

REAL ESTATE MORTGAGE

This REAL ESTATE MORTGAGE is made and executed by:

_____, of legal age, single/married with residence and postal address at _____, hereinafter referred to as the **ACCOMMODATION MORTGAGOR**;

-and-

_____, an existing homeowners association (HOA) duly organized and registered with the Housing and Land Use Regulatory Board (HLURB), with principal address at _____, represented herein by its duly authorized President, _____, hereinafter referred to as the **ACCOMMODATED DEBTOR-MORTGAGOR**;

-IN FAVOR OF-

SOCIAL HOUSING FINANCE CORPORATION (SHFC), a private corporation duly organized and existing under and by virtue of Philippine laws, with principal office at 5th Floor, Banco de Oro Plaza, Paseo de Roxas, Makati City, represented herein by its duly authorized President, _____, hereinafter referred to as the **CREDITOR-MORTGAGEE**;

WITNESSETH:

WHEREAS, the SHFC is the lead government agency that implements the Community Mortgage Program (CMP) of the national government, the primary objective of which is to assist residents of blighted or depressed areas to own the lots they occupy, or where they choose to relocate to, and eventually improve their neighborhood and homes to the extent of their affordability.

WHEREAS, the ACCOMMODATION MORTGAGOR is the present registered owner of the parcel/s of land located at _____ covered by Transfer Certificate of Title (TCT) Number/s _____, consisting of _____ (_____) square meters, hereinafter referred to as the "MORTGAGED PROPERTY."

WHEREAS, the ACCOMMODATED DEBTOR-MORTGAGOR is a duly registered HOA composed of informal settler families who belong to homeless and underprivileged sector of society and is seeking loan under the CMP to finance the acquisition of the said Mortgaged Property owned by the ACCOMMODATION MORTGAGOR;

WHEREAS, pending the execution of necessary documents by ACCOMMODATION MORTGAGOR to effect the transfer of title over the said Mortgaged Property in the name of ACCOMMODATED DEBTOR-MORTGAGOR, the parties hereto agree on the following terms and conditions:

1. Pursuant to the terms of the Loan Agreement dated _____ executed between ACCOMMODATED DEBTOR-MORTGAGOR and CREDITOR-MORTGAGEE to finance the acquisition of the Mortgaged Property presently owned by the ACCOMMODATION MORTGAGOR; and in order to secure the obligations (both present and future loans) of the ACCOMMODATED DEBTOR-MORTGAGOR in favor of the CREDITOR-MORTGAGEE, in the amount of

PESOS:

(PhP _____), including interest, penalties and other charges accruing, the ACCOMMODATION MORTGAGOR transfers and conveys by way of First Mortgage to the CREDITOR-MORTGAGEE, its successors-in-interest or assigns, the real estate(s) which is/are more particularly described herein and/or a supplementary list appended hereto, together with all the buildings and improvements now existing or which may thereafter exist on the said real estate(s), hereinafter referred to as the MORTGAGED PROPERTY of which the ACCOMMODATION MORTGAGOR is the absolute owner, free from all liens and encumbrances of whatever nature.

