



**SOCIAL HOUSING FINANCE CORPORATION**  
a subsidiary of National Home Mortgage Finance Corporation

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Corporate Circular CMP No. 09-013  
July 28, 2009  
Series of 2009

**TO : All CMP BORROWERS/ORIGINATORS/STAKEHOLDERS**

**SUBJECT : AMENDMENT TO THE CORPORATE IMPLEMENTING RULES AND REGULATIONS (CIR) ON R.A. 9507, OTHERWISE KNOWN AS THE “SOCIALIZED AND LOW-COST HOUSING LOAN RESTRUCTURING ACT OF 2008”**

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In the interest of service, and in order to facilitate the orderly administration and implementation of the above-mentioned law and its implementing rules and regulations, the following rules shall be observed.

**COVERAGE**

These rules shall apply to undocumented substitute member-beneficiary (MB), or the heirs and successors-in-interest of the original MB that have been continually paying amortizations for the latter with the Community Association's (CA) consent *sans* SHFC's approval and who desires to avail of the loan restructuring program under R.A. 9507.

**REQUIREMENTS**

Pursuant to CMP Corporate Circular No. 018, Series of 1995, and other pertinent rules and regulations, the following documents shall be submitted by the CA or the undocumented substitute in order to initiate the process of substitution, to wit:

- 1). endorsement letter from the CA officers
- 2). original copy of the notarized Waiver of Rights from the original MB (in case of voluntary waiver)
- 3). original copy of the notarized Board Resolution attesting among others the approval of substitution
- 4). photocopy of the HLURB Certification of the present CAs set of officers
- 5). original copy of the demand letter/s sent by the CA with proof of receipt (in case of non-payment of amortization)
- 6). notice of termination of the Lease Purchase Agreement (LPA) with proof of receipt
- 7). statement of account issued by the CA
- 8). original copy of the notarized amendment to the MB's Masterlist signed by the CA President or his/her representative
- 9). LPA of the substitute MB



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- 10). original copy of the notice of violation of by-laws, rules and regulations issued by the CA with proof of receipt (in case of violation of existing laws and rules etc.)
- 11). proof of payment of substitution fee

### **VALIDATION AND APPROVAL**

The Project Individualization Department (PID) shall validate and evaluate the substitution documents and shall inform the CA of the approval or disapproval thereof. In case of approval, the undocumented substitute shall be notified in writing. The approval shall be subject to the condition that he/she shall apply for loan restructuring under RA 9507, within a period of fifteen (15) days from receipt of approval otherwise the substitution shall automatically be recalled and rescinded.

Thereafter, PID shall furnish the Accounts Management Department (AMD) of the notice of approval.

### **MRI COVERAGE**

The provisions of Article II Section 2 of the CIR, shall likewise include the following rules, *viz*:

- 1). Member-beneficiaries who are sixty (60) years old but not over sixty five (65) at the time of application for loan restructuring shall be required to submit a Health Statement for approval by the Pag-Ibig MRI Pool (PMRI POOL) Underwriting Committee.

In case of disapproval, the MBs legal heirs or successors-in-interest may apply for substitution and shall submit the documents enumerated in paragraph 3 hereof in addition to the payment of Mortgage Redemption Insurance (MRI) premium and Documentary Stamp Tax (DST).

- 2). Member-beneficiaries who are over sixty five (65) years old at the time of application shall be substituted by his/her heirs and successors-in-interest subject to the submission of the same requirements as stated above.

MBs shall be covered by MRI until they reach the age of 69. However, collection of MRI premiums shall cease at age 68 in view of the one (1) year MRI advance payment initially made by the MB.

The MRI coverage shall be effective immediately from the date of payment of MRI premium prepayment.



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## **REMEDIES**

Without prejudice to other remedies available to SHFC to protect its mortgage rights, it may foreclose the property in case the MB fails to pay three (3) consecutive monthly amortizations during the restructured term or when the MB who is in default and eligible under RA 9507 failed and refused to avail of the benefits of the law, in accordance with the provisions under Section 6 of RA 9507 and Act 3135, as amended.

All previous Corporate Circulars and related issuances on CMP inconsistent with any provisions of this Circular are hereby repealed/modified accordingly.

For immediate implementation.

  
**ATTY. FERMIN T. ARZAGA**  
President