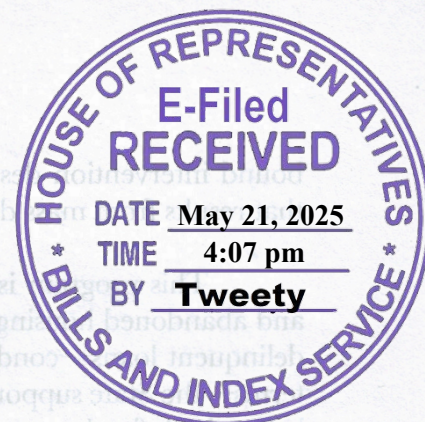


Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

NINETEENTH CONGRESS

Third Regular Session

HOUSE BILL NO. 11503



Introduced by Representative Roman T. Romulo

EXPLANATORY NOTE

The COVID-19 pandemic was more than a public health crisis—it was a rupture in the lives of millions of Filipino families, especially the most vulnerable. Low-income households, daily wage earners, informal workers, and underprivileged communities bore the brunt of lockdowns, job losses, and economic contraction. For many of them, even the most basic necessity—keeping a roof over their heads—became an insurmountable burden.

Today, as these households attempt to recover amid persistent inflation and economic uncertainty, the risk of losing their homes looms larger than ever. Without decisive intervention, years of public investment in socialized housing may be undone—not by unwillingness to pay, but by temporary hardship that deserves compassion and foresight.

This measure proposes the establishment of a Socialized and Low-Cost Housing Loan Restructuring and Condonation Program, reviving and expanding the relief mechanisms previously granted under Republic Act No. 9507, or the *Socialized and Low-Cost Housing Loan Restructuring Act of 2008*. Unlike existing restructuring initiatives, this program offers a distinct, time-bound window of relief responsive to the economic realities of the post-pandemic period. It removes burdensome barriers to application and prioritizes continued occupancy for those most in need.

This proposed bill responds not just to economic data but to human realities—recognizing that loan delinquency, driven by an unprecedented health crisis that strained households on every front, must not be met with foreclosure, but with fairness.

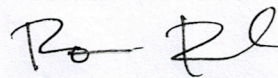
While housing may not be an individually enforceable right in the same way that civil liberties are, the Constitution imposes on the State a clear obligation to ensure that underprivileged and homeless citizens have access to decent and affordable housing. This principle is likewise recognized in international human rights instruments such as the *International Covenant on Economic, Social and Cultural Rights*, to which the country is a party, and the *Universal Declaration of Human Rights*, which forms part of customary international law and has been consistently upheld in Philippine jurisprudence. This bill reaffirms those obligations by offering a second chance to borrowers who, despite setbacks, have remained committed to fulfilling their responsibilities. It is not a blanket forgiveness of debt, but a calibrated and time-

bound intervention designed to preserve tenurial security and prevent the social dislocation that results from mass default.

This program is also fiscally prudent. The long-term costs of eviction, homelessness, and abandoned housing units far outweigh the benefits of rigid enforcement. By restructuring delinquent loans—condoning interests and penalties, lowering rates, and extending payment terms—the State supports recovery, protects public investment, keeps families intact within the homes built for them, and allows them to rebuild their lives with dignity.

In a society still healing from the wounds of the pandemic, the government must stand not as a creditor, but as a steward of equity. To choose compassion over confiscation, and recovery over ruin, is not charity—it is justice.

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



ROMAN T. ROMULO

Lone District, Pasig City

Republic of the Philippines
HOUSE OF REPRESENTATIVES
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NINETEENTH CONGRESS

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HOUSE BILL NO. 11503

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AN ACT
ESTABLISHING A SOCIALIZED AND LOW-COST HOUSING LOAN
RESTRUCTURING AND CONDONATION PROGRAM

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

SECTION 1. Title. – This Act shall be known as the “Socialized and Low-Cost Housing Loan Restructuring and Condonation Act”.

SEC. 2. Declaration of Policy. – It is the policy of the State to undertake a continuing program of urban land reform and housing that will make available at affordable cost decent housing and basic services to underprivileged and homeless citizens. To this end, a rational loan restructuring and condonation program shall be instituted that takes into consideration the credit worthiness and credit discipline of the borrowers, and the financial viability of the lending institutions.

