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NATIONAL HOME MORTGAGE FINANCE CORPORATION

NHMFC CORPORATE CIRCULAR NO. CMP-008
July 5, 1990
Series of 1990

TO : ALL CMP ORIGINATING INSTITUTIONS AND
BORROWERS

SUBJECT : BURNED ORIGINAL LAND TITLES

Pending reconstitution of the original of the Certificates of Title burned, or destroyed by fires that gutted the Quezon City Hall's Register of Deeds and the Register of Deeds of Bulacan, NHMFC may allow the take-out from accredited Originators under the Community Mortgage Program of mortgages whose collaterals are affected by said circumstance. This shall, however, be subject to compliance with the following conditions:

- A. Any one or a combination of the following collaterals shall be put up, to wit:
1. A surety bond issued by any insurance or bonding company authorized by the Insurance Commission or a Bank Guaranty from any banking institution authorized by the Central Bank of the Philippines, acceptable to NHMFC, in amounts equivalent to the value of the mortgage take-out. However, the total liability of each surety company or banking institution to NHMFC shall not exceed TEN MILLION PESOS. The surety/guarantee shall contain the following basic conditions, viz:
 - a. Warranty as to the genuineness, authenticity and validity of the Owner's Duplicate Copies of TCT's of properties offered as collateral for lot acquisition loan of the Community Association.
 - b. The liability shall remain in full force and effect until all the mortgages executed by the Community Associations securing their lot acquisition loans are recorded as first lien on the reconstituted certificates of title.

2. A substitute collateral which may be in the form of another mortgage covering another real estate property not located in Quezon City or Bulacan, as the case may be, where the mortgage can be registered with a value equal to at least the appraised value of the property subject of take-out by NHMFC.
 - a. The letter-offer/s to put up substitute collateral/s shall be accompanied by proof/s of the filed petition/s for reconstitution of the burned/destroyed titles;
 - b. The substitute collateral/s shall be maintained until such time that the burned certificate/s of title are reconstituted and the first mortgage/s assigned to NHMFC by the originating institutions shall have been recorded thereon.

mortgages covering properties/projects, already subdivided or approved by the Land Management Bureau or Land Registration Authority, but not yet issued individual certificates of Titles to each subdivided lot and still covered by Mother/Undivided titles whose originals were burned, the following additional conditions shall be complied with:

1. The originator must submit the following documents for verification and evaluation of NHMFC:
 - a. Original of the Owner's Duplicate copy of the Mother/Undivided title covering the property/project, together with the tax declarations, proof of payment of updated real estate taxes;
 - b. Original copies of the verified survey duly approved by the Land Management Bureau or Land Registration Authority;
 - c. Certification from the Land Registration Authority as to the issuance of the decree in the original land registration case covering the Mother/Undivided Title.
- C. Pursuant to LRA Circular No. 3 dated December 6, 1988, provisional registration of the following transactions must be entered in the Owner's copy:


1. For Land Covered by Individual Title:
 - a. Sale to Community Association of the specific parcel of land;
 - b. Mortgage executed by the Community Association to secure the Community Mortgage loan.
 2. For Land Covered by Mother/Undivided Title:
 - a. Sale to the Community Association of the undivided parcel of land covered by Mother/Undivided Title;
 - b. Sale to the Community Association of the specific subdivided portion of the property/project corresponding to the lot as subdivided per the plans/survey return duly approved by the Land Management Bureau or Land Registration Authority under 1.b of Section B.
 - c. Mortgage executed by the Community Association to secure the Community Mortgage loan.
- D. For properties subject to restrictions under Section 4, Rule 74 of the Rules of Court, the surety bond posted under A (1) above should also contain guarantee to answer for the claims against the estate by an heir or other person who has been unduly deprived of participation in the estate for a period of two years after the settlement and distribution of an estate.

The properties that are covered by this arrangement shall be limited to those covered by Torrens Titles of specific subdivided lots or already subdivided lot but not yet issued individual certificates of title to each subdivided lot and covered by mother/undivided title, registered in the names of the subdivision owners/developers, seller/s, whose originals on file with the Registers of Deed of Quezon City and Bulacan were burned/destroyed.

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Further, it is expressly understood that NHMFC shall have the option to: sell the mortgages purchased, call on the Surety Bond and/or bank guarantee, foreclose on the mortgage of the substitute collateral/s; or sell the securities and/or shares of stock, to answer for whatever damages that NHMFC may suffer arising from the above transactions.

This Circular shall take effect immediately.


RAMON A. ALBERT
President