



Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Manila

Twentieth Congress
First Regular Session

HOUSE BILL NO. 6991



Introduced by **HON. BAMBI B. EMANO**

**AN ACT STRENGTHENING THE OPERATIONS OF THE HUMAN SETTLEMENTS
ADJUDICATION COMMISSION, AMENDING FOR THIS PURPOSE SECTIONS 12, 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 (HSAC), as established under Republic Act No. 11201 or the Department of Human Settlements and Urban Development (DHSUD) Act, serves as the primary adjudicatory body for disputes arising from subdivision, condominium, and other real estate development projects, as well as matters involving homeowners associations and related housing regulations. As the real estate sector continues to expand and housing-related disputes grow in volume and complexity, it has become imperative to strengthen the institutional capacity, structure, and independence of the HSAC.

This bill seeks to amend Sections 12, 13, 14, 16, 17, and 18 of RA 11201 to enhance the efficiency, responsiveness, and judicial independence of the Commission, thereby ensuring the timely settlement of cases and the effective enforcement of housing laws.

First, the bill reinforces the **institutional independence** of the HSAC by explicitly establishing it as an **independent adjudicatory body**, attached to the DHSUD solely for policy, planning, and coordination. This distinction ensures that the Commission's adjudicatory functions remain free from administrative or supervisory interference, thereby strengthening the rule of law in the housing sector.

Second, the bill reorganizes the **composition and operational structure** of the Commission by institutionalizing its en banc and Divisional setups, clarifying quorum requirements, and creating a

special mechanism for the designation of a **Special Division in cases of inhibition**. This ensures that case disposition remains uninterrupted and efficient, even during instances of recusals or inhibitions.

The amendments also formalize the ranks, responsibilities, and appointment processes for the Executive Commissioner, Commissioners, Regional Adjudicators, Executive Clerk, Deputy Executive Clerks, and Commission Attorneys. These structural adjustments aim to improve administrative efficiency, ensure uniform distribution of caseloads, and enhance the quality of legal adjudication across the Commission and its Regional Adjudication Branches.

Third, the bill updates the **qualifications, tenure, and compensation** of Commissioners and Regional Adjudicators to align them with comparable positions in the judiciary—namely, the Court of Appeals and Regional Trial Courts. This parity ensures the attraction and retention of highly competent adjudicators, which is indispensable to fostering professional, consistent, and fair resolution of housing disputes.

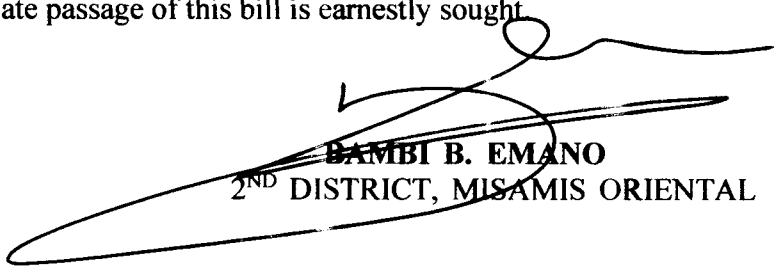
Fourth, the bill refines HSAC's **jurisdiction**, particularly clarifying its authority over disputes involving subdivision and condominium projects, homeowners associations, Community Mortgage Program (CMP) projects, and necessary counterclaims. It also prevents misuse of HSAC processes by ensuring that ejectment actions filed by project owners or developers may only be entertained as counterclaims and not as original actions.

Fifth, the measure strengthens the Commission's **enforcement and regulatory powers**, including its authority to impose administrative fines for violations of PD 957 and related housing laws, order transfers or cancellations of land titles through the LRA, and issue administrative sanctions based on a duly promulgated schedule of fines. These powers support more efficient implementation of housing regulations and provide stronger protection for buyers, homeowners, and stakeholders.

Finally, the amendments improve the **appeals process** by clarifying that decisions of the Regional Adjudicators become final unless appealed within fifteen days, and that HSAC decisions are appealable to the Court of Appeals under Rule 43, thus affirming the Commission's alignment with judicial norms and due process.

Given the increasing demands on housing adjudication brought about by rapid urbanization, growing residential development, and persistent land-related conflicts, it is both timely and essential to strengthen the HSAC to ensure swift, impartial, and effective resolution of disputes. By enhancing its institutional independence, clarifying its jurisdiction, improving its administrative structure, and ensuring competitive compensation, this measure will contribute significantly to the protection of housing consumers, the stability of real estate development, and the overall improvement of human settlements in the country.

