

**[SHFC CORPORATE CIRCULAR HDH NO. 14-003,
March 31, 2014]**

**IMPLEMENTING RULES AND REGULATIONS (IRRs) ON
REFINANCING OF LGU HOUSING PROJECTS UNDER THE HIGH
DENSITY HOUSING (HDH) PROGRAM**

Adopted: 31 March 2014

Date Filed: 02 June 2014

SECTION 1. Purpose - This Implementing Rules and Regulations, hereinafter called the IRR, is formulated for the purpose of implementing Section 12 of Corporate Circular No. 13-026, series of 2013 (High Density Housing Project Guidelines) which allows refinancing of Local Government Units (LGU)'s housing projects for informal settler families (ISFs) living in danger areas and along waterways.

SECTION 2. Definition of Terms – For purposes of this IRR, the following terms or words shall mean or be understood as follows:

- a. Local Government Units (LGUs) – refer to provinces, municipalities, cities, and barangays that apply for refinancing of their local housing program initiatives.
- b. Refinancing - refers to the financing, through the High Density Housing Program of SHFC, of the previously LGU-financed development and construction of Multi-Storey Buildings for informal settler families.
- c. Appraisal – refers to the property valuation made by SHFC, or a qualified accredited private/external appraiser, of the value of the housing project subject for HDH refinancing in accordance with Section 11 hereof.

SECTION 3. Eligibility -

- a. Local Government Unit

An LGU-financed project applied for refinancing shall have that LGU as HDH Partner to assist the community association (CA) in its organization and in post occupancy activities; thus, it is required to have a department/unit that will handle the HDH project. Majority of its operating staff shall undergo an orientation on the High Density Housing program of SHFC.

However, for the LGU to be qualified for subsequent refinancing, it must achieve a Collection Efficiency Rate (CER) of at least 80% provided data is available, and a 100% occupancy rate in its previous refinanced housing project with SHFC.

- b. Community Association – In addition to the eligibility requirements provided under Section 6 of Corporate Circular No. HDH 14-001 (IRR for HDH Program, Land Acquisition Loan), the community association must have entered into a partnership with LGU and HDH partner and must have applied for the HDH loan.

c. Member-Beneficiary (MB)

The member-beneficiary for the housing project subject of refinancing must possess the following qualifications:

1. Must be at least eighteen (18) years old
2. Must not be a previous beneficiary of any other housing program of the government
3. Must be a resident of the waterways or living in danger areas as duly certified by the Department of Interior and Local Government (DILG)

d. Property/Housing Project

The property or housing project (land and building) applied for by the LGU should comply with the following conditions:

1. The title/s must be registered under the name of the LGU;
2. The land is classified as residential;
3. The title/s should be free from liens or encumbrances;
4. The project must comply with the standards set by BP 220 and other applicable laws, rules and regulations;
5. The project must have secured the necessary permits, licenses and clearances from the appropriate government agencies; and
6. The building/s must be complete and ready for occupancy by the ISFs.

SECTION 4. Obligations of LGU as HDH Partner for the Post Occupancy Phase

In addition to the commitments devolved upon the LGU under Section 9, Article XIII of the 1987 Constitution, Section 29 of RA 7279 otherwise known as the "Urban Development and Housing Act", and other applicable laws, rules, and regulations, the LGU undertakes to provide to the community association the following enabling acts, such as, but not limited, to, those enumerated in Section 4 of the IRR for Accreditation of CSO Partner for HDH Program:

1. Assists in developing community association governance structure.
2. Prepares plans and programs/projects for the communities to uplift the socio economic status of the members.
3. Prepares and submits loan documents.
4. Capacitates the community association in the implementation of community policies on estate and financial management.
5. Facilitates in the formation of the community association's committees for estate management, such as but not limited to Sanitation Committee, Peace and Order Committee and Committee on Finance.
6. Ensures that the community association is fully aware of their responsibilities in estate management by conducting regular meetings with the community association and performance review.
7. Assists in the community association's collection of monthly amortization to be remitted to SHFC.
8. LGU in partnership with the community association shall obtain services of an estate management consultant when the LGU is unable to undertake items i to vii.
9. Ensures the development and implementation of LGU's Disaster Risk Reduction Plan and Activities for the community association.