2. Except for the intended sale of the property by ACCOMMODATION MORTGAGOR in favor of the ACCOMMODATED DEBTOR-MORTGAGOR, the former hereby declares and warrants that there exists no other transaction or document affecting the property subject of mortgage, previously presented for, and/or presently pending registration before the Registry of Deeds of any city or province;
3. The ACCOMMODATION MORTGAGOR hereby covenants that he/she has a true, valid and perfect title to the subject property, the same is free from any lien or encumbrance; and that he/she will forever warrant and defend the same against all claims whatsoever;
4. Upon transfer by the ACCOMMODATION MORTGAGOR to the ACCOMMODATED DEBTOR-MORTGAGOR of the absolute ownership to the Mortgaged Property either through sale or any evidence of transfer of ownership, the ACCOMMODATED DEBTOR-MORTGAGOR shall assume this mortgage and the property shall continue to stand as security for the payment of the obligations of the latter under the aforesaid Loan Agreement without the necessity of executing another Real Estate Mortgage document. Furthermore, all provisions under this Real Estate Mortgage shall remain in full force and effect.
5. In case the ACCOMMODATED DEBTOR-MORTGAGOR executes subsequent promissory notes, this mortgage shall also stand as security thereof without necessity of executing a new contract;
6. This Real Estate Mortgage is constituted under the following conditions:
 - 6.1. The ACCOMMODATED DEBTOR-MORTGAGOR shall keep the Mortgaged Property in good condition, he/she shall maintain the integrity, quality and sufficiency of the Mortgaged Property at a level acceptable to or directed by the CREDITOR-MORTGAGEE.
 - 6.2. The ACCOMMODATION MORTGAGOR, prior to the transfer of title over the Mortgaged Property in the name of the ACCOMMODATED DEBTOR-MORTGAGOR, shall not subdivide, lease, sell, dispose, mortgage, or encumber the Mortgaged Property without prior written consent of the CREDITOR-MORTGAGEE nor commit any act which may impair directly or indirectly, the value of the said Mortgaged Property. Likewise, the ACCOMMODATED DEBTOR-MORTGAGOR, whether or not the Mortgaged Property is transferred in its name shall not subdivide, lease, sell, dispose, mortgage, or encumber the Mortgaged Property without prior written consent of the CREDITOR-MORTGAGEE nor commit any act which may impair directly or indirectly, the value of the said Mortgaged Property.
 - 6.3. If the CREDITOR-MORTGAGEE finds that the Mortgaged Property is lost, impaired or depreciated due to any cause whatsoever, it shall declare the obligation due and demandable, unless it shall allow the

ACCOMMODATED DEBTOR-MORTGAGOR to substitute the Mortgaged Property with new and/or provide additional collateral.

- 6.4. Both the ACCOMMODATION MORTGAGOR and ACCOMMODATED DEBTOR-MORTGAGOR shall allow the CREDITOR-MORTGAGEE to inspect the Mortgaged Property during reasonable hours to ascertain its condition or actual market value.
- 6.5. The ACCOMMODATED DEBTOR-MORTGAGOR shall promptly pay all taxes, assessments levied or assessed upon the same; he shall ensure that the Mortgaged Property is insured at all times at his expense with the pool of accredited insurance companies established for the purpose by the SHFC against such risk as may be determined by and for an amount satisfactory to the CREDITOR-MORTGAGEE and for the latter's benefit. Both the MORTGAGORS hereby authorize the CREDITOR-MORTGAGEE to obtain for the DEBTOR-MORTGAGOR'S account all insurance policies required under the Community Mortgage Program of the SHFC. Every insurance policies obtained in connection herewith is hereby assigned to the CREDITOR-MORTGAGEE, or its assignee notwithstanding DEBTOR-MORTGAGOR's failure to endorse or deliver said policy. Any additional insurance policy acquired by the MORTGAGORS without proper endorsement in favor of the Mortgagee shall also be considered assigned to the CREDITOR-MORTGAGEE. In the event of loss or damage to the Mortgaged Property, the CREDITOR-MORTGAGEE or its assignee shall receive and apply the proceeds of such policies to reduce or pay the ACCOMMODATED DEBTOR-MORTGAGOR's obligations secured hereby or to restore or repair the damage to the Mortgaged Property whichever the CREDITOR-MORTGAGEE may deem appropriate.
- 6.6. In case the ACCOMMODATED DEBTOR-MORTGAGOR violates the terms and conditions of the aforesaid Loan Agreement or if he fails to perform any of the condition stipulated herein, the CREDITOR-MORTGAGEE may in addition to whatever legal remedies it may have by law or agreement, declare the obligations secured by this mortgage due and payable, and upon failure to receive full payment, the CREDITOR-MORTGAGEE may proceed to judicially or extra-judicially foreclose this mortgage.
- 6.7. In case of extrajudicial foreclosure under Act 3135, as amended, the auction shall take place in the city or the province where any of the mortgaged property is located. Effective upon the breach of any condition of this Mortgage, the ACCOMMODATION MORTGAGOR and/or ACCOMMODATED DEBTOR-MORTGAGOR hereby appoints the CREDITOR-MORTGAGEE as their attorney-in-fact of, with full power of substitution and authority to perform such acts as may be necessary to dispose of the mortgaged property in accordance with the provision of Act No. 3135 as amended, and pending such disposition to perform all other acts of administration and management in the manner most advantageous to and for the best interest of the CREDITOR-MORTGAGEE. The latter hereby reserves its right to bid at the appropriate public auction.

