



Republic of the Philippines
HOUSE OF REPRESENTATIVES
Batasan Hills, Quezon City

NINETEENTH CONGRESS
Third Regular Session

HOUSE BILL NO. 11067



Introduced by
HON. ATTY. GERVILLE “JINKY BITRICS” R. LUISTRO

**AN ACT ORDAINING A NATIONAL POLICY OF FREE HOUSING THROUGH
USUFRUCT, PROVIDING FUNDS THEREFOR, AND FOR OTHER PURPOSES**

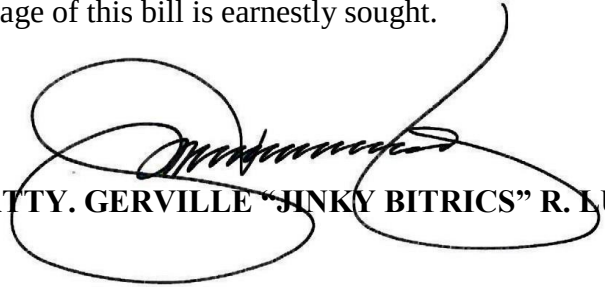
EXPLANATORY NOTE

Data from the Department of Human Settlements and Urban Development (DHSUD) shows that as of December 2022, the country faces an unmet housing demand of 6.66 million units. Luzon has the highest need with 2.67 million units (40.2%), followed by Mindanao with 1.75 million units (26.2%), and the Visayas with 1.54 million units (23.1%). The National Capital Region (NCR) requires 0.7 million units (10.5%). Additionally, the Bangko Sentral ng Pilipinas (BSP) reports that the Residential Real Estate Price Index (RREPI) indicates a 6.9% increase in house prices outside NCR and a 6.5% increase within NCR. According to the Philippine Statistics Authority, 47% of households have low income, and 20% are economically vulnerable. The Department of Human Settlements and Urban Development (DHSUD) reports that the country's housing backlog is currently 6.5 million units and could reach 10 million by 2028. Our current situation calls for another mode of housing which can cater a wider, if not all, demograph.

Historically, various housing finance programs have provided long-term, low-interest loans to indigent Filipinos, but these efforts have often failed due to mortgage defaults and poor collection practices. As Senator Lito Lapid noted, "Even with the availability of low-cost housing, the intended beneficiaries still find it unaffordable." A usufruct structure housing program aims to allow beneficiaries to use the property as usufructuaries, while the State retains ownership and title. This arrangement ensures the government maintains control over the units,

keeping them within the housing sector and out of the real estate market, addressing long-standing issues of beneficiaries selling their awarded units for profit..

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



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*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 "Free Housing Through
Usufruct Act”

SECTION. 2. Statement of Policy. – As part of its mandate to promote a just and
dynamic social order, it should be the policy of the state to institute programs aimed at providing
its people access to housing and should pursue avenues that would make housing free to its
citizens in need of it.

SECTION. 3. Free Housing Through Usufruct Program – The National Housing
Authority (NHA). Local Government Units (LGU), and other government agencies engaged in
housing, in implementing their housing programs, shall as far as practicable, distribute housing
units to qualified beneficiaries for free through contracts of usufruct.

The NHA, LGU, or other government agencies are engaged in housing or implementing
housing projects, as usufructors, shall retain ownership of title to the housing unit, with the
beneficiary as usufructuary, allowed to enjoy the use of the property.

SECTION. 4. Qualified Beneficiaries. – Only underprivileged and homeless Filipinos
without known ownership of any real property anywhere in the country may be beneficiaries of

the free housing through usufruct program. However, LGUs and other government agencies may extend the benefit to qualified personnel as part of its employee housing program provided that the beneficiary does not own any real property within the territory of the LGU of employment.

SECTION. 5. Inclusion of the Usufruct. – Usufruct shall only include use of the property. Charges for utilities such as electricity, water and communication shall be for the account of the beneficiary unless otherwise provided for by the LGU as included in the usufruct contract.

SECTION. 6. Period of usufruct – The beneficiary shall continue to enjoy use of the property until disqualified under Section 4 of this Act. In the event of death of the beneficiary, the next of kin shall have priority to take over the usufruct provided that the next of kin is qualified under the same section of this Act.

SECTION. 7. Prohibition on the usufruct – The beneficiary shall not lease, rent, sell or in any other manner transfer possession of the property under usufruct nor shall it be allowed to be used in whatever manner by any person other than the beneficiary or his immediate family. Further, the property shall only be used by the beneficiary for residential purposes. Violation of these prohibitions shall result in the forfeiture of the usufruct and constitute disqualification of the violator as beneficiary of any housing program by the government.

SECTION. 8. Financing, Ownership, and Management – The NHA shall provide financial and technical assistance to the LGUs in the implementation of the program. Regardless of ownership of title to the properties subject of the program, the LGU where the housing project is located shall be responsible with the management and maintenance of the properties subject of the program. For purposes of this section, management shall include the determination of the beneficiaries of the program and maintenance shall include insuring that adequate utility services are accessible to the beneficiaries.

SECTION. 9. Appropriation. – An appropriation in the amount of Five Billion Pesos (P5,000,000,000.00) is hereby allocated to the NHA as seed fund which will be tapped as assistance to LGUs for the implementation of the program. Subsequent allocations shall be appropriated in the annual General Appropriations Act as is needed to sustain the program.

SECTION. 10. Implementing Rules and Regulations. – The NHA, Department of the Interior and Local Government (DILG), and the Department of Human Settlements and Urban Development (DHSUD) shall promulgate the rules and regulations for the effective implementation of the provisions of this Act.

SECTION. 11. *Separability Clause.* – Should any provisions or part thereof, is held invalid, or unconstitutional, the remainder of the law or the provision not otherwise affected shall remain valid and subsisting.

SECTION. 12. *Repealing Clause.* – All laws, presidential decree or issuance, executive order, letter of instruction, administrative order, rule or regulation contrary to, or inconsistent with the provision of this Act is hereby repealed or amended accordingly.

SECTION. 13. *Effectivity.* – this Act shall take effect fifteen (15) days after its publication in the Official Gazette or in a newspaper of general circulation.

Approved,