

Republic of the Philippines  
**HOUSE OF REPRESENTATIVES**  
Quezon City

**TWENTIETH CONGRESS**  
First Regular Session

**HOUSE BILL NO. 1171**



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Introduced by **Rep. Arturo B. Robes**

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**AN ACT**  
**STRENGTHENING THE OPERATIONS OF THE HUMAN SETTLEMENTS**  
**ADJUDICATION COMMISSION, AMENDING FOR THE PURPOSE SECTIONS 13,**  
**14, 16, 17, AND 18 OF REPUBLIC ACT NO. 11201, OTHERWISE KNOWN AS THE**  
**“DEPARTMENT OF HUMAN SETTLEMENTS AND URBAN DEVELOPMENT**  
**ACT”**

**EXPLANATORY NOTE**

The Human Settlements Adjudication Commission is the sole and exclusive adjudicatory board that resolves cases affecting the housing sector – homeowners, developers and homeowners’ associations.

With numerous issues between homeowners’ associations and homeowners, homeowners’ association and another homeowners’ association, homeowners’ associations and developers, and homeowners and developers, it is only necessary to strengthen the commission, allowing them to respond to the demands of stakeholders and providing sufficient support to the operations of the commission.

This bill will empower the Commission to perform even more efficiently its mandate to resolve complaints and clear dockets. Moreso, this bill will grant the commission the power to fine a higher penalty for violations of Presidential Decree No. 957 as a deterrent against unscrupulous developers and to order the Land Registration Authority to cancel or transfer title to property to facilitate delivery in accordance with the aforementioned Presidential Decree.

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

**ARTURO B. ROBES**

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**AN ACT STRENGTHENING THE OPERATIONS OF THE HUMAN  
SETTLEMENTS ADJUDICATION COMMISSION, AMENDING FOR PURPOSE  
SECTIONS 13, 14, 16, 17, AND 18 OF REPUBLIC ACT NO. 11201, OTHERWISE  
KNOWN AS THE "DEPARTMENT OF HUMAN SETTLEMENTS AND URBAN  
DEVELOPMENT ACT"**

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

**SECTION 1.** Section 13 of Republic Act No. 11201, otherwise known as the "'Department of Human Settlements and Urban Development Act," is hereby amended to read as follows:

*"SEC. 13. Composition, Staffing Pattern and Compensation. -*

(a) The Commission shall be composed of the following:

(1) Commission *en banc* – Five (5) Commissioners appointed by the President shall comprise the Commission.

**THE COMMISSION MAY SIT EN BANC OR IN THREE (3) DIVISIONS, EACH COMPOSED OF THREE (3) MEMBERS: PROVIDED, THAT NO TWO (2) DIVISIONS SHALL HAVE THE SAME COMPOSITION.**

**THE COMMISSION SHALL SIT *EN BANC* FOR PURPOSES OF PROMULGATING RULES AND REGULATIONS GOVERNING THE HEARING AND DISPOSITION OF CASES BEFORE IT, ITS DIVISIONS, AND REGIONAL ADJUDICATION BRANCHES. THE EXCLUSIVE APPELLATE JURISDICTION OF THE COMMISSION SHALL BE EXERCISED BY THE COMMISSION *EN BANC* AND ITS DIVISIONS IN ACCORDANCE WITH ITS DULY PROMULGATED RULES OF PROCEDURE.**

**THE EXECUTIVE COMMISSIONER SHALL BE THE CHAIRPERSON OF THE COMMISSION *EN BANC* AND FIRST DIVISION. THE CHAIRPERSON OF THE SECOND DIVISION SHALL BE THE SECOND MOST SENIOR COMMISSIONER, AND THE CHAIRPERSON OF THE THIRD DIVISION, THE THIRD MOST SENIOR**

**COMMISSIONER. THE DATE OF APPOINTMENT OF THE COMMISSIONERS SHALL DETERMINE THEIR SENIORITY.**

**THE CONCURRENCE OF TWO (2) COMMISSIONERS OF A DIVISION AND THREE (3) COMMISSIONERS OF THE *EN BANC* SHALL BE NECESSARY FOR THE PRONOUNCEMENT OF A JUDGMENT OR RESOLUTION. WHENEVER THE REQUIRED MEMBERSHIP IN A DIVISION IS NOT COMPLETE AND THE CONCURRENCE OF TWO (2) COMMISSIONERS TO ARRIVE AT A JUDGMENT OR RESOLUTION CANNOT BE OBTAINED, THE CASE SHALL BE RESOLVED BY A SPECIAL DIVISION TO BE CONSTITUTED.**

The Executive Commissioner, chosen by the President from among the five (5) Commissioners, shall be responsible for the administration and operations of the Commission, **AND ITS REGIONAL ADJUDICATION BRANCHES AND ALL ITS PERSONNEL, INCLUDING THE REGIONAL ADJUDICATORS**, including the supervision of personnel, and shall be assisted by the Executive Clerk of the Commission.

