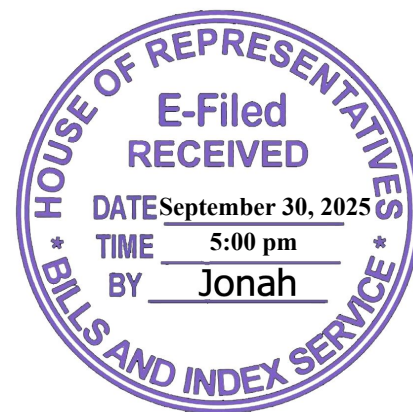


TWENTIETH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
First Regular Session)



HOUSE OF REPRESENTATIVES

HOUSE BILL No. 5029

**Introduced by REPRESENTATIVES LANI MERCADO-REVILLA,
BRYAN B. REVILLA AND RAMON “JOLO” B. REVILLA III**

**AN ACT
ESTABLISHING A SOCIALIZED AND LOW-COST HOUSING LOAN
RESTRUCTURING AND CONDONATION PROGRAM**

EXPLANATORY NOTE

“Housing is the basis of stability and security for an individual or family. The centre of our social, emotional and sometimes economic lives, a home should be a sanctuary—a place to live in peace, security and dignity. Though it is increasingly viewed as a commodity, housing is most importantly a human right... to be adequately housed means having secure tenure—not having to worry about being evicted.”¹

Such is the significance of housing that the country’s highest law, the 1987 Constitution, guarantees a continuing program for urban land reform and housing that will make available at affordable cost decent housing and basic services to underprivileged and homeless citizens in urban centers and resettlement areas.

The government has implemented programs to cater to our less privileged citizens. The National Housing Authority was mandated to construct socialized housing units for informal settler families (ISFs), people living in danger zones, those affected by calamities, and others. Sadly, there continues to be a huge backlog in the housing units needed by Filipinos.

Intermittently, and for various reasons, many Filipinos are challenged financially, at times not for reasons attributable to them. For instance, the effects of the years-long lockdown due to the pandemic, everyone is adjusting to the rising costs of living, unstable employment, etc. Minimum and daily wage earners, even the so-called middle class, have been hit. With inflation has also come an increase in the outstanding obligations of many NHA beneficiaries.

This bill seeks to provide a restructuring and condonation program for the

¹ <https://www.ohchr.org/en/special-procedures/sr-housing/human-right-adequate-housing>. Accessed on 11 September 2025.

beneficiaries of NHA and SHFC.

For the reasons above cited, the immediate passage of this bill is earnestly sought.



REP. LANI MERCADO-REVILLA
Representative
2nd District of Cavite



REP. BRYAN B. REVILLA
Representative
AGIMAT Partylist



REP. RAMON JOLO B. REVILLA III
Representative
1st District of Cavite

TWENTIETH CONGRESS OF THE)
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*Be it enacted by the Senate and House of Representatives of the
Philippines in Congress assembled:*

SECTION 1. Title. – This Act shall be known as the "Socialized and Low-Cost Housing Loan Restructuring and Condonation Act".

SEC. 2. Declaration of Policy. – It is the policy of the State to undertake 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. To this end, a rational loan restructuring and condonation program shall be instituted that takes into consideration the credit worthiness and credit discipline of the borrowers, and the financial viability of the lending institutions.

SEC. 3. Coverage of the Restructuring Program for Delinquent Socialized and Low-Cost Housing Loan Accounts. – There is hereby established a Socialized and Low-Cost Housing Loan Restructuring and Condonation Program of the National Housing Authority (NHA) and the Social Housing Finance Corporation (SHFC). Under this program:

- (a) For a period of twenty-four (24) months after the issuance of the implementing rules and regulations of this Act, all socialized and low-cost housing loans with the NHA and SHFC 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 One million eight hundred thousand pesos (P 1,800,000.00);

(b) 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 existing interests on principal, penalties, and surcharges shall be condoned upon approval of the restructuring application under this Act: *Provided*, That an interest rate of three percent (3%) or the interest rate of the original loan, whichever is lower, shall be imposed upon the restructured loan;

(d) The term of a housing loan account being applied for restructuring may be extended for a period longer than its original term in order to lower the amount of the monthly amortization: *Provided*, That in no instance shall the extension of the restructured loan exceed the difference between the borrower's age at the time of application and the age of seventy (70);

(e) In case of permanent physical incapacity of a borrower, the legal heirs and successors-in interest may assume payment of outstanding housing loan: *Provided*, That such legal heirs and successors-in-interest must pass the NHA and SHFC's eligibility requirement before they are allowed to assume payment of the borrower's loan obligation: *Provided, farther*, That in case of death of the borrower, the proceeds of the Mortgage Redemption Insurance shall have been fully applied;

(f) The loan restructuring under this Act may be availed of only once except in case of force majeure affecting the ability to fulfill the financial obligation of the borrower; and

(g) The loan restructuring and condonation program provided for in this Act shall be construed as a separate and distinct program from the ones being implemented by the NHA and SHFC, and the borrower has the option to choose which loan restructuring and condonation program will be availed.

SEC. 4. *Authority to Continue the Restructuring Program.* – Notwithstanding the lapse of the period provided in Section 3(a) of this Act, the governing boards of the NHA and SHFC are hereby authorized to continue the loan restructuring and condonation program under this Act.

SEC. 5. *Exclusion from Coverage.* – In no instance shall the following housing loan accounts be covered by this Act:

(a) Any account without a single payment since takeout;

(b) An account which housing unit has been abandoned by the borrower-owner for more than one (1) year from the date of delinquency;

(c) An account which housing unit is occupied by a third party other than the original registered beneficiary or the legal heirs of the beneficiary; and

(d) An account that has been foreclosed or a contract-to-sell that has been cancelled, or has been surrendered to the NHA or SHFC through *dacion en pago*, the title of which has already been consolidated or transferred in the name of the NHA or SHFC.

SEC. 6. *Incentive for Prompt Payment of Monthly Amortization.* – Upon the effectivity of this Act, all accounts, the monthly amortizations of which are paid on time, shall be entitled to incentives, including a reasonable discount on loan interest, the amount or percentage of which shall be determined by the respective boards.

SEC. 7. *Implementing Rules and Regulations.* – The Department of Human Settlements and Urban Development, NHA, and SHFC shall, in consultation with the relevant stakeholders, promulgate within ninety (90) days from the effectivity of this Act the rules and regulations to implement the provisions of this Act.

SEC. 8. *Separability Clause.* – If any portion or provision of this Act is declared unconstitutional, the remaining parts or provision not affected thereby shall remain in force and effect.

SEC. 9. *Repealing Clause.* – All laws, decrees, orders, issuances, rules and regulations, or any part thereof inconsistent with the provisions of this Act are hereby repealed, amended, or modified accordingly.

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

Approved,