

**[ HLURB ADMINISTRATIVE ORDER NO. 02, S. 2001, FEBRUARY 14, 2001, February 14, 2001 ]**

**RESOLUTION NO. R-686, APPLICABILITY OF THE LOAN CEILING FOR LOW COST HOUSING UNDER HUDCC MEMO CIRCULAR NO. 1**

Quoted hereunder is the text of the subject resolution approved by the Board of Commissioners on 21 December 2000:

WHEREAS, the HUDCC has issued Memo Circular No. 1, Series of 2000 which defined the loan ceiling on the different housing packages;

WHEREAS, relative thereto, there is a need to determine and clarify its applicability to existing low cost housing projects already issued license to sell which pegged the price ceiling at P375,000 per housing packages;

WHEREAS, this need is imperative to facilitate its implementation in a manner to obviate foreseen conflict between the buyers and owners/developers on the one hand and the financial institution on the other hand, that may be brought about by differences in interpretation;

WHEREAS, this Board recognizes the right of the owners and developers of a reasonable return of their investments as well as the vested rights of the buyers by virtue of a contractual relationship;

WHEREFORE, BE IT RESOLVED AS IT IS HEREBY RESOLVED, that in the implementation of the new ceiling of P500,000 for low cost housing packages, the following directives shall be followed:

1. that all licenses to sell that will thereafter be issued by this Board shall indicate the loan ceiling of P500,000;
2. that all licenses to sell on existing low cost housing projects shall be deemed amended by this Resolution with respect to the adjustment of the price/loan ceiling only provided that the said adjustment shall not affect existing contracts of sale \*\* ;
3. that the new loan ceiling will apply to subsequent sales of lots previously subject of a contract of sale, provided that the rescission of sales contract thereon was done in accordance with the provisions of Republic Act 6552, "Realty Installment Buyer Protection Act."

\* This refers also to economic housing as defined under Batas Pambansa 220

\*\* Sec. 2(b) of PD 957, the Subdivision and Condominium Buyers Protective Decree defines that the sale or sell shall include every disposition, or attempt to dispose, for