**THE COMMISSION, WHEN SITTING *EN BANC*, SHALL BE ASSISTED BY THE SAME EXECUTIVE CLERK, AND, WHEN ACTING THRU ITS DIVISIONS, BY THREE (3) DEPUTY EXECUTIVE CLERKS FOR THE FIRST, SECOND, AND THIRD, DIVISIONS, RESPECTIVELY, IN THE PERFORMANCE OF SUCH SIMILAR OR EQUIVALENT FUNCTIONS AND DUTIES AS ARE DISCHARGED BY THE CLERK OF COURT AND DEPUTY CLERKS OF COURT OF THE COURT OF APPEALS. THE EXECUTIVE CLERK AND DEPUTY EXECUTIVE CLERKS SHALL BE PERMANENT POSITIONS.**

**THE COMMISSION AND ITS THREE (3) DIVISIONS SHALL BE ASSISTED BY THE COMMISSION ATTORNEYS IN ITS APPELLATE AND ADJUDICATORY FUNCTIONS WHOSE TERM SHALL BE COTERMINOUS WITH THE COMMISSIONERS WITH WHOM THEY ARE ASSIGNED. THE COMMISSION ATTORNEYS SHALL BE MEMBERS OF THE PHILIPPINE BAR OF GOOD STANDING WITH AT LEAST ONE (1) YEAR EXPERIENCE OR EXPOSURE IN THE FIELD OF URBAN DEVELOPMENT PLANNING, SUSTAINABLE DEVELOPMENT, CLIMATE CHANGE ADAPTATION, DISASTER RISK REDUCTION OR REAL ESTATE DEVELOPMENT. THEY SHALL RECEIVE ANNUAL SALARIES AND SHALL BE ENTITLED TO THE SAME ALLOWANCES AND BENEFITS AS THOSE FALLING UNDER SALARY GRADE TWENTY-SIX. THERE SHALL BE AS MANY COMMISSION ATTORNEYS AS MAY BE NECESSARY FOR THE EFFECTIVE AND EFFICIENT OPERATIONS OF THE COMMISSION BUT IN NO CASE MORE THAN THREE (3) ASSIGNED TO THE OFFICE OF THE EXECUTIVE COMMISSIONER AND EACH COMMISSIONER.**

**NO REGIONAL ADJUDICATOR SHALL BE ASSIGNED TO PERFORM THE FUNCTIONS OF THE COMMISSION ATTORNEY NOR DETAILED TO THE OFFICE OF ANY COMMISSIONER.**

(2) Regional Adjudication Branch – There shall be as many Regional Adjudication Branches as there are Regional Offices of the Department. **UPON THE RECOMMENDATION OF THE COMMISSION *EN BANC***, the President shall appoint as many Regional Adjudicators as may be necessary **FOR THE EFFECTIVE AND**

**EFFICIENT OPERATION OF THE COMMISSION** [upon the recommendation of the Secretary].

**THE REGIONAL ADJUDICATION BRANCH SHALL BE HEADED BY A CHIEF REGIONAL ADJUDICATOR WHO SHALL BE RESPONSIBLE FOR THE ADMINISTRATION AND OPERATION, INCLUDING SUPERVISION OF PERSONNEL OF THE REGIONAL ADJUDICATION BRANCH.**

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SEC. 2. Section 14 of Republic Act No. 11201 is hereby amended as follows:

“SEC. 14-A. Qualifications and Term of Office. – [The qualifications and terms of office are as follows:]

- (a) Commissioner – Each Commissioner must be a natural born citizen of the Philippines, of good moral character and has been engaged in the practice of law and a member of the Philippine Bar of good standing for a period of at least ten (10) years prior to the appointment: Provided, That each **COMMISSIONER SHALL HAVE AT LEAST 5 YEARS OF** [all nominees shall have] experience in urban development planning, **LAND USE AND DEVELOPMENT CASES**, sustainable development, climate change adaptation, disaster risk reduction and/or real estate development.

Each Commissioner shall hold office **ON GOOD BEHAVIOR UNTIL OTHERWISE INCAPACITATED OR HAS REACHED THE RETIREMENT AGE IN ACCORDANCE WITH LAW, RULES AND REGULATIONS PROMULGATED BY DULY CONSTITUTED AUTHORITIES, WHICHEVER COMES EARLIER** [for six (6) years. In case of death, permanent disability, removal from office, resignation and incapacity to discharge the duties of office, the person appointed as Commissioner shall only serve the unexpired term: Provided, That the term of office of the incumbent Commissioners shall be respected.].

