

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

**TWENTIETH CONGRESS**  
First Regular Session

**HOUSE BILL NO. 3192**



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**Introduced by REP. EMILIO BERNARDINO L. YULO**

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### **EXPLANATORY NOTE**

The 1987 Philippine Constitution, under Article XIII, Section 9, mandates the State to undertake, in cooperation with the private sector, 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. In furtherance of this constitutional directive, several landmark laws have been enacted, including Republic Act No. 7279 or the Urban Development and Housing Act of 1992 and Republic Act No. 11201 creating the Department of Human Settlements and Urban Development (DHSUD). Despite these, the housing backlog continues to be a persistent concern, with current estimates by the DHSUD indicating that the country faces a housing shortfall of over 6.5 million units.

In response to this crisis, the proposed measure entitled “Enhanced National Shelter Program Act” seeks to revolutionize and expand the national housing framework by institutionalizing a more comprehensive, integrated, and inclusive approach to shelter development and housing finance in the country. It builds upon the existing Universal Housing System by focusing on equitable access to affordable, safe, climate-resilient, and sustainable housing for Filipino families, particularly low-income and middle-income earners.

Central to this measure is the institutionalization of the “Pambansang Pabahay Para sa Pilipino (4PH) Program” as the centerpiece of the Enhanced National Shelter Program. This program promotes the active participation of Local Government Units (LGUs), Government Financial Institutions (GFIs), and the private sector in housing development and financing. The bill empowers LGUs to develop housing on their own lands, obtain concessional development loans, or enter into public-private partnerships to co-develop housing projects. It also enables private sector participation in housing finance and development through innovative modalities, including securitization, mortgage support, and bond issuance.

The bill further strengthens the role of Key Shelter Agencies (KSAs) such as the National Housing Authority (NHA), Social Housing Finance Corporation (SHFC), and the National Home Mortgage Finance Corporation (NHMFC) to operationalize new and existing programs such as informal settlement upgrading, resettlement assistance, and community-led housing. These agencies will also spearhead the implementation of estate management systems and financial literacy initiatives to ensure long-term sustainability and improved creditworthiness among beneficiaries.

Moreover, the bill requires the identification, acquisition, and efficient development of government-owned idle lands for housing purposes. It institutionalizes mandatory land inventory and land disposition mechanisms, with a view to converting government lands into viable housing sites through DHSUD's streamlined processes and full administrative jurisdiction.

To further reduce barriers to housing development, the bill introduces the concept of Green Lanes for Housing Permits, compelling all relevant agencies to streamline and expedite the issuance of permits and licenses, subject to monitoring by the Anti-Red Tape Authority (ARTA). A similar mandate is given to NHMFC to simplify securitization processes in collaboration with regulatory bodies.

This proposed legislation represents a whole-of-government, whole-of-society effort to end the cycle of housing poverty in the country. By institutionalizing and enhancing key components of the national shelter and housing finance ecosystem, the bill provides the structural and fiscal reforms necessary to bridge the housing gap and to ensure that every Filipino family has a dignified place to call home.

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



**REP. EMILIO BERNARDINO L. YULO**

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**AN ACT**  
**ENHANCING THE NATIONAL SHELTER PROGRAM, REVITALIZING AND**  
**STRENGTHENING THE HOUSING FINANCE ECOSYSTEM,**  
**APPROPRIATING FUNDS THEREFOR**

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

**SECTION 1. *Short Title.*** – This Act shall be known as the “Enhanced National Shelter Program Act.”

**SEC. 2. *Declaration of Policy.*** – The State hereby recognizes that access to adequate, safe and affordable housing enhances quality of life and contributes to the wellbeing of the community. It is hereby declared a policy of the State to create an enabling environment for the public and private sectors, to, jointly or separately, increase and accelerate housing production to address the housing needs of Filipino families. Accordingly, the State hereby adopts the following policies:

- (a) Develop a diverse range of housing products and tenure options according to the specific needs and financial means of targeted market segments;
- (b) Implement system integration of housing programs to enhance efficiency and optimize resource allocation;
- (c) Encourage and enhance private sector participation in capital investment in public housing;
- (d) Promote and support a robust housing finance market;
- (e) Enhance the stability of the housing finance market by implementing comprehensive financial risk management strategies to mitigate risk and reduce borrowing cost;

- (f) Integrate principles of social inclusion, sustainability, and climate resilience in the design of public housing; and
- (g) Implement a whole of government approach in human settlements and urban development.

