

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

TWENTIETH CONGRESS
First Regular Session

HOUSE BILL NO. 484



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 Filipinos 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 to expand Republic Act No. 9507, or the *Socialized and Low-Cost Housing Loan Restructuring Act of 2008*. This amendment offers a fresh, 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.

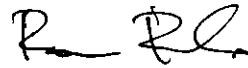
While housing may not be an individually enforceable right in the same way that civil liberties are, the Constitution imposes on the State a clear obligation to ensure that underprivileged and homeless citizens have access to decent and affordable housing. This principle is likewise recognized in international 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 timebound 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 ROMULO

Lone District, Pasig City

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HOUSE BILL NO. 484

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AN ACT
EXPANDING THE RESTRUCTURING AND CONDONATION
PROGRAM FOR SOCIALIZED AND LOW-COST HOUSING LOANS,
AMENDING FOR THE PURPOSE SECTIONS 3, 4, AND 5 OF
REPUBLIC ACT NO. 9507, OR THE SOCIALIZED AND LOW-COST
HOUSING LOAN RESTRUCTURING AND CONDONATION ACT OF
2008

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

1 **SECTION 1.** Section 3 of Republic Act No. 9507 or the Socialized and Low-Cost
2 Housing Loan Restructuring and Condonation Act of 2008 is hereby amended as
3 follows:

4 "SEC. 3. *Coverage of the Restructuring Program for Delinquent*
5 *Socialized and Low-Cost Housing Loan Accounts.*- x x x

6 "(a) for a period of [eighteen (18)] **TWENTY-FOUR (24)** months after
7 the issuance of the implementing rules and regulations of this Act, all
8 socialized and low-cost housing loans, the original principal amount of
9 which are within the housing loan ceilings as determined by the
10 [Housing and Urban Development Coordinating Council]
11 **DEPARTMENT OF HUMAN SETTLEMENTS AND URBAN**
12 **DEVELOPMENT (DHSUD)**, with any of the government financial
13 institutions (GFIs) and agencies involved in the National Shelter
14 Program (NSP), including, but not limited to, the Government Service
15 Insurance System (GSIS), Social Security System (SSS), Home
16 Development Mutual Fund (HDMF) or Pag IBIG Fund, National Home
17 Mortgage Finance Corporation (NHMFC), Social Housing Finance

Corporation (SHFC), [Home Guaranty Corporation (HGC)]
PHILIPPINE GUARANTEE CORPORATION (PHILGUARANTEE),
and the National Housing Authority (NHA) 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 Two Million Five Hundred Thousand
pesos (P2,500,000.00). *Provided, further*, That every year after the
effectivity of this Act, [HUDCC] **DHSUD** is authorized to increase the
amount herein stated;

**“(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;**

“[(b)] (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;

“[(c) all penalties and surcharges shall be condoned upon approval of
the restructuring application under this Act. *Provided*, That a reasonable
portion of the accrued interest on the housing loan shall also be
condoned, the amount or percentage of which shall be determined by
the respective boards of the GFIs and housing agencies mentioned in
Section 3(a) hereof. *Provided, further*, That all remaining accrued
interests shall be treated as non-interest bearing principal to be equally
repaid during the term of the restructured loan.] **(D) ALL EXISTING
INTERESTS ON PRINCIPAL, PENALTIES, AND SURCHARGES
SHALL BE CONDONED UPON APPROVAL OF THE
RESTRUCTURING APPLICATION UNDER THIS
ACT: *Provided*, [moreover,] That an interest rate of not more than the
interest of the original loan or more than [twelve percent (12%)] **THREE
PERCENT (3%)** whichever is lower, shall be imposed upon the
restructured loan: *Provided, finally*, That all corresponding penalties and
surcharges which the NHMFC and SHFC may have to pay their funders
as a result of the implementation of this Act may be adjusted and
condoned;**

“[(d)] **(E) x x x**

1 “[(e)] (F) the term of a housing loan account being applied for
2 restructuring may be extended for a period longer than its original term
3 in order to lower the amount of the monthly amortization. *Provided*, That
4 in no instance shall the extension of the restructured loan exceed the
5 difference between the borrower’s age at the time of application and
6 age seventy (70). [In the event that the borrower fails to pay three (3)
7 consecutive monthly amortization during the term of the restructured
8 loan, the concerned GFI or housing agency may pursue foreclosure
9 proceedings on the property;]

10 “[(f)] (G) x x x

11 “[(g) the loan restructuring under this Act may be availed of only once
12 except in case of *force majeure* affecting the ability of the borrower to
13 fulfill his/her financial obligation; and]

14 “(h) x x x”

15 **SEC. 2.** Section 4 of the same law is hereby amended as follows:

16 “SEC. 4. *Authority to Continue the Restructuring Program.* —
17 Notwithstanding the lapse of the period provided in Section 3(a) of this
18 Act, the governing boards of HDMF/Pag-IBIG Fund, SSS, GSIS,
19 NHMFC, SHFC, [HGC] **PHILGUARANTEE** and NHA and SHFC are
20 hereby authorized to continue the loan restructuring and condonation
21 program under this Act.”

22 **SEC. 3.** Section 5 of the same law is hereby amended as follows:

23 “SEC. 5. *Exclusion from Coverage.* - x x x

24 “(a) x x x

25 “(b) x x x

26 “(c) x x x

27 “(d) An account that has been [foreclosed or a contract-to-sell that has been
28 cancelled, or has been] surrendered to the GFIs or housing agencies
29 through *dacion en pago*, the title of which has already been
30 consolidated/transferred in the name of the GFI or the housing agency; and

31 “(e) x x x”

32 **SEC. 4.** All laws, orders, issuances, rules and regulations or parts thereof inconsistent
33 with the provisions of this Act are hereby repealed or amended accordingly.

1 **SEC. 5.** This Act shall take effect fifteen (15) days after its publication in the *Official*
2 *Gazette* or in a newspaper of general circulation.

3 Approved,