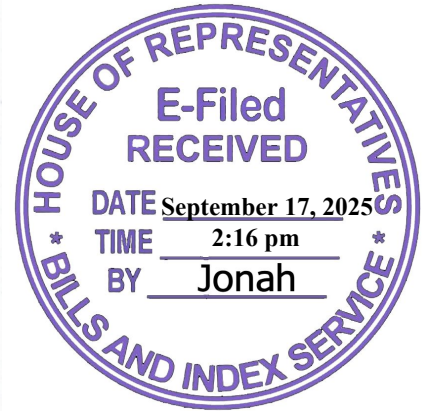


Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Manila

TWENTIETH CONGRESS
First Regular Session

HOUSE BILL NO. 4639



INTRODUCED BY REPRESENTATIVES RALPH WENDEL P. TULFO
AND JOCELYN P. TULFO

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

EXPLANATORY NOTE

Article XIII, Section 9 of the 1987 Philippine Constitution mandates that the State shall, by law, and for the common good, undertake, in cooperation with the private sector, a continuing program of urban land reform and housing which will make available at affordable cost, decent housing and basic services to underprivileged citizens in urban centers and resettlement areas.

The lack of adequate housing can be seen as a glaring inequality in the Philippines. The massive housing backlog stands at 6.5 million units. If left unaddressed, the deficit could balloon to 22 million units by 2040.¹ Meanwhile, informal settler families are estimated at 3.7 million, half a million of which are living in slums and high-risk areas in Metro Manila or the National Capital Region.²

¹ "Housing needs in the Philippines", HABITAT FOR HUMANITY, <https://www.habitat.org/where-we-build/philippines>.

² Reyes, Mary Ann LL., "Phl's worsening housing backlog", PHILIPPINE INSTITUTE FOR DEVELOPMENT STUDIES, 9 Feb 2025, <https://www.pids.gov.ph/details/news/in-the-news/phl-s-worsening-housing-backlog>.

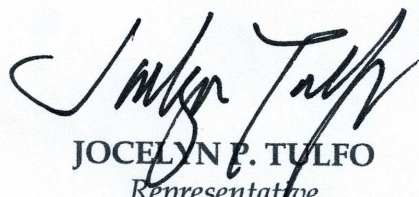
Of the million units targeted by the Department of Human Settlements and Urban Development to produce annually under the present Administration, less than 100,000 units yearly have been constructed. The increasing gap between housing demand and supply, compounded by increasing construction costs and the growing number of marginalized households, underscores the urgent need to adopt a more coordinated approach between the public and private sectors.³

This proposed measure mandates the implementation of an enhanced national shelter program – a comprehensive program which shall provide targeted housing assistance, either direct or indirect, to low-income and middle-income families – by which an integrated and unified approach shall be adopted. This shall include the Pambansang Pabahay Para sa Pilipino (4PH) Program, housing programs, community-led financing, a credit counseling and financial literacy program, estate management, a securitization program, a guarantee system, and housing bonds. Therefore, creating an enabling environment, jointly or separately for the public and private sectors, in increasing and accelerating housing production to address the housing needs of Filipino families.

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



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³ Villegas, Bernardo M., "The Philippine Housing Roadmap, 2025 to 2040", *BUSINESS WORLD*, 19 Mar 2025, <https://www.bworldonline.com/opinion/2025/03/19/660116/the-philippine-housing-roadmap-2025-to-2040/>.

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**ENHANCING THE NATIONAL SHELTER PROGRAM, REVITALIZING, AND
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FUNDS THEREFOR**

1 **SECTION 1. *Short Title.*** – This Act shall be known as the “Enhanced National
2 Shelter Program Act.”
3

4 **SEC. 2. *Declaration of Policy.*** – The State hereby recognizes that access to
5 adequate, safe, and affordable housing enhances quality of life and contributes to the
6 well-being of the community. It is hereby declared a policy of the State to create an
7 enabling environment for the public and private sectors, to, jointly or separately,
8 increase and accelerate housing production to address the housing needs of Filipino
9 families. Accordingly, the State hereby adopts the following policies:
10

11 (a) Develop a diverse range of housing products and tenure options according to
12 the specific needs and financial means of targeted market segments;
13

14 (b) Implement system integration of housing programs to enhance efficiency and
15 optimize resource allocation;
16

1 (c) Encourage and enhance private sector participation in capital investment in
2 public housing;

3
4 (d) Promote and support a robust housing finance market;

5
6 (e) Enhance the stability of the housing finance market by implementing
7 comprehensive financial risk management strategies to mitigate risk and
8 reduce borrowing cost;

9
10 (f) Integrate principles of social inclusion, sustainability, and climate resilience in
11 the design of public housing; and

12
13 (g) Implement a whole-of-government approach in human settlements and urban
14 development.

