

# LOAN AGREEMENT

This Agreement made and executed this \_\_\_\_\_ at \_\_\_\_\_ by and between:

NATIONAL HOME MORTGAGE FINANCE CORPORATION (NHMFC), a government corporation duly constituted and operating under the laws of the Philippines, and is herein represented by its Executive Vice-President, ATTY. FERMIN T. ARZAGA, with office and postal address at Filomena Bldg., 104 Amorsolo Street, Legaspi Village, Makati City, hereinafter referred to as the NHMFC;

-and-

\_\_\_\_\_  
hereinafter referred to as the COMMUNITY ASSOCIATION (CA);

## WITNESSETH:

WHEREAS, the NHMFC has developed a special type of homebuyers financing scheme to cater to the needs of the low-income groups otherwise known as "Community Mortgage";

WHEREAS, the CA is primarily organized to acquire the lot to be distributed to its member-beneficiaries under the terms and conditions of the LEASE/PURCHASE AGREEMENT to be executed by the CA with its members;

WHEREAS, NHMFC shall extend a loan to the CA for the purpose of acquiring the said lot;

WHEREAS, Republic Act (R.A.) 7279, otherwise known as the Urban Development and Housing Act (UDHA) of 1992, has mandated the NHMFC to be the Administrator of the Community Mortgage Program (CMP) of the national government and thus actually pays the landowner the acquisition cost of the CMP project;

NOW, THEREFORE, for and in consideration of the foregoing premises, the parties agree as follows, to wit:

1. NHMFC shall grant a loan to the CA in the principal sum of \_\_\_\_\_ (P\_\_\_\_\_).  
Philippine currency, as evidenced by a Promissory Note executed by the CA;
2. The proceeds of the loan shall be exclusively used to finance the acquisition of a parcel of land situated in \_\_\_\_\_ consisting \_\_\_\_\_ of \_\_\_\_\_ square meters,  
covered by Transfer Certificate of Title (TCT) No. \_\_\_\_\_ of the Register of Deeds of \_\_\_\_\_ which the CA shall grant to its members under lease/purchase agreement for a maximum amount of \_\_\_\_\_ (P\_\_\_\_\_)  
per unit. The award shall be covered by a lease-purchase agreement between the CA and the member-beneficiary which, shall, be perfected and submitted to NHMFC within thirty (30) days from the date TCT is transferred in the name of the CA;

3. The loan shall bear interest at the rate of six percent (6%) per annum;
4. The loan shall be payable in the amount provided for in the LEASE/PURCHASE AGREEMENT executed by the CA with the member/beneficiary in accordance with the attached schedule. The CA shall have the primary responsibility of collecting the monthly rental/amortization due from its member/beneficiary for remittance to NHMFC. However, the non-payment by the member/beneficiary of the periodic rentals/amortization due does not in any way release the CA from the liability to pay the loan granted herein, in accordance with the manner of payment stated above;
5. Late payment of the rentals/amortization due in accordance with the payment schedule hereto attached, shall be subject to a penalty charge equivalent to 1/15 of One (1) percent (1/15 of 1%) of said amount per day of delay.
6. As security for the prompt and full payment of the loan herein granted, a REAL ESTATE MORTGAGE over a parcel of land described under TCT No. \_\_\_\_\_ of the Registry of \_\_\_\_\_ shall be executed by the CA in favor of NHMFC over all its rights and interests in and over the LEASE/PURCHASE AGREEMENT;
7. The occurrence of any of the following shall constitute an event of default, to wit:
  - a) Failure of the CA to perfect the award and to submit the LEASE/PURCHASE AGREEMENT of each member-beneficiary within a period of thirty (30) days from the date TCT is transferred in the name of the CA;
  - b) Failure of the CA to pay the equivalent of at least three (3) consecutive monthly amortization of the loan in accordance with the schedule attached.
  - c) Misrepresentation or fraud committed by the CA in securing the loan;
  - d) Any representation, statement, warranty made by the CA in this Agreement, the mortgage document or in other document executed in connection with this loan which is found to be untrue or incorrect in any material respect;
  - e) The Mortgagee cannot be registered with the Register of Deeds or said security has become subordinated to the claim of any person or entity, whether public or private;
  - f) The CA violates the policies, rules, regulations and guidelines of NHMFC pertaining to its Community Mortgage Program;
  - g) The mortgage shall, for any cause, cease to be in full force and effect or is otherwise impaired and the required collateral value has been reduced;
  - h) The CA shall become insolvent or unable to pay its debts as they mature, or take advantage of insolvency, moratorium or other laws for the relief of debtor, whether filed voluntarily or involuntarily, or any judgment or order is entered by a court of competent jurisdictions for the appointment of a receiver, trust, or the like to take charge of all or substantially all of the assets of the CA;