SEC. 3. Coverage of the Restructuring Program for Delinquent Socialized and Low-Cost Housing Loan Accounts. – There is hereby established a Socialized and Low-Cost Housing Loan Restructuring and Condonation Program of the National Housing Authority (NHA) and the Social Housing Finance Corporation (SHFC). Under this program:

(a) For a period of twenty-four (24) months after the issuance of the implementing rules and regulations of this Act, all socialized and low-cost housing loans with the NHA and SHFC that have at least three (3) months of unpaid monthly amortizations as of the effectivity of this Act are hereby declared covered by the benefits of this loan restructuring and condonation program notwithstanding that the same accounts have availed of the benefits of a previous restructuring or condonation program: Provided, That the original principal amount of the housing loans shall not exceed One million eight hundred thousand pesos (P 1,800,000.00);

(b) Borrowers whose contracts have already expired but who continue to occupy the housing unit as the original registered beneficiary shall also be eligible for the loan restructuring and condonation program under this Act;

(c) An application for restructuring shall not be charged a processing fee and no downpayment shall be required for a borrower to apply for the benefits of this loan restructuring and condonation program;

(d) All existing interests on principal, penalties, and surcharges shall be condoned upon approval of the restructuring application under this Act: Provided, That an interest rate of three percent (3%) or the interest rate of the original loan, whichever is lower, shall be imposed upon the restructured loan;

(e) The term of a housing loan account being applied for restructuring may be extended for a period longer than its original term in order to lower the amount of the monthly amortization: Provided, That in no instance shall the extension of the restructured loan exceed the difference between the borrower's age at the time of application and the age of seventy (70);

(f) In case of permanent physical incapacity of a borrower, the legal heirs and successors-in-interest may assume payment of outstanding housing loan: Provided, That such legal heirs and successors-in-interest must pass the NHA and SHFC's eligibility requirement before they are allowed to assume payment of the borrower's loan obligation: Provided, further, That in case of death of the borrower, the proceeds of the Mortgage Redemption Insurance shall have been fully applied;

(g) Notwithstanding the availment of the loan restructuring program provided for in Republic Act No. 9507, the loan restructuring under this Act may be availed of only once except in case of force majeure affecting the ability to fulfill the financial obligation of the borrower; and

(h) The loan restructuring and condonation program provided for in this Act shall be construed as a separate and distinct program from the ones being implemented by the NHA and SHFC, and the borrower has the option to choose which loan restructuring and condonation program will be availed.

SEC. 4. Authority to Continue the Restructuring Program. – Notwithstanding the lapse of the period provided in Section 3(a) of this Act, the governing boards of the NHA and SHFC are hereby authorized to continue the loan restructuring and condonation program under this Act.

SEC. 5. Exclusion from Coverage. – In no instance shall the following housing loan accounts be covered by this Act:

(a) Any account without a single payment since takeout;

(b) An account which housing unit has been abandoned by the borrower-owner for more than one (1) year from the date of delinquency;

(c) An account which housing unit is occupied by a third party other than the original registered beneficiary or the legal heirs of the beneficiary; and

(d) An account that has been surrendered to the NHA or SHFC through dacion en pago, the title of which has already been consolidated or transferred in the name of the NHA or SHFC.

SEC. 6. Incentive for Prompt Payment of Monthly Amortization. – Upon the effectivity of this Act, all accounts restructured under this Act, the monthly amortizations of

which are paid on time, shall be entitled to incentives, including a reasonable discount on loan interest, the amount or percentage of which shall be determined by the respective boards.

SEC. 7. *Implementing Rules and Regulations.* – The Department of Human Settlements and Urban Development, NHA, and SHFC shall, in consultation with the relevant stakeholders, promulgate within ninety (90) days from the effectivity of this Act the rules and regulations to implement the provisions of this Act.

SEC. 8. *Separability Clause.* – If any portion or provision of this Act is declared unconstitutional, the remaining parts or provision not affected thereby shall remain in force and effect.

SEC. 9. *Repealing Clause.* – All laws, decrees, orders, issuances, rules and regulations, or any part thereof inconsistent with the provisions of this Act are hereby repealed, amended, or modified accordingly.

SEC. 10. *Effectivity.* – This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in a newspaper of general circulation.

Approved,