15
16 **SEC. 3. *Enhanced National Shelter Program.*** -The Department of Human
17 Settlements and Urban Development (DHSUD) is hereby mandated to implement a
18 comprehensive program to provide targeted housing assistance, either direct or
19 indirect, to low-income and middle-income families, hereinafter referred to as "the
20 Enhanced National Shelter Program". The DHSUD shall adopt an integrated and
21 unified approach in implementing the Enhanced National Shelter Program. The
22 Enhanced National Shelter Program shall include the following components:

23
24 (a) *Pambansang Pabahay Para sa Pilipino (4PH) Program.* - The 4PH, as administered
25 by the DHSUD, is hereby institutionalized and declared as the centerpiece
26 program of the Enhanced National Shelter Program. The 4PH shall provide
27 direct housing assistance to low-income and middle-income families. The
28 DHSUD and its attached agencies shall partner with local government units
29 (LGUs) to undertake the construction of socialized housing in LGU-owned
30 lands and the allocation thereof to qualified beneficiaries. LGUs may obtain
31 development loans from the Home Development Mutual Fund (HDMF) and

1 other Government Financial Institutions (GFIs), or enter into a joint venture
2 with a property developer to co-finance the construction of housing units, in
3 accordance with applicable laws, rules and regulations. LGUs and National
4 Government Agencies (NGA) may also opt to enter into contracts with a
5 private entity through a Public-Private Partnership for the development of
6 LGU-owned or NGA-owned lands for housing.

7
8 Additionally, private developers or contractors may also participate in the 4PH
9 program thru the development of private lands in collaboration with LGUs and
10 NGAs, subject to applicable rules and regulations. HDMF shall provide
11 mortgage financing to qualified beneficiaries, who shall be eligible for
12 amortization support and interest credit. Other financial institutions may also
13 provide mortgage financing to qualified beneficiaries, who shall be eligible for
14 amortization support and interest credit;

15
16 (b) *Housing Programs.* - The National Housing Authority (NHA) shall develop and
17 implement comprehensive shelter and human settlements programs for
18 underserved families: (1) upgrading of informal settlements program to
19 improve blighted urban areas including existing resettlement sites; (2)
20 production and disposition of shelter for underprivileged and homeless
21 including the provision of housing grants and socialized housing programs
22 pursuant to Republic Act No. 7279, otherwise known as the "Urban
23 Development and Housing Act of 1992"; and (3) resettlement of informal settler
24 families affected by government infrastructure and disasters;

25
26 (c) *Community-led Financing.* - The Social Housing Finance Corporation (SHFC) is
27 hereby mandated to develop a modified Community Mortgage Program
28 (CMP) to promote community-led housing program wherein organized
29 community associations shall obtain mortgage financing from SHFC for land
30 acquisition, site development, and construction of residential units which shall
31 be awarded to member-beneficiaries of the community for long-term lease with

1 option to purchase. SHFC shall continue to implement existing CMP
2 modalities, high-density housing program, and Abot-Kaya Pabahay Fund
3 under Republic Act No. 6846, otherwise known as the "Social Housing Support
4 Fund Act";

5
6 (d) *Credit Counseling and Financial Literacy Program.* – The DHSUD and Key Shelter
7 Agencies (KSAs) shall implement a housing-related financial literacy program
8 to improve creditworthiness of beneficiaries; *Provided, That* the credit
9 information of beneficiaries shall be protected under Republic Act No. 9510,
10 otherwise known as the "Credit Information System Act";

11
12 (e) *Estate Management.* – An Estate Management and Welfare Council (EMWC)
13 shall be created to ensure the sustainability of every government housing
14 program. The EMWC shall serve as an oversight body providing policy
15 recommendations concerning property management, operation and
16 maintenance of structures, communal spaces, and other facilities;

