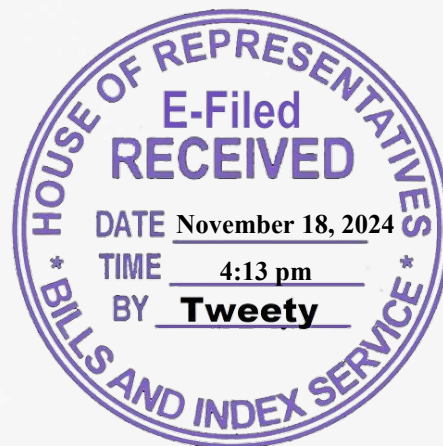


Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

NINETEENTH CONGRESS
Third Regular Session

HOUSE BILL No. 11091



Introduced by Representative CAMILLE A. VILLAR

EXPLANATORY NOTE

Under the 1987 Philippine Constitution, the State shall, by law, and for the common good, undertake, in cooperation with the public 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 resettlements areas.¹

This bill seeks to mandate a policy that institute programs aimed at providing its people free access to housing through a usufruct or free use of government housing property, subject to certain qualifications of the beneficiary. Only underprivileged and homeless Filipinos without known ownership of any real property anywhere in the country may be beneficiaries of the free housing through the usufruct program. However, local government units (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. Should this bill be enacted into law, it will also complement the government's efforts in managing the housing backlog, which if not arrested could reach 22 million units by 2040.²

In view of the foregoing, I join my colleagues in Congress in requesting for the swift passage of this bill.


CAMILLE A. VILLAR

¹ Section 9, Article XIII, 1987 Constitution

² https://unhabitat.org/sites/default/files/2023/06/5._unhabitat_philippines_country_report_2023_final_compressed.pdf

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**AN ACT ORDAINING A NATIONAL POLICY OF FREE HOUSING THROUGH
USUFRUCT, PROVIDING FUNDS THEREFOR, 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 “*Free Housing Through
Usufruct Act of 2024*”.

SEC 2. *Statement of Policy.* As part of its mandate to promote a just and
dynamic social order, it is 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.

SEC 3. *Free Housing Through Usufruct Program.* The National Housing
Authority (NHA), Local Government Units (LGU) and other government agencies
engaged in the National Shelter Program, 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 engaged in housing or
implementing housing projects, as owner, shall retain ownership of title to the
housing unit, with the beneficiary, as usufructuary, allowed to enjoy the use of the
property.

SEC 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.

SEC 5. *Inclusions 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 in the usufruct contract.

SEC 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.

SEC 7. *Prohibitions 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.

SEC 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 ensuring that adequate utility services are accessible to the beneficiaries.

SEC 9. *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).

SEC 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.

SEC 11. *Separability Clause.* Should any provision of this Act or any part thereof be declared invalid, the other provisions, insofar as they are separable from the invalid ones, shall remain in full force and effect.

SEC 12. *Repealing Clause.* All laws, orders, issuances, rules and regulations or parts thereof inconsistent with this Act are hereby repealed or modified accordingly.

SEC 13. *Effectivity.* This Act shall take effect fifteen (15) days after its complete publication in at least two (2) newspapers of general circulation.

Approved.