**SEC. 3. *Enhanced National Shelter Program.*** –The Department of Human Settlements and Urban Development (DHSUD) is hereby mandated to implement a comprehensive program to provide targeted housing assistance, either direct or indirect, to low-income and middle-income families, hereinafter referred to as the Enhanced National Shelter Program. The DHSUD shall adopt an integrated and unified approach in implementing the Enhanced National Shelter Program. The Enhanced National Shelter Program shall include the following components:

- (a) Pambansang Pabahay Para sa Pilipino (4PH) Program. – The 4PH, as administered by the DHSUD, is hereby institutionalized and declared as the centerpiece program of the Enhanced National Shelter Program. The 4PH shall provide direct housing assistance to low-income and middle-income families. The DHSUD and its attached agencies shall partner with local government units (LGUs) to undertake the construction of socialized housing in LGU-owned lands and the allocation thereof to qualified beneficiaries. LGUs may obtain development loans from the Home Development Mutual Fund (HDMF) and other Government Financial Institutions (GFIs), or enter into a joint venture with a property developer to co-finance the construction of housing units, in accordance with applicable laws, rules and regulations. LGUs and National Government Agencies (NGA) may also opt to enter into contracts with a private entity through a Public-Private Partnership for the development of LGU-owned or NGA-owned lands for housing.

Additionally, private developers or contractors may also participate in the 4PH program thru the development of private lands in collaboration with LGUs and NGAs, subject to applicable rules and regulations. HDMF shall provide mortgage financing to qualified beneficiaries, who shall be eligible for amortization support and interest credit. Other financial institutions may also provide mortgage financing to qualified beneficiaries, who shall be eligible for amortization support and interest credit;

- (b) Housing Programs. - The National Housing Authority (NHA) shall develop and implement comprehensive shelter and human settlements programs for underserved families: (1) upgrading of informal settlements program to improve blighted urban areas including existing resettlement sites; (2) production and disposition of shelter for underprivileged and homeless including the provision of housing grants and socialized housing programs pursuant to Republic Act No. 7279 or Urban Development and Housing Act of 1992; and (3) resettlement of informal settler families affected by government infrastructure and disasters;

- (c) Community-led Financing - The Social Housing Finance Corporation (SHFC) is hereby mandated to develop a modified Community Mortgage Program (CMP) to promote community-led housing program wherein organized community associations shall obtain mortgage financing from SHFC for land acquisition, site development, and construction of residential units which shall be awarded to member-beneficiaries of the community for long-term lease with option to purchase. SHFC shall continue to implement existing CMP modalities, high-density housing program, and Abot-Kaya Pabahay Fund under Republic Act No. 6846;
- (d) Credit Counseling and Financial Literacy Program. – The DHSUD and Key Shelter Agencies (KSAs) shall implement a housing-related financial literacy program to improve creditworthiness of beneficiaries; Provided, That the credit information of beneficiaries shall be protected under Republic Act No. 9510, otherwise known as “Credit Information System Act”;
- (e) Estate Management. – An Estate Management and Welfare Council (EMWC) shall be created to ensure the sustainability of every government housing program. The EMWC shall serve as an oversight body providing policy recommendations concerning property management, operation and maintenance of structures, communal spaces, and other facilities;
- (f) Securitization Program. – The National Home Mortgage Finance Corporation (NHMFC) is hereby mandated as the government’s secondary mortgage institution to expand its operations for the purchase and securitization of housing loans and such other assets with predictable cash flow from public or private originators, financial institutions, and KSAs, to support the growth and stability of the housing finance market. The NHMFC will implement strategic measures to expeditiously dispose of its non-performing assets to enhance the performance of its asset portfolio;
- (g) Guarantee System. – There is hereby established a Housing Guarantee System wherein bonds originated by the NHMFC and LGUs, and Asset-backed Securities (ABS) originated by the NHMFC and issued through a Special Purpose Entity (SPE), may be covered by the Philippine Guarantee Corporation (PHILGUARANTEE), in accordance with coverage limits and eligibility criteria established by PHILGUARANTEE in collaboration with the Department of Finance (DOF), and under such special preferential guarantee rates and conditions, simplified requirements, and expedited processes, agreed upon with NHMFC, as provided under Sections 3 (f) and 13 (h) of Republic Act No. 8763, enjoining the active participation of LGUs in socialized housing programs through adequate measures for housing development in their respective areas; and
- (h) Housing Bonds. - KSAs and LGUs are hereby authorized to issue bonds to finance their housing programs, subject to existing laws, rules, and regulations.

