

**[HLURB ADMINISTRATIVE ORDER NO. 03, S.
2018, March 12, 2018]**

**RESOLUTION NO. R-960, S. 2017, RULES OF PROCEDURES IN
THE CONDUCT OF ADMINISTRATIVE INSPECTIONS AND
INVESTIGATIONS**

Adopted: 12 February 2018

Date Filed: 23 March 2018

Attached herewith is HLURB Board Resolution R-960, Series of 2017, Rules of Procedure in the Conduct of Administrative Inspections and Investigations, approved by the Board on 27 November 2017.

The said Board Resolution was published in The Philippine Star on 08 February 2018, and in accordance with the pertinent provisions of law, will take effect fifteen (15) days from its date of publication, on 23 February 2018.

Please be guided accordingly.

(SGD) LLOYD CHRISTOPHER A. LAO
Chief Executive Officer and Commissioner

Attachment:

**BOARD RESOLUTION NO. 960
Series of 2017**

Pursuant to Section S(c) and (j), Executive Order No. 648, Series of 1981, as amended by Executive Order No. 90, Series of 1986, and Executive Order No. 535, Series of 1979, as amended by Republic Act No. 9904, otherwise known as the "Magna Carta for Homeowners and Homeowners Association" and in revision of Board Resolution No. R-611, Series of 1998, otherwise known as the Administrative Rules of Procedure in the Monitoring of Projects and Imposition of Sanctions, the Housing and Land Use Regulatory Board hereby adopts and promulgates the following:

**RULES OF PROCEDURE IN THE CONDUCT OF ADMINISTRATIVE
INSPECTIONS AND INVESTIGATIONS**

PART I PRELIMINARY PROVISIONS

**Rule 1
GENERAL PROVISIONS**

Section 1. Title. – This Rules shall be known as the "Rules of Procedure in

the Conduct of Administrative Inspections and Investigations,” hereinafter referred to as the “Rules.”

Section 2. Objectives. – The objectives of this Rules are:

2.1 To ensure the faithful observance by the owners/developers of their obligation to fully develop the project on time and in accordance with the approved development plan, contractual stipulations and/or sales representations as well as to comply with the pertinent conditions imposed on clearances, permits, licenses;

2.2 To ensure the efficient and effective monitoring of all activities involving the real estate business or trade to protect legitimate real estate developers and the buying public to achieve a conducive business atmosphere and stability of the real estate trade;

2.3 To adopt adequate and clear procedural guidelines for uniformity and consistency in the monitoring and the imposition of fines, penalties and sanctions if so warranted;

2.4 To ensure the protection of and respect for private rights through the formulation of definitive rules of procedure in the monitoring of development projects and imposition of sanctions for violation of laws, rules and regulations being enforced by the HLURB to provide guidance to both the staff and the public;

2.5 To consolidate, harmonize, and strengthen all existing and relevant rules or guidelines implementing the laws, acts, decrees, executive orders and instructions governing the exercise of jurisdiction, powers and functions of the HLURB.

Section 3. Coverage. – This Rules shall be applicable to the following:

3.1 All land use projects issued locational clearances in municipalities and cities without Comprehensive Land Use Plan or certificates of zoning compliance, variances, exceptions and temporary use permits by the HLURB;

3.2 All subdivisions, condominiums and other real estate development projects issued preliminary approval, development permit, certificate of registration, license to sell, approval of plan alteration or amendment of master deeds of restrictions, mortgage clearance, advertisement approval, certificate of completion and other certifications related or incident thereto;

3.3 All other land use and development projects and real estate transactions including offers or proposals and arrangement for the sale and development of real estate projects, for the purpose of ascertaining applicability of and compliance with the mandates of the HLURB;

3.4 Letters or reports from lot/unit buyers or homeowner’s associations reporting specific alleged violations of the law and requesting for

investigation or for advice or assistance for the protection of their rights.

3.5 Other analogous cases involving monitoring and investigation conducted by the Regional Office.

Rule 2

DEFINITION OF TERMS AND CONSTRUCTION

Section 4. Definition of Terms. – The terms used in this Rules shall be defined as follows:

4.1 *Adjudicatory mechanism* refers to the procedure in settling disputes involving the registration of two or more associations established within the same subdivision/village, community area, or housing project.

4.2 *Aggravating Circumstances* are circumstances which worsens the severity and effects of the offense committed and may result in increasing the penalty imposed.

4.3 *Articles of Incorporation*, sometimes called a certification of formation or a charter, refer to the document which contain general information about the association and are submitted to the Regional Field Office for determining the character or nature of the association as a non-stock, non-profit corporate entity formed for the benefit of the homeowners of a subdivision/ village or condominium project, whenever applicable

4.4 *Association* refers to the homeowners association, which is a non-stock, nonprofit association registered with the Housing and Land Use Regulatory Board, or one previously registered with the Home Insurance Guarantee Corporation, now Home Guaranty Corporation (HGC) or the Securities and Exchange Commission (SEC), organized in –

4.4.1 Subdivision/village or other subdivisions of real property used for residential purposes;

4.4.2 Condominium projects unless the Master Deed decrees the formation of a condominium corporation to manage the open spaces/common areas of the project;

4.4.3 Neighborhood associations previously registered with the SEC;

4.4.4 Government socialized or economic housing or relocation project and other urban estates;

4.4.5 Socialized housing projects under the Community Mortgage Program, Land Tenure Assistance Program and other similar shelter programs implemented by the national and local governments

4.5 *Association Member* refers to a homeowner who is a member of the association where the residential unit or lot is situated and those defined in the articles of association and By-laws of the association.