17
18 (f) *Securitization Program.* – The National Home Mortgage Finance Corporation
19 (NHMFC) is hereby mandated as the government's secondary mortgage
20 institution to expand its operations for the purchase and securitization of
21 housing loans and such other assets with predictable cash flow from public or
22 private originators, financial institutions, and KSAs, to support the growth and
23 stability of the housing finance market. The NHMFC will implement strategic
24 measures to expeditiously dispose of its non-performing assets to enhance the
25 performance of its asset portfolio;

26
27 (g) *Guarantee System.* – There is hereby established a Housing Guarantee System
28 wherein bonds originated by the NHMFC and LGUs, and Asset-backed
29 Securities (ABS) originated by the NHMFC and issued through a Special
30 Purpose Entity (SPE), may be covered by the Philippine Guarantee Corporation
31 (PHILGUARANTEE), in accordance with coverage limits and eligibility criteria

1 established by PHILGUARANTEE in collaboration with the Department of
2 Finance (DOF), and under such special preferential guarantee rates and
3 conditions, simplified requirements, and expedited processes, agreed upon
4 with NHMFC, as provided under Sections 3 (f) and 13 (h) of Republic Act No.
5 8763, otherwise known as the "Home Guaranty Corporation Act of 2000",
6 enjoining the active participation of LGUs in socialized housing programs
7 through adequate measures for housing development in their respective areas;
8 and
9

10 (h) *Housing Bonds.* - KSAs and LGUs are hereby authorized to issue bonds to
11 finance their housing programs, subject to existing laws, rules, and regulations.
12

13 **SEC. 4. *Targeting System.*** - The DHSUD and National Economic and
14 Development Authority (NEDA) shall establish eligibility requirements and a
15 standardized targeting system, utilizing income data of the Family Income and
16 Expenditure Survey (FIES), as basis for prioritizing of beneficiaries of programs in the
17 preceding Section to ensure that housing assistance is directed towards families with
18 the greatest need.
19

20 **SEC. 5. *Price Ceiling.*** - The DHSUD and NEDA shall jointly determine the
21 price ceiling for socialized, low cost or economic, and middle-income housing, in
22 accordance with Section 23 of Republic Act No. 11201, otherwise known as the
23 "Department of Human Settlements and Urban Development Act", by calculating
24 land and construction costs through price inflation analysis, using the previously
25 approved price ceiling as a baseline, and incorporating imputed rent based on FIES
26 and affordability as well as other methodologies that may be applicable.
27

28 **SEC. 6. *Housing Support.*** - The DHSUD shall, directly or through its attached
29 KSAs, provide amortization support payable to the end-user finance providers for the
30 account of the buyer-beneficiaries' units, using funds that will be made available
31 through the General Appropriations Act (GAA), and other identified funding sources.

1 LGUs are also encouraged to provide monthly amortization support to buyer-
2 beneficiaries of the units, if needed, to enable the latter to meet their monthly
3 amortization obligations.

4
5 The interest subsidy per beneficiary shall not exceed 5%, and the remainder shall be
6 paid by the beneficiaries, provided that at no time shall the beneficiaries pay interest
7 amortization of less than 1%. For beneficiaries belonging to the bottom 30% income
8 decile, the following additional financial assistance/subsidy may be applied:

9
10 (a) Mortgage redemption insurance, fire insurance, and other property related
11 insurance;

12
13 (b) Real Estate Management Subsidy;

14
15 (c) Time-limited rental subsidies for the families provided that the households
16 availing the rental subsidy meet the following criteria: (a) they are in need of
17 temporary accommodations while awaiting their relocation/resettlement to
18 the 4PH housing units, and (b) they do not have access to any similar rental
19 assistance program of the government.

20
21 **SEC. 7. Additional Capitalization of NHMFC.** – The authorized capital stock
22 of the NHMFC is hereby increased from Five Billion Five Hundred Million Pesos
23 (PhP5,500,000,000.00) to Fifty Billion Pesos (PhP50,000,000,000.00) to expand its
24 leveraging capacity based on the volume of mortgage loans and other financial
25 receivables being serviced to improve its profitability by reducing the average cost of
26 its fund made available for its programs.

