[t]he 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 underprivileged and homeless citizens in urban centers and resettlement areas. ...”

Furthermore, Section 2 (a) of Republic Act No. 7279 otherwise known as the Urban Development and Housing Act of 1992 provides that the State shall “[u]plift the conditions of the underprivileged and homeless citizens in urban areas and in resettlement areas by making available to them decent housing at affordable cost, ...”

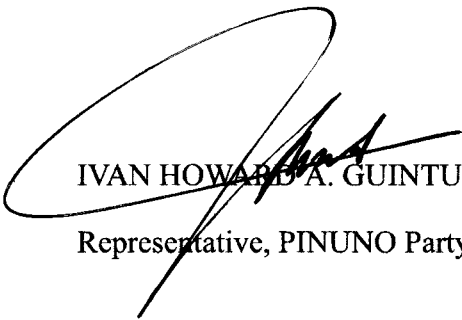
Despite these provisions, socialized housing remains unattainable for the State’s target beneficiaries. As reported by the Commission on Audit (COA), the National Housing Authority (NHA) faces difficulties in collecting amortization payments regularly and within the scheduled payment from its beneficiaries despite the modernization of its collection methods. COA noted that this is due to the financial incapability of the beneficiaries to pay its dues.

Furthermore, according to the 2022 Performance Scorecard of the NHA - Estate Management Department, as of June 2022, the NHA has a total of 22,635 housing units that were already awarded but remained unoccupied or vacant.

This bill seeks to condone all unpaid interests, including surcharges due from loans used for amortization of socialized housing units incurred by beneficiaries of socialized housing units awarded in 2004 and the preceding years. Furthermore, if the NHA has confirmed that socialized housing units are abandoned, unlawfully transferred, illegally occupied, or the beneficiary has violated occupancy rules and regulations, the right of the beneficiary to the socialized housing unit shall be canceled, and shall be acquired and re-awarded to other deserving beneficiaries.

In line with the State's goal of providing a decent and affordable house to the 3.7 million informal settler families in the country, the State shall maximize its unutilized or illegally occupied socialized housing units in order to provide housing to deserving beneficiaries. It is likewise imperative of the State to provide financial stability to existing socialized housing beneficiaries. This shall help reduce the financial burden of existing socialized housing beneficiaries in order for them to live a productive and fruitful life, free of financial burdens incurred from the payment of socialized housing units provided by the State.

In view of this, early passage of this bill is sought.



IVAN HOWARD A. GUINTU

Representative, PINUNO Partylist

Republic of the Philippines

HOUSE OF REPRESENTATIVES

Quezon City, Metro Manila

NINETEENTH CONGRESS

Second Regular Session

HOUSE BILL NO. 9911

Introduced by Representative Ivan Howard A. Guintu

AN ACT
PRESCRIBING THE AUTHORITY OF THE NATIONAL HOUSING AUTHORITY (NHA) TO GRANT CONDONATION TO ITS SOCIALIZED HOUSING BENEFICIARIES WITH DELINQUENT ACCOUNTS, CONDONING THEREBY ANY UNPAID AMORTIZATION, ASSOCIATION DUES OR ANY MISCELLANEOUS FEES; OR ACQUIRE AND AWARD THE SAME TO QUALIFIED BENEFICIARIES THROUGH THE PAMBANSANG PABAHAY PARA SA PILIPINO (4PH) PROGRAM AND APPROPRIATING FUNDS THEREFOR

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 "NHA Condonation and Acquisition Act of 2024."

SEC. 2. *Declaration of Policy.* - It is the policy of the State to ensure a continuing and sustainable program for urban land reform and housing which shall make available affordable, and decent housing with basic services to underprivileged and homeless citizens, in order to guarantee freedom from poverty, higher standard of living, and improved quality of life for all.

The State, in partnership with the private sector, and its stakeholders shall also:

- a. Expand people's access to affordable, adequate, safe and secure shelter in well-planned communities;
- b. Enable informal settler families to live in resilient, vibrant, and connected urban communities;

- c. Promote inclusive and integrated housing that are culturally sensitive, responsive to local context and/or special needs, and in accordance with appropriate standards and designs;
- d. Encourage and sustain investments in the housing and urban development sector by, among others, promoting partnerships, improving market linkages, simplifying government procedures and facilitating access to finance;
- e. Improve affordability of housing programs and projects;
- f. Promote climate change, resilient housing and basic infrastructure; and
- g. Make land available and accessible for housing.

SEC. 3. *Statement of Objectives.* - The State shall integrate all laws relating to the National Housing Authority (NHA) to effectively achieve the following objectives:

- a. Develop integrated, sustainable, safe, affordable and resilient communities, particularly for the underprivileged and homeless, as well as low-income households;
- b. Implement innovative and alternative solutions in addressing the housing needs of informal settlers families, the lower-income classes, and the vulnerable sector;
- c. As a government-owned and -controlled corporations, to generate income through the efficient utilization of existing and future assets to support the programs of the authority;
- d. Adopt viable land acquisition and management approached;
- e. Strengthen housing as a platform to reduce poverty, promote climate resilience, improve social outcome; and
- f. Intensify and widen its authority and functions to effectively fulfill their mandate.

SEC. 4. *Coverage.* - This Act covers all NHA Projects such as house and lot, medium rise buildings, and condominiums including the improvement and rights that are:

- a. Delinquent Accounts;
- b. Illegally/unlawfully transferred, sold, leased, sublet encumbered and mortgaged illegally by the original awardees or otherwise dispose of his/her lot and/ or units;
- c. Abandoned;
- d. Unoccupied - has no legitimate record of award and/or registration under the name of any beneficiary; and
- e. Canceled, and surrendered due to violation of the NHA Occupancy Rules and Regulations.