**SEC. 4. Targeting System.** – The DHSUD and National Economic and Development Authority (NEDA) shall establish eligibility requirements and a standardized targeting system, utilizing income data of the Family Income and Expenditure Survey (FIES), as basis for prioritizing of beneficiaries of programs in the preceding Section to ensure that housing assistance is directed towards families with the greatest need.

**SEC. 5. Price Ceiling.** – The DHSUD and NEDA shall jointly determine the price ceiling for socialized, low cost or economic and middle-income housing, in accordance with Section 23 of Republic Act No. 11201, by calculating land and construction costs through price inflation analysis, using the previously approved price ceiling as a baseline, and incorporating imputed rent based on FIES and affordability as well as other methodologies that may be applicable.

**SEC. 6. Housing Support.** – The DHSUD shall, directly or through its attached KSAs, provide amortization support payable to the end-user finance providers for the account of the buyer-beneficiaries' units, using funds that will be made available through the General Appropriations Act (GAA), and other identified funding sources. LGUs are also encouraged to provide monthly amortization support to buyer-beneficiaries of the units, if needed to enable the latter to meet their monthly amortization obligations.

The interest subsidy per beneficiary shall not exceed 5%, and the remainder shall be paid by the beneficiaries, provided that at no time shall the beneficiaries pay interest amortization of less than 1%. For beneficiaries belonging to the bottom 30% income decile, the following additional financial assistance/subsidy may be applied:

- (a) Mortgage redemption insurance, fire insurance, and other property related insurance;
- (b) Real Estate Management Subsidy;
- (c) Time-limited rental subsidies for the families provided that the households availing the rental subsidy meet the following criteria: (a) they are in need of temporary accommodations while awaiting their relocation/resettlement to the 4PH housing units and (b) they do not have access to any similar rental assistance program of the government.

**SEC. 7. Additional Capitalization of NHMFC.** – The authorized capital stock of the NHMFC is hereby increased from P5,500,000,000.00 to P50,000,000,000.00 to expand its leveraging capacity based on the volume of mortgage loans and other financial receivables being serviced to improve its profitability by reducing the average cost of its fund made available for its programs.

The capital of the NHMFC shall be Fifty billion pesos (P50,000,000,000.00), to be fully subscribed by the Government of the Republic of the Philippines, hereafter referred to as the Government. *Provided*, That the increase in capitalization shall be

funded from a continuing annual appropriation under the GAA, as well as, from all the declared dividends and tax payments of the NHMFC in favor of the National Government and such other advances, funding, or appropriations from the National Government as may be agreed upon between the NHMFC and the DOF, until the above-mentioned amount of capitalization is reached. For this purpose, any and all declared dividends and tax payments of the NHMFC in favor of the National Government shall be deposited in a special account in the General Fund, and earmarked for the payment of NHMFC's increase in capitalization.

**SEC. 8. *Exemption from Tax and Regulatory Fees.*** – To promote the policy of improving housing affordability, projects under the 4PH Program, in cooperation with LGUs, other socialized housing projects of SHFC and NHA, and private sector participating in the housing programs shall also enjoy exemptions from fees, charges, and taxes enumerated including but not limited to the following: income tax, creditable withholding tax, real property tax, capital gains tax, value added tax, donor's tax, and other similar taxes; and building permit fee, fire inspection permit fee, Environmental Compliance Certificate fees, and other regulatory fees. Similarly, lands for development under the 4PH Program shall be exempt from the payment of documentary stamp tax, transfer tax, registration fees, including other fees required for the issuance of transfer certificates of titles.

