

Date

President

_____, HOA Inc.

**Subject: NOTICE OF APPROVAL
(Usufruct & Accommodation Mortgage)
[Lot Acquisition /Site Development/House Construction]**

Dear _____:

Please be informed that your loan application for Lot Acquisition/Site Development and/or House Construction amounting to _____ PESOS (Php _____) was approved by Social Housing Finance Corporation (SHFC) on _____.

In view thereof, you are hereby required to submit the following documents prior to the release of the loan proceeds:

- 1) Surety Bond issued in favor of HOA by a reputable insurance company accredited by the Insurance Commission, in an amount equivalent to fifteen percent (15%) of the Contract Price including the original official receipt evidencing payment of bond premium and assigned in favor of SHFC;
- 2) Deed of Assignment of loan proceeds in favor of the developer/contractor, if applicable;
- 3) Loan Agreement;
- 4) Promissory Note for the 15% Mobilization Fund (thereafter, staggered releases of the loan shall be covered by a promissory note);
- 5) Lease Agreement between the association and the member-beneficiaries (MBs);
- 6) Deed of Assignment of Lease Agreement;
- 7) Collection Agreement;
- 8) Usufruct Agreement between the association and SHFC;
- 9) Three months cash deposit and one-year pre-payment of Mortgage Redemption Insurance (MRI) for MBs [Fire Insurance for the housing units shall be required after issuance of certificate of completion and occupancy (COCA) of the building by the association];

Please submit the above documents within thirty (30) days from receipt.

In addition, be informed that SHFC shall retain an amount equivalent to ten percent (10%) of the contract price which shall answer for repairs of defective works, if any, to be released within six (6) months from completion of the project.

Very truly yours,

President

Received by:

Signature over printed name

Date: _____