- (b) Regional Adjudicator - Each Regional Adjudicator must be a **NATURAL BORN** citizen of the Philippines, of good moral character, has been in the practice of law and member of the Philippine Bar of good standing for at least seven (7) years, with at least three (3) years['] **OF** experience in [realty and/or] **URBAN DEVELOPMENT PLANNING** land use and development cases, **SUSTAINABLE DEVELOPMENT, CLIMATE CHANGE ADAPTATION, DISASTER RISK REDUCTION AND/OR REAL ESTATE DEVELOPMENT** [, prior to the appointment: Provided, That the existing HLURB Arbiters are deemed qualified].

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SEC. 3. Section 14-B is hereby added, as follows:

**“SEC. 14-B. SALARIES, BENEFITS, AND OTHER EMOLUMENTS. - THE EXECUTIVE COMMISSIONER AND OTHER COMMISSIONERS SHALL HAVE THE SAME RANK, RECEIVE AN ANNUAL SALARY EQUIVALENT TO, AND BE ENTITLED TO THE SAME ALLOWANCES, BENEFITS, PRIVILEGES, AND**

**RETIREMENT AS, THOSE OF THE PRESIDING JUSTICE AND ASSOCIATE JUSTICES OF THE COURT OF APPEALS, RESPECTIVELY.**

**REGIONAL ADJUDICATORS SHALL HAVE THE SAME RANK, RECEIVE AN ANNUAL SALARY EQUIVALENT TO AND BE ENTITLED TO THE SAME ALLOWANCES, BENEFITS, PRIVILEGES, AND RETIREMENT AS THOSE OF THE JUDGES OF THE REGIONAL TRIAL COURTS; *PROVIDED*, THAT THE CHIEF REGIONAL ADJUDICATOR SHALL RECEIVE ADDITIONAL ALLOWANCES AND BENEFITS AS MAY BE ALLOWED BY RULES, REGULATIONS, OR LAWS.**

**IN NO CASE, HOWEVER, SHALL THE PROVISION OF THIS SECTION RESULT IN THE DIMINUTION OF THE EXISTING SALARIES, ALLOWANCES, AND BENEFITS OF THE AFOREMENTIONED OFFICIALS.”**

SEC. 4. Section 16 of Republic Act No. 11201 is hereby amended as follows:

“SEC. 16. Jurisdiction of Regional Adjudicators. – The Regional Adjudicators shall exercise original and exclusive jurisdiction to hear and decide cases involving the following:

(a) Cases involving subdivisions, condominiums, memorial parks, and similar real estate developments:

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(6) Disputes involving easements within or among subdivision projects; [and]

(7) Actions to annul mortgages executed in violation of Section 18 of Presidential Decree No. 957 filed by a subdivision lot or condominium unit buyer against the project owner and/or developer and the mortgagee[.]; **AND**

**8. ACTIONS FOR EJECTMENT FILED BY THE SELLER AGAINST THE BUYER ARISING FROM THE SALE OF THE LOT OR UNIT AND DEVELOPMENT OF THE SUBDIVISION OR CONDOMINIUM PROJECT; *PROVIDED*, THAT, THE ACTION FOR EJECTMENT SHALL BE FILED BY THE SELLER AS A COUNTERCLAIM AGAINST THE COMPLAINT FILED BY THE BUYER.**

(b) Cases involving Homeowners Associations:

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(3) Inter-association disputes or controversies arising out of the relations between and among two (2) or more HOAs between and among federations and other umbrella organizations, on matters pertaining to the exercise of their rights, duties and functions; [and]

(4) Disputes between such HOA and the State, insofar as it concerns their individual franchise or right to exist and those which are intrinsically connected with the regulation of HOAs or dealing with the internal affairs of such entity[.];

**5. ACTIONS FILED BY ANY CONCERNED PARTIES FOR THE TURN-OVER, TO THE HOMEOWNERS, OF THE MANAGEMENT OF THE DEVELOPER/OWNER-INITIATED ASSOCIATION, IN ACCORDANCE WITH SECTION 30 OF PRESIDENTIAL DECREE NO. 957; AND**

**6. ACTIONS FOR EJECTMENT FILED BY A HOMEOWNER'S ASSOCIATION IN A COMMUNITY MORTGAGE PROGRAM (CMP) PROJECT AGAINST A DEFAULTING MEMBER-BENEFICIARY WHO HAS BEEN DELISTED FROM THE MASTER LIST OF MEMBER-BENEFICIARIES, AS WELL AS ALL OTHER MATTERS PERTAINING TO THE IMPLEMENTATION OF THE CMP PROJECT."**

SEC 5. Section 17 of Republic Act No. 11201 is hereby amended as follows:

"SEC. 17. Powers and Authorities of the Commission. – The Commission shall have the power and authority:

