



NHA Memorandum Circular No. 2020 – 051

SUBJECT : SUPPLEMENTAL GUIDELINES GOVERNING THE TRANSFER OF OWNERSHIP OF TITLED RESIDENTIAL LOTS FOLLOWING THE LAPSE OF THE RESTRICTIVE PERIOD AND CANCELLATION OF THE RESTRICTIONS/CONDITIONS ANNOTATED IN THE TRANSFER CERTIFICATES OF TITLE (TCTs)

Pursuant to Board Resolution No. 6697 dated 24 July 2020 approving the supplemental guidelines governing the transfer of ownership of titled residential lots following the lapse of the restrictive period and cancellation of the restrictions/conditions annotated in the Transfer Certificates of Title (TCTs), the following guidelines are hereby issued:

I. BACKGROUND AND PURPOSE

Presidential Degree (PD) 757 created the National Housing Authority (NHA) which is mandated to develop and implement the housing program of the government. The purposes and objectives among others of the NHA, is to provide and maintain adequate housing for the greatest possible number of people.

In the fulfillment of the above stated objectives, the State through NHA grants lot and/or housing unit awards to qualified beneficiaries. In the grant of lot and/or housing unit award, there is a corresponding restriction/condition on the transfer or conveyance of the property which is annotated in the Transfer Certificate of Title (TCT) issued to the awardee.

The primary intention of the restrictions measures out the desired hold that the government felt it needed to ensure that its objective of providing cheap housing for the homeless is not defeated by wily entrepreneurs. Further, this serves to protect the security of land tenure of the awardees which would in turn ensure that more people shall own and retain residential homes.

The prevailing Memorandum Circulars relating to limitations on the transfer of awards over residential lots to third party buyer-transferee are:

Memorandum Circular No. 1073 - Rules and Regulations Governing the Limitations Prescribed on the Disposition of Lands for Socialized Housing under R.A. 7279 and Exemptions to the Limitations.

Memorandum Circular No. 723 – Cancellation of Certain Restriction Annotated on the Titles of Lot Sold by the defunct People's Homesite and Housing Corporation (PHHC)



Cognizant of the ownership rights of the awardees, policies and guidelines on transfer of ownership and cancellation of restrictions/conditions warrants the adoption of this circular to supplement existing issuances on the matter.

II. COVERAGE

This Circular covers all transfers and conveyances of ownership over titled lot awards after the lapse of the period of the restrictive period. Likewise, this Circular sets forth the guidelines in the cancellation of restrictions and/or conditions annotated at the back of the Transfer Certificates of Title.

III. DEFINITION OF TERMS

Award/Individual Notice of Award - recognition given to those who qualified to be granted a lot and/or housing unit;

Awardee/Beneficiary - recipient of the lot and/or housing unit award by NHA or predecessor entities;

Condition - refers to other impositions relating to the transfer of the awarded lot such as obtaining prior consent of the government agency or vetting of interested transferees.

Lot Inventory System (LIS) - is a combined automated and standard manual system of accounting, recording and processing of transactions related to real estate properties of the NHA.

Restriction - refers to the period in which the subject awarded lot is prohibited from being transferred or conveyed save in cases allowed like hereditary succession etc. The period may vary from one (1) year to perpetual.

Transfer - the act of transmitting or conveying the awarded property such as sale, donation, assignment and analogous cases. It may likewise refer to the process of updating the LIS as to the subsequent owner/s or transferee/s of the awarded lot.

Transfer Certificate of Title (TCT) - title issued under the name of the awardee.

Transfer of Ownership – refers to the transmission or conveyance of fully paid and titled awarded lot and/or housing unit by the awardee with third person/s;

Transferee/s – person/s who duly succeeds in the rights or obligations of the original awardee over the property awarded by the Government.



Transferor/s - may be the original or subsequent awardee/s who convey or transfer the ownership of the awarded lot to third person/s.

