



REPUBLIC OF THE PHILIPPINES
Department of Human Settlements and Urban Development
Kagawaran ng Pananahanang Pantao at Pagpapaunlad ng Kalunsuran

Department Order No. 2020-011
Series of 2020

PROVIDING FOR THE PURCHASE OF ASSET - BACKED SECURITIES AS MAY BE ISSUED BY THE NATIONAL HOME MORTGAGE FINANCE CORPORATION OR SOCIAL HOUSING FINANCE CORPORATION AS FULL COMPLIANCE OF DEVELOPERS TO THE BALANCED HOUSING DEVELOPMENT PROGRAM, THEREBY AMENDING SECTION 4.5 OF BOARD RESOLUTION NO, 965, SERIES OF 2017

WHEREAS, under Section 4.5 of the Housing and Land Use Regulatory Board Resolution No. 965, Series of 2017 (B.R. No. 965, s. of 2017), or the "Revised Implementing Rules to Govern Section 18 of Republic Act No. 7279, otherwise known as the "Urban Development and Housing Act of 1992 (UDHA)", as amended by Republic Act No. 10884, otherwise known as the "Balanced Housing Development Program Amendments", the purchase or subscription of asset-backed securities (ABS) issued or conveyed by any of the housing agencies is one of the manners of compliance to the Balanced Housing Development Program;

WHEREAS, the issuance of the Certificate of Full Compliance to the developer for the purchase of such ABS as compliance to the Balanced Housing Development Program is subject to the condition of completion of the construction of the socialized housing project funded by the asset-backed security with the corresponding additional requirement of geotagging of the location of the project for easy verification;

WHEREAS, considering the administrative difficulty in implementing and monitoring the imposed condition, in addition to the concomitant responsibility of the complying developer to ensure completion of the socialized housing project to secure full compliance, the purchase or subscription of the ABS from the NHMFC has remained unattractive to most developers of main projects who have opted instead to avail of the more convenient manners of compliance; and

WHEREAS, attracting developers to purchase ABS for their compliance to the Balanced Housing Development Program in order that the proceeds thereof may be utilized for socialized housing will augment the much-needed funding for the housing sector development in light of the need to accelerate housing production to address the mounting shelter needs of the Country, particularly for the low-income and underserved segments of the market.



WHEREFORE, pursuant to the foregoing, the following Rules is hereby issued:

SECTION 1. AMENDATORY PROVISION. The first two paragraphs of Section 4.5 of B.R. No. 965, s. of 2017 are hereby amended to read as follows:


"4.5. Purchase of Asset-Backed Securities (ABS) - Subject to the required amount computed in accordance with the succeeding paragraphs, the purchase of ABS as may be issued by the National Home Mortgage Finance Corporation or its subsidiary, the Social Housing Finance Corporation, or issued by a special purpose entity backed by assets conveyed to it by NHMFC or SHFC, for the purpose of raising funds for the development of new socialized housing projects shall be deemed as full compliance of the developer of the main project to the Balanced Housing Development Program.

The purchase shall be evidenced by the ABS certificate itself, the official receipt, or other recognized proof of purchase as may be issued, and the same shall serve as the required proof of compliance for the issuance of the license to sell. Upon submission thereof to the Regional Office where the main project shall be registered and licensed, a Certificate of Full Compliance shall be issued in favor of the developer of the main project."

SECTION 2. REGULATION AND SUPERVISION OF ASSET-BACKED SECURITIES. All issuances of ABS as herein provided shall be subject to the regulation and supervision of the Department, including the terms and conditions of their issuance, purchase and utilization as compliance to the Balanced Housing Development Program.

SECTION 3. REPEALING CLAUSE. All resolutions and issuances relating to purchase of ABS as a manner of compliance which are inconsistent herewith are deemed revoked or modified accordingly.

SECTION 4. EFFECTIVITY CLAUSE. This Department Order shall take effect immediately.


EDUARDO D. DEL ROSARIO
Secretary
(September 29, 2020)

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