Additionally, the investors' yield or income from any socialized housing or economic housing-related bond or ABS originated by the NHMFC issued through a Special Purpose Entity under the Securitization Act of 2004 shall be exempt from income tax. All NHMFC issuances, transactions, and documents shall enjoy tax, regulatory fees and other exemptions, incentives, and benefits granted under the Securitization Act of 2004.

For this purpose, the DOF shall issue the appropriate revenue regulations, exempting projects under the Enhanced National Shelter Program of DHSUD, SHFC, NHA, and NHMFC within ninety (90) days of the approval of this Act.

**SEC. 9. *Identification of Lands for Housing and Human Settlement.*** – The DHSUD shall, pursuant to applicable laws and executive issuances, identify national and local government lands that are suitable for housing development, particularly for housing production programs enumerated in Section 4 of this Act, and including new townships and estates development, in coordination with concerned NGAs and LGUs, and undertake the required activities to develop the same in an efficient manner.

The DHSUD shall likewise identify available public lands and shall exercise exclusive jurisdiction on the management and disposition of all lands of the public domain suitable for human settlements. DHSUD shall be responsible for the classification, sub-classification, surveying and titling of lands in consultation with appropriate agencies, and recommend to the President, the issuance of proclamations declaring said public land as alienable and disposable, and reserving the same for housing and human settlement purposes, subject to existing laws, rules and regulations.

For purposes of site selection, DHSUD shall ensure that protected lands under special laws such as Republic Act No. 8371, Republic Act No. 8435, Republic Act No. 6657, and other agrarian reform laws, shall be preserved for equally important land uses.

**SEC. 10. *Mandatory Submission of Land Inventory by NGAs and LGUs.*** –

The National Government departments, agencies, and instrumentalities, including Government Owned- and Controlled Corporations (GOCCs) and their subsidiaries, as well as LGUs, shall conduct an inventory of the lands that they own and administer, and submit the complete list to the DHSUD within ninety (90) calendar days from the enactment of this Act and to be updated every three (3) years thereafter.

The inventory of lands shall include government-owned idle lands or lands that have not been used for the purpose for which they have been originally reserved or set aside for at least ten (10) years, and on which no improvements have been made by the owner as certified by the concerned LGU, except lands owned by GOCCs and government financial institutions engaged in shelter financing as part of its fiduciary obligation to its members and/or are taken possession of in their ordinary conduct of business, pursuant to Section 8 of Republic Act (RA) No. 7279, as amended, and Sections 5 and 24 of RA No. 11201.

The Land Registration Authority (LRA) shall assist these agencies in the preparation of their respective inventories by providing a list of titles and the corresponding certified true copies thereof that are registered in the name of said agencies.

**SEC 11. *Acquisition and Development of Identified Lands.*** – Lands identified and designated for Housing and Urban and Rural Development, pursuant to Section 24 of Republic Act No. 11201, shall be assessed by the Department for program or project feasibility. Should the site evaluation be in the affirmative, said lots shall forthwith be transferred to DHSUD for administration.

DHSUD shall acquire ownership and/or administration of the identified lands of concerned agencies, for housing and human settlement purposes, and shall carry out the immediate development of the aforementioned lands.

The LRA shall cancel the titles of identified lands registered in the name of concerned agencies, and re-issue new titles in the name of the DHSUD, subject to relevant provisions of Presidential Decree No. 1529 or the “Property Registration Decree.”

Lands identified and acquired by the DHSUD under the 4PH program shall be automatically converted or reclassified, in order to facilitate its immediate development.

