



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

TWENTIETH CONGRESS
First Regular Session



HOUSE BILL NO. 989

Introduced by Representative Ivan Howard Guintu

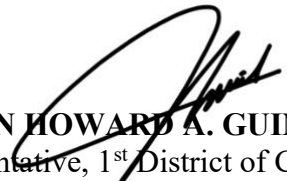
EXPLANATORY NOTE

Shelter is a basic need and as such, the state should always endeavor to provide its citizens with affordable if not free housing especially to those who have less in life. Though we may have existing housing policies that do just that, there appears to be certain incongruities in them so much so that there are houses available for distribution but there are no takers, mistakenly insinuating a seeming surplus when in reality the perennial problem of housing shortage persists. Most of the reasons were the location of the housing project where options for public transportation are lacking, unavailability of public utilities, or just that even if low-cost housing appear truly affordable, the intended beneficiaries really have not much or have little to be able to pay.

In order to discount the financial capacity as a criterion for an indigent Filipino to finally have decent housing, this measure seeks to provide shelters to qualified beneficiaries under a scheme legally known as a usufruct. In this manner, housing beneficiaries will be allowed free use of the housing unit as a usufructuary, with the state through its agencies retaining ownership and title to the subject property. There will be no limitation as to how long the usufruct subsists, so long as the beneficiary qualifies under conditions set forth under this act, one will enjoy the benefits of the program. But controls will be in place so that the program will not be exploited such that the beneficiary is not allowed to rent, lease, sell or in any manner transfers and allow another person to enjoy the usufruct. Such violation will result in the forfeiture of the benefits and the disqualification of the beneficiary from participating in any housing program of the government.

Usufruct as a program to provide housing to citizens in need has been a success in many of our other ASEAN neighbors namely Singapore and Malaysia, and some of our local government units has made strides of success implementing the same for their constituents. It is high time that the state considers the same as a national policy thus discussion and consequent approval of this measure is earnestly sought.

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


IVAN HOWARD A. GUINTU
Representative, 1st District of Capiz



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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*”.

SEC 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.

SEC 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 agency engaged in housing or implementing
housing projects, as usufructor, 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 by the LGU as included 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 insuring that adequate utility services are accessible to the beneficiaries.

SEC 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.

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.