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



BAMBI B. EMANO
2ND DISTRICT, MISAMIS ORIENTAL



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16, 17, AND 18 OF REPUBLIC ACT NO. 11201 OTHERWISE KNOWN AS THE
DEPARTMENT OF HUMAN SETTLEMENTS AND URBAN DEVELOPMENT ACT**

SECTION 1. Section 12 of Republic Act No. 11201, otherwise known as the "Department of Human Settlements and Urban Development Act," is hereby amended to read as follows:

"SECTION 12. Reconstitution of the HLURB as the Human Settlements Adjudication Commission (HSAC) and its Independence. – The HLURB is hereby reconstituted into an independent adjudicatory body and shall henceforth be known as the Human Settlements Adjudication Commission, hereinafter referred to as the "Commission".

The adjudicatory function of the HLURB is hereby transferred to the Commission and shall be non-supervisory attached to the Department solely for policy, planning, and program coordination only, ensuring the judicial and administrative independence of the Commission in the execution of its adjudicatory functions and operations."

SECTION 2. Section 13 of Republic Act No. 11201 is hereby amended as follows:

"SECTION 13. Composition, Staffing Pattern and Compensation. – (a) The Commission shall be composed of the following:

- 1) **Commission en banc**- The Commission shall consist of one (1) Executive Commissioner and four (4) Commissioners, all to be appointed by the President of the Philippines.

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 initial assignment of the four (4) Commissioners to the Divisions shall be determined by the Executive Commissioner, ensuring that the First, Second, and Third Divisions are headed by the Executive Commissioner, the second most senior Commissioner, and the third most senior Commissioner, respectively, as determined by the date of assumption to duty.

Subsequent vacancies or reassignments shall be determined by the Commission en banc, prioritizing efficient case load distribution and subject to the seniority rule for Division Chairpersons.

Three (3) Commissioners shall constitute a quorum for sessions en banc and two (2) Commissioners for sessions in Division. The Commission shall sit en banc for purposes of promulgating rules and regulations governing the hearing and disposition of cases before it, its Divisions, Regional Adjudication Branches, and for the formulation of policies affecting its administration and operations. 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 assumption to duty of the Commissioners shall determine their seniority. Cases or matters heard by a Division or en banc shall be decided or resolved with the concurrence of a majority of the members present.

Special Division for Inhibition: In the event where one or more of the Commissioners inhibits or is inhibited from the case or matter, a Special Division shall be constituted to resolve the case or matter. This Special Division shall be constituted by the Executive Commissioner or the Commission en banc, by designating one or more Commissioners from the other divisions, to resolve the case or matter. The composition of the Special Division shall be formally documented.

The Executive Commissioner, chosen by the President from among the five (5) Commissioners, shall be responsible for the administration, operations, and supervision of the Commission, its Regional Adjudication Branches and all its personnel, including the Regional Adjudicators, and shall be assisted by the Executive Clerk of the Commission. In the performance of administrative functions, the Executive Commissioner shall be authorized to directly endorse to the Office of the President any position within the HSAC that requires the appointment of the President. This includes, but are not limited to, the endorsements for the appointments of the Chief Regional Adjudicators and Assistant Regional Adjudicators.

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 Commission Attorneys in the exercise of their appellate and adjudicatory functions. The term of each Commission Attorney shall be coterminous with that of the Commissioner to whom they are assigned. The

Commission Attorneys shall be members of the Philippine Bar of good standing, with at least one (1) year of experience or exposure in the field of urban development planning, sustainable development, climate change adaptation, disaster risk reduction and/or real estate development. They shall be entitled to salaries, allowances, and other benefits and privileges of not less than Salary Grade (SG) 26. There shall be as many Commission Attorneys as may be necessary for the effective and efficient operation of the Commission, provided, however, that no more than three (3) be 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.

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. The adjudicatory functions of the Regional Adjudication Branch shall be exercised by the Chief Regional Adjudicator and Assistant Regional Adjudicator.

Subject to the approval of the DBM, the Commission shall determine its organizational structure and create new divisions or units as it may deem necessary based on demonstrably necessary operational requirements and efficiency, and shall appoint officers and employees of the Commission in accordance with the civil service laws, rules, and regulations. The remuneration structure of the positions in the staffing pattern shall, strictly conform to Republic Act No. 6758 or the Salary Standardization Law, as amended."

SECTION 3. Section 14 of Republic Act No. 11201 is hereby amended as follows:

"SECTION 14-A. Qualifications and Term of Office. –

1) **Commissioner-** The Executive Commissioner and other Commissioners must be natural born citizens of the Philippines, of good moral character, shall be members of the Philippine Bar in good standing, and must have been engaged in the practice of law for at least ten (10) years, with at least five (5) years of verifiable substantive experience or professional exposure in urban development planning, land use and development cases, sustainable development, climate change adaptation, disaster risk reduction and/or real estate development.

For the purpose of this section, verifiable substantive experience or professional exposure shall mean engagement as a practitioner, academic, or high-level government or private sector official, with documented involvement in the respective fields for the stated period. No other qualifications shall be required, unless otherwise provided by law.

The Executive Commissioner and other Commissioners shall hold office on good behavior until they reach the retirement age or become incapacitated to discharge the duties of their office.