IV. GENERAL POLICIES

4.1 Transfer of Ownership

- 4.1.1. The effectivity of the restrictive period shall be reckoned from the issuance of the TCT under the name of the awardee;
- 4.1.2. In case of multiple transfer, the counting of the restrictive period shall be reckoned from the issuance of the Transfer Certificate of Title (TCT) in which the restriction was first annotated;
- 4.1.3. The expiration of the restrictive period annotated in the Transfer Certificate of Title (TCT) makes any transfer or conveyance valid sans the request for cancellation addressed to or prior approval of NHA;
- 4.1.4. There shall be no more Transfer Fee chargeable following the lapse of the restrictive period. However, a Service Fee amounting to P200.00 will be paid in lieu thereof.

4.2 Cancellation of Restriction/Condition

- 4.2.1. Requests for cancellation of the lapsed period of restriction shall be allowed;
 - 4.2.2. Condition accompanying the period of restriction which does not carry with it an expiration period shall remain annotated in the TCT;
 - 4.2.3. The request for cancellation of restrictions/conditions may be filed by the original awardee/s appearing in the Lot Inventory System. In the alternative, the transferee/s or the duly authorized representative/s of the awardee/s or transferee/s may likewise file the same request.
- 4.3 In determining the expiration of the restrictive period for the purpose of transferring ownership or cancellation of restrictions, the reckoning date of the effectivity of said restriction shall be the date of the issuance of the TCT in which the restriction was first annotated;

V. IMPLEMENTING PROCEDURE

- 5.1 The procedure, fees and documentary requirements relating to "Transfer of Ownership after the Lapse of the Restrictive Period" and "Cancellation of Restrictions and/or Conditions" under the NHA Citizen's Charter (*Annexes A and B*) shall be adopted;



5.2 Whenever transfer is necessary in processing the cancellation of restriction/condition, such transfer shall be undertaken for purposes of updating the LIS and to provide historical records of the lot awarded by the government. Determination as to the eligibility of the transferee to become one need not be undertaken as the same is not considered an original government award to the Transferee-Requestor but simply an ordinary transfer of ownership, the transaction having been executed after the lapse of the period of restriction thereby, beyond the regulatory power of the Authority.

VI. MONITORING OF IMPLEMENTATION

The District Offices shall monitor the implementation of this Circular and prepare an annual report thereof to be submitted to the Regional Office copy furnished the CPD, EMD and Office of the AGM.

VII. SEPARABILITY CLAUSE


If any part or provision of this Circular shall be held unconstitutional or invalid, other provisions hereof which are not affected thereby shall continue to be in full force and effect.

VIII. REPEALING CLAUSE

Any provision of Memorandum Circulars or Issuances inconsistent with the provisions of this Circular are deemed repealed and/or amended accordingly.

IX. EFFECTIVITY

This Memorandum Circular shall take effect fifteen (15) days after publication in a newspaper of general circulation.