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**(E) TO IMPOSE FINE FOR VIOLATION OF THE PROVISIONS OF PRESIDENTIAL DECREE NO. 957, AS AMENDED, AND/OR ANY RULE OF REGULATION PURSUANT TO THE SAME DECREE. THE ADMINISTRATIVE FINE TO BE IMPOSED SHALL NOT EXCEED MORE THAN TWO HUNDRED FIFTY THOUSAND PESOS (PHP250,000.00).**

**THE CEILING FOR THE ADMINISTRATIVE FINE IMPOSED IN THE PRECEDING PARAGRAPH SHALL ONLY BE APPLICABLE FOR ONE COUNT OF VIOLATION. WHERE SEVERAL PROVISIONS OF PRESIDENTIAL DECREE NO. 957, AS AMENDED, AND/OR ANY RULE OR REGULATION PURSUANT TO THE SAME DECREE HAS BEEN VIOLATED; AND/OR WHERE THERE IS REPEATED VIOLATIONS OF THE SAME PROVISION OF THE MENTIONED DECREE AND/OR ANY RULE AND REGULATION PURSUANT TO THE SAME DECREE HAS BEEN VIOLATED ANOTHER ADMINISTRATIVE FINE MAY BE IMPOSED IN EACH COUNT OF THOSE VIOLATIONS.**

**THE COMMISSION SHALL HAVE SAME POWER AND AUTHORITY TO IMPOSE ADMINISTRATIVE SANCTIONS ON VIOLATIONS OF THE LAWS OR REGULATIONS BEING IMPOSED BY DHSUD. THE SANCTIONS IMPOSED SHALL BE BASED ON THE SANCTIONS PROVIDED BY THE LAW, RULE, OR REGULATION VIOLATED, EXCEPT PRESIDENTIAL DECREE NO. 957.**

**(F) TO ORDER THE LAND REGISTRATION AUTHORITY TO TRANSFER OR CANCEL TITLE OF A LOT SUBJECT OF CONTRACTUAL OBLIGATION ARISING FROM SALE OF THE LOT OR UNIT OF THE SUBDIVISION OR CONDOMINIUM PROJECT BUT SHALL NOT INCLUDE THOSE SALES MADE NOT IN BETWEEN THE DEVELOPER AND BUYER; OR IN RELATION TO THE IMPLEMENTATION OF OBLIGATION UNDER SECTION 25 OF PRESIDENTIAL DECREE NO. 957 OR OTHER PERTINENT STATUTORY OBLIGATION.**

**(G[e]) To exercise such other powers as are implied, necessary, or incidental to carry out the express powers granted to the Commission.**

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SEC. 6. Section 18 of Republic Act No. 11201 is hereby amended as follows:

“SEC. 18. Appeals. - Decisions, awards or orders of the Regional Adjudicators shall be final and executory unless appealed to the Commission within fifteen (15) calendar days from receipt of such decisions, awards or orders.

[The decision] **DECISIONS of the Commission ARE APPEALABLE TO THE COURT OF APPEALS IN ACCORDANCE WITH RULE 43 OF THE RULES OF COURT. THE APPEAL SHALL NOT STAY THE ORDER, RULING OR DECISION SOUGHT TO BE REVIEWED, UNLESS THE COURT OF APPEALS SHALL DIRECT OTHERWISE UPON SUCH TERMS AND CONDITIONS IT MAY DEEM JUST. IN THE APPEAL, THE COMMISSION SHALL BE INCLUDED AS A PARTY RESPONDENT TO THE CASE.** [upon any disputed matter may be brought upon to the Court of Appeals in accordance with Rule 43 of the Rules of Court.]”

SEC. 7. Transitory Clause. - Any change in the salaries, benefits, and other emoluments as provided in Section 14-B of this Act shall redound to all incumbent Commissioners, Regional Adjudicators, Commission Attorneys, and Commission Clerks at the time of the effectivity of this Act.

SEC. 8. Early Retirement Clause. - All HSAC employees who shall opt for early retirement at the time of the effectivity of this Act shall receive separation benefits in accordance with existing laws. In addition, those who are qualified to retire shall be allowed to retire and be entitled to all benefits provided, under any of the existing retirement laws.

SEC. 9. Separability Clause. - If any provision of this Act is declared invalid or unconstitutional, the remainder thereof not otherwise affected shall remain in full force and effect.

SEC. 10. Repealing Clause. - Sections 13, 14, 16, 17, and 18 of Republic Act No. 11201, and all other laws, presidential decrees, executive orders, letters of instructions, proclamations, or administrative regulations or any part thereof that are inconsistent with the provisions of this Act are hereby repealed, amended or modified accordingly.

SEC. 11. Effectivity. - This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in a newspaper of general circulation.

*Approved.*