2) Chief Regional Adjudicator- The Chief Regional Adjudicator must be a natural born citizen of the Philippines, of good moral character, shall be a member of the Philippine Bar in good standing, and must have been **engaged in the practice of law for at least five (5) years, with at least three (3) years of verifiable substantive experience or professional exposure in urban development planning, land use and development cases, sustainable development, climate change adaptation, disaster risk reduction and/or real estate development.** For the purpose of this section, 'verifiable substantive experience or professional exposure' shall mean engagement as a practitioner, academic, or high-level government or private sector official, with documented involvement in the respective fields for the stated period. No other qualifications shall be required, unless otherwise provided by law.

The Chief Regional Adjudicator shall hold office on good behavior until he reaches the retirement age or becomes incapacitated to discharge the duties of his office.

3) Assistant Regional Adjudicator- The Assistant Regional Adjudicator must be a natural born citizen of the Philippines, of good moral character, shall be a member of the Philippine Bar in good standing, and must have been engaged in the practice of law for at least three (3) years, with at least one (1) year of verifiable substantive experience or professional exposure in urban development planning, land use and development cases, sustainable development, climate change adaptation, disaster risk reduction and/or real estate development. For the purpose of this section, verifiable substantive experience or professional exposure' shall mean engagement as a practitioner, academic, or high-level government or private sector official, with documented involvement in the respective fields for the stated period. No other qualifications shall be required, unless otherwise provided by law.

The Assistant Regional Adjudicator shall hold office on good behavior until he reaches the retirement age or becomes incapacitated to discharge the duties of his office."

SECTION 4. Section 14-B is hereby added, as follows:

"SECTION 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, retirement, and benefits 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, retirement and other benefits and privileges 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."

SECTION 5. Section 16 of Republic Act No. 11201 is hereby amended as follows:

"SECTION 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, residential condominium corporations, memorial parks, and similar real estate developments:

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8. Cases that may be filed by the project owner or developer against the buyer, such as but not limited to:

a. 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 Commission shall only exercise jurisdiction over such action when the ejectment is raised by the seller as a necessary counterclaim against a pending complaint filed by the buyer with the Commission. The Regional Adjudicator shall dismiss motu proprio any complaint for ejectment filed by the seller as an original action.

b. Collection cases involving failure of buyer to pay installments; and

c. Other rights of the developer or project owner enforceable against the buyer arising from law or from a contractual obligation to be performed by the buyer.

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(b) Cases involving homeowners associations:

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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.

6. Actions for ejectment filed by a homeowners 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."

SECTION 6. Section 17 of Republic Act No. 11201 is hereby amended as follows:

"SECTION 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 rules or regulations issued pursuant thereto. The administrative fine for each count of violation shall not exceed Two Hundred Fifty Thousand Pesos (PhP250,000.00).

In cases where multiple provisions of Presidential Decree No. 957, as amended, or any rules and regulations promulgated pursuant thereto are violated, or where there are repeated violations of the same provision or related rules and regulations under said Decree, an additional administrative fine shall be imposed for each count of violation.

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 law.

The imposition of all fines and administrative sanctions shall be strictly subject to a Schedule of Fines and Penalties to be promulgated by the Commission en banc, ensuring strict adherence to due process.

(f) To order the Land Registration Authority (LRA) to effect the transfer or cancellation of titles to lots or units subject to contractual obligations arising from the sale thereof within subdivision or condominium projects, including the annotation of titles, such as the registration or removal of liens, encumbrances, and other pertinent instruments; Provided, however, that such authority shall not extend to sales not entered into between the developer and the buyer, or to transactions unrelated to the enforcement of obligations under Section 25 of P.D. No. 957, as amended, or other related laws. **The Commission's order to the LRA shall be accompanied by a certified copy of the final and executory decision or order upon which the transfer or cancellation is based.**

(g) To exercise such other powers as are implied, necessary, or incidental to carry out the express powers granted to the Commission."

SECTION 7. Section 18 of Republic Act No. 11201 is hereby amended as follows:

"SECTION 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.

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."

SECTION 8. Transitory Clause- Any change in the salaries, benefits, and other emoluments as provided in Section 4 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.

SECTION 9. Early Retirement Clause- Any employee who elects to avail himself of early retirement upon the effectivity of this Act shall be entitled to separation benefits in accordance with applicable laws. Furthermore, any employee who qualifies for regular retirement shall be entitled to all benefits prescribed under existing retirement laws.

SECTION 10. Separability Clause- If any part, section, or provision of this Act shall be held invalid or unconstitutional, the other provisions shall not be affected thereby.

SECTION 11. Repealing Clause- Sections 13 and 14 of Republic Act No. 11201, and all other acts, laws, executive orders, issuances, rules and regulations or any part thereof which are inconsistent herewith are hereby deemed repealed or modified accordingly.

SECTION 12. Effectivity- This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in at least two newspapers of general circulation, whichever comes earlier.

APPROVED,