4.6 *Board* refers to the governing body of the Association whether denominated as Board of Directors, Board of Trustees, Board of Governors, and similar nomenclatures.

4.7 *By-laws* refer to the association's rules of governance, the institution and limitation of powers of its directors and officers, and the establishment of rights and obligations of homeowners.

4.8 *Cease and Desist Order* refers to the remedy whereby a party is directed to refrain from doing a particular act or acts pending the resolution of the case

4.9 *Complainant* refers to the party who initiated the action and includes a respondent who has filed a counter-complaint against the complainant insofar as such counterclaim is concerned and/or a respondent who has instituted a cross-complaint against a co-respondent insofar as that crossclaim is concerned

4.10 *Election Contest* refers to any controversy or dispute involving title or claim to any elective office in an Association, the validation of initiatives, referendum or plebiscite, the validation of proxies, the manner and validity of elections, and the qualifications of voters and candidates, including the proclamation of winners and assumption to the office of directors, trustees or other officers elected by the members where the articles of incorporation or bylaws so provide.

4.11 *Homeowner* refers to any of the following:

4.11.1 An owner or purchaser of a lot or house and lot, in a subdivision/village who acquired the same primarily for residential purposes;

4.11.2 An awardee, usufructuary, legal occupant and/or lessee of a housing unit and/or lot in a government socialized or economic housing or relocation project and other urban estates;

4.11.3 Underprivileged and homeless citizens as defined under existing laws in the process of being accredited as usufructuaries or awardees of ownership rights under the Community Mortgage Program (CMP), Land Tenure Assistance Program (LTAP) and other similar programs in relation to a socialized housing project actually being implemented by the national and local governments.

4.12 *HLURB* shall refer to the Housing and Land Use Regulatory Board

4.13 *Inspections* shall refer to the act of the responsible officers of the Regional Office which forms part of the monitoring process for the purpose of determining whether a project or transaction is compliant with the laws, rules, regulations and standards implemented by the HLURB.

4.14 Investigations shall refer to the act of the responsible officers of the Regional Office, initiated either motu proprio or upon complaint or information from a third party, forming part of the monitoring process, for the purpose of determining whether a violation has been by the respondent of the laws, rules, regulations and standards implemented by the HLURB. The investigations may either be –

4.14.1 Field Investigation refers to the conduct of an ocular investigation to determine the facts incident to the imposition of sanctions for alleged violations of the law, rules, regulations and standards. This type of investigations shall require written authority or

pursuant to an order of the Regional Officer or his/her duly authorized representative;

4.14.2 Non-Field Investigation refers to the examination of the documents, things and records of the respondent to determine if sanctions are to be imposed for any alleged violation of the laws, rules, regulations and standards of the HLURB.

4.15 *Jurisdiction* shall refer to both authority and power granted to a legal body or person to implement the legally established mandates within a defined area of responsibility or to the geographical area to which such authority applies.

4.16 Member in Good Standing refers to a member who has faithfully complied with his/her duties and obligations as provided by law, rules and regulations, and the By-laws.

4.17 Mitigating Circumstances are circumstances which, though not justifying or excusing the offense committed, may reduce the severity and effects of the offense committed.

4.18 Penalties refer to the punishment imposed by law, rule or regulation incurred for a violation of the law, rule or regulation. The penalties imposed may be classified, as follows:

4.18.1 *Divisible penalties* refer to those penalties which has a minimum and maximum amount or period;

4.18.2 Qualified penalties refer to those penalties which contain a single penalty

but is qualified by either "not more than" or "not less than," or terms of similar import;

4.18.3 *Indivisible penalties* refer to those penalties which are fixed without any stated maximum or minimum, or not qualified.

4.19 *Respondent* is the party against whom the complainant has filed a complaint, and includes a complainant against whom a respondent has filed a claim and/or a respondent who has filed a cross-complaint against a co-respondent. It may also refer to the person or entity subject to administrative inspection or investigation, field or non-field investigation, and/or the subject of administrative proceedings for the purpose of determination of whether to impose administrative penalties for non-compliance with the laws, rules, regulations and standards of the HLURB.

4.20 *Verification* is the written oath taken by a party before a person authorized to administer the oath establishing the truth, accuracy, validity and authenticity of the allegations of facts and documents.

Section 5. Construction. – This Rules shall be liberally construed to promote the general welfare and assist the parties in obtaining a just and speedy resolution of every administrative inspection and investigation.

Rule 3

JURISDICTION OF THE REGIONAL OFFICER

Section 6. Jurisdiction. – The Regional Officer shall have sole and