VICTOR C. BALBA
Officer-In-Charge
Assistant General Manager

Date 22 September 2020



CANCELLATION OF RESTRICTIONS/CONDITIONS FOR RESIDENTIAL LOTS

Activity	Responsibility	Details
<p style="text-align: center;">START</p>		
<p>1. Submits letter-request for cancellation with complete documentary requirements to District Office (DO)</p>	<p>Client</p>	<p>Documentary requirements: a. Letter-Request b. Certified true copy of the TCT (front and back) c. Deed of Conveyance, if applicable d. If client is represented by Atty.-In-Fact, duly notarized Special Power of Attorney e. Two government issued ID with picture and signature</p>
<p>2. Checks documents submitted</p>	<p>EM Staff (EMA,EMS/ES,) DO</p>	<p>EM Staff checks completeness of documents submitted</p>
<p>3. Validates award against the Lot Inventory System Data</p>	<p>EM Staff (EMA,EMS/ES,) DO</p>	<p>Checks if the requestor is the awardee of the lot.</p>
<p>4. Computes/verifies Cancellation Fee</p>	<p>EM Staff (EMA,EMS/ES,) DO</p>	<p>Five percent (5%) of the Fair Market Value of the property per latest Tax Declaration but not less than Php200.00 (Subject to adjustment based on previous transfer transactions) Notarial Fee: Php100.00</p>
<p>5. Prepares the following: - Memorandum recommending cancellation of the condition/restrictions - Notice of Approval - Deed of Cancellation of Condition and Restrictions (DCCR)</p>	<p>EM Staff (EMA,EMS/ES,) DO</p>	<p>EM Staff, EM Head and District Mgr. affix their initials</p>
<p>6. Transmit documents and records folder and DCCR to Regional Office (RO)</p>	<p>EM Staff (EMA,EMS/ES,) DO</p>	


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 District Controller/Date

<p>7. Reviews documents and approves application and signs Notice of Approval and DCCR</p>	<p>EM Officer, RO</p>	<p>RM approves the documents</p>
<p>8. Sends Notice of Approval to District Office (By fax/email under extraordinary circumstances)</p>	<p>EM Officer, RO</p>	
<p>9. Issues Notice of Approval to client for payment of fees or advise client either thru text/phone call/ email of the approval and payment of fees</p>	<p>EM Staff (EMA,EMS/ES,) DO</p>	
<p>10. Issues Order of Payment</p>	<p>EM Staff (EMA,EMS/ES,) DO</p>	<p>Per MC 1295 - Five percent (5%) of the Fair Market Value of the property per latest Tax Declaration but not less than Php200.00 Notarial Fee of P100.00</p>
<p>11. Receives Order of Payment and pays Cancellation Fee and Notarial Fee</p>	<p>Client</p>	
<p>12. Issues Official Receipt and accepts payments, forwards copy to EM Staff</p>	<p>Cashier, Finance Unit, DO</p>	
<p>13. Transmits by Fax or e-mail copy of OR to RO</p>	<p>EM Staff (EMA,EMS/ES,) DO</p>	
<p>14. Forwards DCCR to Corporate Legal Counsel (RO)</p>	<p>Program EM Staff, RO</p>	