In case of judicial foreclosure, the ACCOMMODATION MORTGAGOR and/or ACCOMMODATED DEBTOR-MORTGAGOR hereby consents to the appointment of CREDITOR-MORTGAGEE or of any of its designated representative as Receiver, without any bond to take charge of the Mortgaged Property at once and to hold possession of the same including the rents,

benefits and profits derived from the Mortgaged Property before the sale, less the cost and expenses of receivership.

The proceeds of the foreclosure sale of the Mortgaged Property shall be applied in the following manner and order:

- a. Expenses and costs of foreclosure sale, including costs of publication and attorney's fees
 - b. Accrued interests, penalties and charges
 - c. Principal amount of obligations
- 6.8. If it becomes necessary for the CREDITOR-MORTGAGEE to institute any legal action or proceedings, judicial or extrajudicial, to enforce this mortgage, the ACCOMMODATED DEBTOR-MORTGAGOR shall pay the CREDITOR-MORTGAGEE as attorney's fee a sum equivalent to at least twenty five percent (25%) of the total amount due plus all expenses of such action or proceedings.
- 6.9. In case of judicial execution of this obligation or any part of it, the venue for the foreclosure suit is the Regional Trial Court of Makati or elsewhere at the option of the CREDITOR-MORTGAGEE.
- 6.10. Should the Mortgaged Property be expropriated by the Government of the Philippines or any of its branch, department, division, agency or instrumentality, or by any province, city or municipality, all moneys paid or which may become due and payable, or any property given in exchange as a result of such expropriation shall be immediately delivered to the CREDITOR-MORTGAGEE, the latter shall have the authority to collect said moneys or receive the property given in exchange for said expropriation. The proceeds of such expropriation shall be applied by the CREDITOR-MORTGAGEE against the outstanding obligations of the ACCOMMODATED DEBTOR-MORTGAGOR.
- 6.11. If the mortgage cannot be recorded in the corresponding Register of Deeds, the obligations secured shall immediately become due, demandable, and payable.
- 6.12. The ACCOMMODATION MORTGAGOR shall pay the notarial fees, documentary stamps and other expenses in connection with this mortgage and all other transactions which may have been or may hereafter be executed in connection herewith, as well as the fees for the registration of this and other documents related hereto.
- 6.13. All correspondence of whatever kind, pursuant to or relative to this Agreement, shall be sent to the ACCOMMODATED DEBTOR-MORTGAGOR at the address given above. The mere act of the Mortgagee mailing such correspondence postage prepaid to said address shall be a valid and effective notice to the ACCOMMODATED DEBTOR-MORTGAGOR for all legal purposes. In case of latter's change of address, the Mortgagee shall be immediately notified in writing.
- 6.14. This Mortgage shall be binding upon the parties herein and their successors-in-interest and assigns.

TECHNICAL DESCRIPTION/S OF MORTGAGED PROPERTY/IES

IN WITNESS WHEREOF, we have hereunto set our hands this ____ day of _____ 20____, at _____.

**SOCIAL HOUSING
FINANCE CORPORATION**
Creditor-Mortgagee

Accommodation Mortgagor

By:

With Marital Consent:

President

Accommodated Debtor-Mortgagor

By:

President

SIGNED IN THE PRESENCE OF:

ACKNOWLEDGMENT

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

At the above stated locality on this ____ day of _____, before me personally appeared:

Name	Evidence of Identity	Date & Place of Issue
-------------	-----------------------------	----------------------------------

known to me and to me known to be the same person who executed the foregoing instrument and acknowledged to same to be their free and voluntary act and deed as well as that of the corporation herein represented.

This instrument refers to a Real Estate Mortgage over ____ parcel/s of land with all the buildings and improvement thereon and consisting of five (5) pages, including this page wherein the Acknowledgment is written, signed by the parties and their witnesses and sealed with my notarial seal.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal at the place on the date abovementioned.

Doc. No.____;
Page No.____;
Book No. ____;
Series of 20____.