27
28 The capital of the NHMFC shall be Fifty Billion Pesos (PhP50,000,000,000.00), to be
29 fully subscribed by the Government of the Republic of the Philippines, hereafter
30 referred to as the “National Government”: *Provided, That the increase in capitalization*
31 *shall be funded from a continuing annual appropriation under the GAA, as well as*

1 from all the declared dividends and tax payments of the NHMFC in favor of the
2 National Government and such other advances, funding, or appropriations from the
3 National Government as may be agreed upon between the NHMFC and the DOF,
4 until the above-mentioned amount of capitalization is reached. For this purpose, any
5 and all declared dividends and tax payments of the NHMFC in favor of the National
6 Government shall be deposited in a special account in the General Fund, and
7 earmarked for the payment of NHMFC's increase in capitalization.

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

20
21 Additionally, the investors' yield or income from any socialized housing or economic
22 housing-related bond or ABS originated by the NHMFC issued through a Special
23 Purpose Entity under Republic Act No. 9267, otherwise known as "the Securitization
24 Act of 2004", shall be exempt from income tax. All NHMFC issuances, transactions,
25 and documents shall enjoy tax, regulatory fees and other exemptions, incentives, and
26 benefits granted under the Securitization Act of 2004.

27
28 For this purpose, the DOF shall issue the appropriate revenue regulations, exempting
29 projects under the Enhanced National Shelter Program of DHSUD, SHFC, NHA, and
30 NHMFC within ninety (90) days of the approval of this Act.

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

8
9 The DHSUD shall likewise identify available public lands and shall exercise exclusive
10 jurisdiction on the management and disposition of all lands of the public domain
11 suitable for human settlements. DHSUD shall be responsible for the classification, sub-
12 classification, surveying and titling of lands in consultation with appropriate agencies,
13 and recommend to the President the issuance of proclamations declaring said public
14 land as alienable and disposable, and reserving the same for housing and human
15 settlement purposes, subject to existing laws, rules, and regulations.

16
17 For purposes of site selection, DHSUD shall ensure that protected lands under special
18 laws such as Republic Act No. 8371 (Indigenous Peoples' Rights Act of 1997), Republic
19 Act No. 8435 (Agriculture and Fisheries Modernization Act of 1997), as amended,
20 Republic Act No. 6657 (Comprehensive Agrarian Reform Law), as amended, and
21 other agrarian reform laws, shall be preserved for equally important land uses.

22
23 **SEC. 10. *Mandatory Submission of Land Inventory by NGAs and LGUs.*** - The
24 National Government departments, agencies, and instrumentalities, including
25 Government-Owned and Controlled Corporations (GOCCs) and their subsidiaries, as
26 well as LGUs, shall conduct an inventory of the lands that they own and administer,
27 and submit the complete list to the DHSUD within ninety (90) calendar days from the
28 enactment of this Act and to be updated every three (3) years thereafter.

29
30 The inventory of lands shall include government-owned idle lands or lands that have
31 not been used for the purpose for which they have been originally reserved or set aside

1 for at least ten (10) years, and on which no improvements have been made by the
2 owner as certified by the concerned LGU, except lands owned by GOCCs and
3 government financial institutions engaged in shelter financing as part of its fiduciary
4 obligation to its members and/or are taken possession of in their ordinary conduct of
5 business, pursuant to Section 8 of Republic Act No. 7279, otherwise known as the
6 "Urban Development and Housing Act of 1992", as amended, and Sections 5 and 24
7 of Republic Act No. 11201.

8
9 The Land Registration Authority (LRA) shall assist these agencies in the preparation
10 of their respective inventories by providing a list of titles and the corresponding
11 certified true copies thereof that are registered in the name of said agencies.

12
13 **SEC 11. Acquisition and Development of Identified Lands.** – Lands identified
14 and designated for Housing and Urban and Rural Development, pursuant to Section
15 24 of Republic Act No. 11201, shall be assessed by the Department for program or
16 project feasibility. Should the site evaluation be in the affirmative, said lots shall
17 forthwith be transferred to DHSUD for administration.