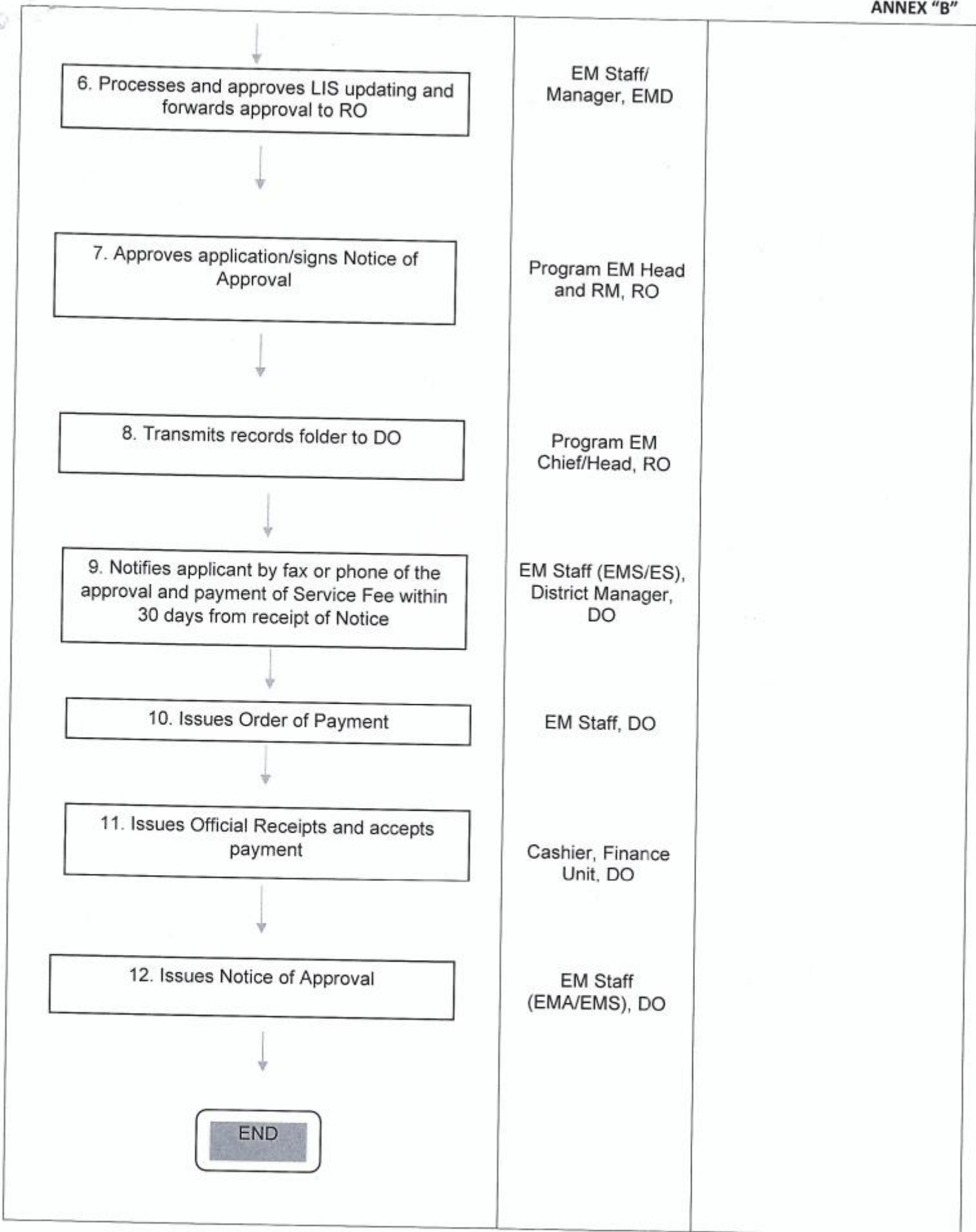


15. Notarizes DCCR and returns to EMU-RO	Corporate Legal Counsel, RO	
16. Transmits records folder to District Office	EM Staff, RO	
17. Releases Notice of Approval and two copies of DCCR	EM Staff, DO	
18. Receives Notice of Approval and two copies of DCCR	Client	
END		

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Transfer of Ownership

Activity	Responsibility	Details
<p style="text-align: center;">START</p> <p>1. Submits letter-request for transfer with complete documentary requirements to District Office (DO)</p> <p>2. Evaluates documents and interviews applicant (checks if multiple transaction; refers to annotations in the Transfer Certificate of Title</p> <p>3. Prepares/Signs the following documents: a. Documentary requirements b. Proforma Notice of Approval (TR fee is waived) c. Memo-request for LIS updating to EMD</p> <p>4. Transmits documents and records - folder to Regional Office (RO)</p> <p>5. Reviews documents and forwards request for LIS updating to EMD</p>	<p>Client</p> <p>EM Staff, DO</p> <p>EM Staff/Head, EM Unit/ District Manager, DO</p> <p>Project EM Staff, DO</p> <p>EM Chief/Head and RM, RO</p>	<p>Documentary requirements:</p> <ol style="list-style-type: none"> a. Letter-Request b. Certified true copy of the TCT (front and back) c. Previous/Back Title, if applicable d. Deed of Conveyance, if applicable e. If property is subdivided: <ul style="list-style-type: none"> - Approved Subdivision Plan - Blue print - Technical Description of Resulting Lots - Original/photocopy f. If client is represented by Atty.-In-Fact, duly notarized Special Power of Attorney g. Two government issued ID with picture and signature




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