



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

CORPORATE CIRCULAR NO. CMP 002

August 31, 2006

Series of 2006

TO : ALL CMP BORROWERS AND ORIGINATORS

**SUBJECT: CREATION OF PRICE NEGOTIATION COMMITTEE
WITHIN THE COMMUNITY ASSOCIATION (CA)**

In order to ensure that all member-beneficiaries (MBs) of the Community Association (CA) are aware of the amount of purchase price that the CA would pay to the landowner pursuant to the policy of transparency, all CA-applicants for accreditation and project enrollment are hereby required to create a Price Negotiation Committee within the Association composed of five (5) members, three (3) coming from the directors or officers and two (2) from the ranks of member-beneficiaries.

The function of such Committee is to negotiate with the landowner for reasonable and affordable terms and conditions in the purchase of the land. The certification of the Committee that the purchase price agreed upon with the landowner is reasonable and acceptable to at least the majority of the CA member-beneficiaries shall be part of the documents to be submitted for accreditation.

This Circular shall apply to applications yet to be filed and those applications already with SHFC but not yet approved/accredited by the Credit Committee.

This Circular shall take effect immediately.


ATTY. FERMIN T. ARZAGA
President