18
19 DHSUD shall acquire ownership and/or administration of the identified lands of
20 concerned agencies, for housing and human settlement purposes, and shall carry out
21 the immediate development of the aforementioned lands.

22
23 The LRA shall cancel the titles of identified lands registered in the name of concerned
24 agencies, and re-issue new titles in the name of the DHSUD, subject to relevant
25 provisions of Presidential Decree No. 1529, otherwise known as the "Property
26 Registration Decree", as amended.

27
28 Lands identified and acquired by the DHSUD under the 4PH program shall be
29 automatically converted or reclassified, in order to facilitate its immediate
30 development.

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

2 - The concerned NGAs, including their regional and provincial offices (when
3 applicable), and LGUs shall establish or designate, whichever is applicable, a Green
4 Lane within their offices in charge of expediting and streamlining the processes and
5 requirements for the issuance of housing-related permits, clearances, and licenses,
6 including but not limited to: ECC or Certificate of Non-coverage (CNC) duly issued
7 by the Department of Environment and Natural Resources, whichever is applicable;
8 Certified true copy of Department of Agrarian Reform conversion order (if
9 applicable); Permit to drill from NWRB; and Approved Technical Plans. The said
10 Green Lanes shall be integrated and not be duplicative of the Housing One-Stop
11 Processing Centers (HOPCs) established under Republic Act No. 11201.

12
13 For this purpose, the above agencies or offices shall designate an account officer for
14 the Green Lane who shall be responsible for coordinating with the relevant
15 government offices or agencies in streamlining and simplifying permitting and
16 licensing processes, and recommending modifications or amendments to existing
17 procedures that are outdated, redundant, and adds undue regulatory burden and cost
18 to the transacting public, in coordination with the Anti-Red Tape Authority (ARTA).

19
20 Permits, licenses, and clearances not acted upon within seven (7) days upon
21 submission shall complete requirements shall be deemed approved.

22
23 **SEC. 13. *Simplification and Streamlining of NHMFC's Securitization.*** - The
24 NHMFC and all regulatory or oversight agencies involved in or affecting the
25 expeditious accomplishment of the NHMFC's securitization and related mandates
26 and functions shall, in coordination with the ARTA, agree upon and jointly establish
27 and implement simplified and streamlined requirements and processes, to facilitate
28 and expedite the NHMFC's securitization and provision of liquidity to the housing
29 sector.

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

9
10 **SEC. 15. *Implementing Rules and Regulations.*** – The DHSUD, in coordination
11 with other concerned agencies—including the Bureau of Internal Revenue and
12 ARTA—shall prepare and issue the Implementing Rules and Regulations (IRR) within
13 ninety (90) days upon the effectivity of this Act.

14
15 **SEC. 16. *Appropriations.*** – The funds necessary for the implementation of this
16 Act shall be charged against current and available appropriations of concerned
17 agencies, subject to pertinent budgeting, accounting, and auditing laws, rules and
18 regulations. Thereafter, the funding requirements for succeeding years shall be
19 included in the annual GAA, subject to the usual budget preparation process.

20
21 **SEC. 17. *Oversight Committee.*** – There is hereby created a Joint Congressional
22 Committee to oversee the implementation of this Act. The Committee shall be
23 composed of the Chairperson of the Senate Committee on Urban Planning, Housing
24 and Resettlement and four (4) members thereof appointed by the Senate President and
25 the Chairperson of the House Committee on Housing and Urban Development and
26 four (4) members thereof to be appointed by the Speaker of the House of
27 Representatives. The minority groups in the Senate and the House of Representatives
28 shall each have one seat in the Joint Congressional Committee. The DHSUD shall
29 submit annually to the Joint Congressional Committee a detailed report on the
30 implementation of this Act.

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

5
6 **SEC. 19. *Repealing Clause.*** – Sections 3, 4, 5 and 8 of Presidential Decree No.
7 1267, other laws, executive orders, proclamations, rules, regulations, and other
8 issuances or parts thereof which are inconsistent with the provisions of this Act are
9 hereby amended or modified accordingly.

10
11 **SEC. 20. *Effectivity.*** – This Act shall take effect fifteen (15) days after its
12 publication in the Official Gazette or in any newspaper of general circulation.

13
14 *Approved,*