- i) There shall have occurred a material change in the financial conditions of the CA which, in the reasonable opinion of NHMFC or its assignee, the CA will be unable to perform its obligation under this Agreement;
  - j) The CA subdivides, leases, sells, transfers, assigns, or otherwise dispose of the mortgage property to other persons other than the named member-beneficiary, without prior written consent of NHMFC or its assignee/transferee, or commit any act which may impair directly or indirectly the value of the mortgage property;
8. Effects of Default. Upon the occurrences of default, NHMFC may;
- a) Declare the outstanding loan, together, with the accrued interest and other herein secured obligations, immediately due and demandable;
  - b) Foreclose the mortgage securing this loan;
  - c) Avail of any other remedies provided for by law and this agreement;
9. It is understood that the above remedies are cumulative and in the event that the NHMFC or its assignee/transferee has to initiate any action or proceeding, the latter shall be entitled to collect the costs and expenses of such action or proceedings, including but not limited to Attorney's fees equivalent to at least twenty five percent (25%) of the total amount due;
10. The CA acknowledges and takes cognizance of the fact that it was NHMFC who actually paid the landowner the acquisition cost of the CA project thus hereby recognizes its superior authority and control over the project and can impose, restrict, or overrule any act/s and/or activity/ies of the CA that are prejudicial or will prejudice NHMFC's financial exposure in the CA project.
11. The CA shall have a period of two (2) years from the take-out date to complete the individualization of the title of the property, in the name of the association or to its member-beneficiary as appearing in the subdivision plan and Lease/Purchase Agreement, with the corresponding Real Estate Mortgage, in favor of NHMFC and annotated in the mother title, carried over in the individualized title.
12. Documentation/Registration Expenses. The CA shall pay the notarial fees, documentary stamps and all expenses in connection with this Agreement and its corresponding Promissory Note/s and any other necessary Agreement/s which may hereafter be executed in connection herewith, and the fees for the registration of this and other documents related hereto;
13. Incorporation by Reference. The implementing guidelines of NHMFC's Unified Home Lending Program (UHLP) and the Community Mortgage Program (CMP) under Circulars No. 1 and 32, including any and all amendatory and supplementary circulars thereto, are deemed incorporated herein by reference and made an integral parts hereof.

IN WITNESS WHEREOF, we have hereunto set our hands this \_\_\_\_\_  
at \_\_\_\_\_.

NATIONAL HOME MORTGAGE  
FINANCE CORPORATION

(COMMUNITY ASSOCIATION)

By: \_\_\_\_\_

By: \_\_\_\_\_

SIGNED IN THE PRESENCE OF:

\_\_\_\_\_

ACKNOWLEDGMENT

REPUBLIC OF THE PHILIPPINES )  
MAKATI CITY ) S. S.

BEFORE ME, a Notary Public, for and in the above jurisdiction this  
\_\_\_\_\_ personally appeared.

<u>Name</u>	<u>CTC Number</u>	<u>Place of Issue</u>	<u>Date of Issue</u>
_____	_____	_____	_____
_____	_____	_____	_____

known to me to be the same persons who executed the foregoing instrument, consisting of four (4) pages including this page wherein this acknowledgment is written, signed by parties and their instrument witnesses and sealed with my notarial seal refers to a LOAN AGREEMENT, and acknowledged to me that the same are their own free voluntary acts and deeds as well as of the Corporation and Community Association herein represented.

WITNESS MY HAND AND SEAL on the date year and place first abovewritten.

NOTARY PUBLIC

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