SEC. 5. *Procedure.* - NHA uniform guidelines to govern the condonation; or cancellation, acquisition, and awarding of units to qualified beneficiaries.

I. Inventory and verification

NHA, through the aid of the concerned Local Government Units (LGUs), shall conduct an inventory and status of all covered NHA housing/units enumerated in Section 4.

II. Condonation or Cancellation of Award

a. NHA Condonation Program

This Act shall cover the total condonation of all unpaid amortization lease payments and association dues of the awardees beneficiaries in the Socialized Housing Program of the NHA, including any surcharges and penalties emanating thereto. Upon effectivity of this Act, the individual delinquent payments of the Awardees shall be condoned and written off by the Government thereby relieving them from the burden of payment thereof. Provided, the NHA shall submit the detailed list of the actual unpaid amortization/lease payment for each awardee plus penalties, interests, and surcharges in order to determine the amount of total debts. Such copy shall be furnished to the House of Representatives as part of Congressional Records.

Only beneficiaries awarded with socialized housing units by the NHA in 2004 and the preceding years shall be covered by the NHA Condonation Program.

In the case of occupation of housing units by another party other than the beneficiary or any member of his household by virtue of sale, lease, transfer, other forms of disposition, contrary to the terms of the award, or by tolerance, the award of the original beneficiary shall be revoked and shall be transferred to the actual occupants of the housing unit.

The Department of Human Settlements and Urban Development (DHSUD) shall issue a Certificate of Condonation in favor of the Awardee which shall be annotated in their Certificate of Entitlement to Lot/Unit Allocation (CELA). Provided finally that the Condition and Restriction of use and possession of awarded housing project explicitly provided under RA 7279 shall still apply.

b. *Cancellation* - the award and/or rights for the following shall be canceled by the NHA if:

i. *Abandoned* - units not inhabited by the awardees beneficiaries nor its successors or heirs continuously for at least one (1) year

through Occupancy Verification Report (OVR) by the NHA project coordinator and LGU concerned.

ii. **Unlawful transfer** - Awardee/s who unlawfully sold, transferred, mortgaged, or otherwise disposed of his/her lot/lot with housing unit/condominium unit or any right thereon, the transaction shall be null and void. The same shall lose the right to land or housing unit, and forfeit the payment fees made thereon and shall be barred from the benefits of RA 7279 for a period of ten (10) years from the date of violation;

iii. **Illegally occupied** - NHA shall have the power to summarily eject, without necessity of judicial order, any and all illegal settlers on any of its projects, as well as any illegal occupants in any home lot, apartment, dwelling units, owned, and administered by it: *Provided*, That this is without prejudice to the provisions of Section 5, II (a), Paragraph 3.

iv. **Violation of Occupancy Rules and Regulations** - Any violation of the awardee of the Occupancy rules and Regulations as stipulated in the Contract shall be reported to the District Manager by the concerned staff who are undertaking the housing project. The Notice of Eviction shall be signed by the Regional Manager. The said awardee shall be given two (2) warnings for the reported violation.

Cancellation of the Award shall be rendered, if despite warnings the said awardee continues violating the said Occupancy Rules and Regulations.

III. Acquisition and Awarding of Units.

All canceled awards due to grounds enumerated in Section 5, II (b) herein shall be acquired by the DHSUD, and shall be integrated in the housing allocation of the Pambansang Pabahay Para sa Pilipino Housing (4PH) Program to be awarded to qualified beneficiary/ies.

Upon cancellation, the DHSUD shall refund a cash surrender value equal to fifty percent (50%) of the total payments made by the Awardee, if any, except for those awardees who unlawfully disposed of or transferred their units. The DHSUD shall provide for implementing rules for the payment thereof.

The procedure for awarding to other qualified beneficiary/ies shall follow the same manner of disposition for regular awards in R.A. 7279.

Section 6. Qualifications. - Target beneficiaries of said housing units include walk-in applicants who submitted Housing Information Forms (HIFs) and letter requests in NHA offices and those endorsed to NHA by other government offices; LGUs informal settler families (ISFs) who are in

danger areas and those affected by infrastructure projects; and LGU and National Government Agency employees where the housing project is located provided they pass the existing eligibility and criteria as provided in Sec. 16 of R.A. 7279 and in addition:

- a. Those who do not have any record of violation of the NHA occupancy rules and regulations;
- b. No present record of any unpaid amortization and association dues upon application;
- c. Not been awarded with any NHA housing project (house/lot and lot, condominium); and
- d. Not occupying any illegally transferred units from original beneficiaries.

Section 7. Appropriation. - The funds necessary to carry out the initial implementation of this Act shall be charged against available appropriations of the NHA subject to existing budgeting, accounting and auditing laws, rules, and regulations. The appropriations necessary for the continued implementation of this Act in succeeding years shall be prepared in accordance with regular government budget procedures and shall be included in the budget under the annual General Appropriations Act (GAA).

Section 8. Separability Clause. - If any portion of provision of this Act is declared unconstitutional, the remainder of this Act or any provision not affected thereby shall remain in force and effect.

Section 9. Implementing Rules and Regulations. - There is hereby created an interagency committee, headed by the NHA and DHSUD, with the GFI's and private financial institution/s concerned, tasked to promulgate the implementing rules and regulations within sixty (60) days from the effectivity of this Act.

Section 10. Repealing Clause. - All other laws, acts, presidential decrees, executive orders, issuances, presidential proclamations, rules, and regulations or parts thereof, which are contrary to and inconsistent with any provision of this Act, are hereby repealed, amended or modified accordingly.

Section 11. Effectivity. - This Act shall take effect immediately upon its publication in the Official Gazette or in a newspaper of general circulation.

Approved,