**SEC. 12. *Green Lanes for Housing-Related Permits, Clearances, and Licenses.***

– The concerned NGAs, including their regional and provincial offices when applicable, and LGUs shall establish or designate, whichever is applicable, a Green Lane within their offices in charge of expediting and streamlining the processes and requirements for the

issuance of housing-related permits, clearances, and licenses, including but not limited to: Environmental Compliance Certificate (ECC) or Certificate of Non-coverage (CNC) duly issued by the Department of Environment and Natural Resources, whichever is applicable; Certified true copy of Department of Agrarian Reform conversion order (if applicable); Permit to drill from NWRB; and, Approved Technical Plans. The said Green Lanes shall be integrated and not be duplicative of the Housing One-Stop Processing Centers (HOPCs) established under Republic Act No. 11201.

For this purpose, the above agencies or offices shall designate an account officer for the Green Lane who shall be responsible for coordinating with the relevant government offices or agencies in streamlining and simplifying permitting and licensing processes, and recommending modifications or amendments to existing procedures that are outdated, redundant, and adds undue regulatory burden and cost to the transacting public, in coordination with the Anti-Red Tape Authority (ARTA).

ARTA, together with the appropriate agencies, shall issue the implementing rules and regulations for this provision not later than ninety (90) days from the approval of this Act.

Permits, licenses, and clearances not acted upon within seven (7) days upon submission shall complete requirements shall be deemed approved.

**SEC. 13. *Simplification and Streamlining of NHMFC's Securitization.*** – The NHMFC and all regulatory or oversight agencies involved in or affecting the expeditious accomplishment of the NHMFC's securitization and related mandates and functions shall, in coordination with the ARTA, agree upon and jointly establish and implement simplified and streamlined requirements and processes, to facilitate and expedite the NHMFC's securitization and provision of liquidity to the housing sector.

**SEC. 14. *System Evaluation.*** – The DHSUD shall be the lead agency responsible for monitoring and evaluating the performance of the component programs of the Enhanced National Shelter Program. In relation to this mandate, the DHSUD shall monitor and analyze conditions in the housing ecosystem that impact supply and affordability, including demographic change, economic conditions, credit market conditions, taxation, macro-prudential regulation, zoning regulation, and climate change impacts, and, based on this analysis, shall recommend enhancements or modifications to housing programs.

**SEC. 15. *Implementing Rules and Regulations.*** – The DHSUD, in coordination with other concerned agencies, shall prepare and issue the Implementing Rules and Regulations (IRR) within ninety (90) days upon the effectivity of this Act, in addition to the other IRRs to be issued by Bureau of Internal Revenue and ARTA in accordance with this Act.

**SEC. 16. *Appropriations.*** – The funds necessary for the implementation of this Act shall be charged against current and available appropriations of concerned agencies, subject to pertinent budgeting, accounting, and auditing laws, rules and regulations.

Thereafter, the funding requirements for succeeding years shall be included in the annual GAA, subject to the usual budget preparation process.

**SEC. 17. *Oversight Committee.*** – There is hereby created a Joint Congressional Committee to oversee the implementation of this Act. The Committee shall be composed of the Chairperson of the Senate Committee on Urban Planning, Housing and Resettlement and four (4) members thereof appointed by the Senate President and the Chairperson of the House Committee on Housing and Urban Development and four (4) members thereof to be appointed by the Speaker of the House of Representatives. The minority groups in the Senate and the House of Representatives shall each have one seat in the Joint Congressional Committee. The DHSUD shall submit annually to the Joint Congressional Committee a detailed report on the implementation of this Act.

**SEC. 18. *Separability Clause.*** – Any portion or provision of this Act that is declared unconstitutional shall not have the effect of nullifying other portions or provisions hereof as long as such remaining portions can still subsist and be given effect in their entirety.

**SEC. 19. *Repealing Clause.*** – Sections 3, 4, 5 and 8 of Presidential Decree No. 1267, (NHMFC) all laws, executive orders, proclamations, rules, regulations, and other issuances or parts thereof which are inconsistent with the provisions of this Act are hereby amended or modified accordingly.

**SEC. 20. *Effectivity.*** – This Act shall take effect fifteen (15) days after its publication in the *Official Gazette* or in any newspaper of general circulation.

*Approved,*