



NATIONAL HOME MORTGAGE FINANCE CORPORATION



CORPORATE CIRCULAR CMP NO: 022
12 October 2000
Series of 2000



TO : ALL CMP ORIGINATORS AND
COMMUNITY ASSOCIATIONS

SUBJECT : AMPLIFICATION OF POLICY ON ROAD
RIGHT OF WAY (RROW)

RATIONALE AND OBJECTIVE:

It has been observed that a number of CMP projects could have been processed and taken out were it not for problems/issues concerning the establishment of legal road right of way. Section 7.3 of N-HMFC Corporate Circular No. CMP 018 simply states that "the collateral property shall have a Road Right of Way as access to and from existing roads."

In the implementation of above provision, problems are encountered in view of diverse and conflicting interpretations of what constitutes valid, legal and acceptable documentary requirements for road right of way.

To address said problem and to expedite processing and take-out of CMP projects, the N-HMFC Board of Directors approved under Resolution No. 3077, series of 2000 an amplification of the existing policy on the road right of way.

Specifically, the revised policy shall cover the following cases:

1. The proposed Road -Right-of-Way is owned by a private individual who either:
 - 1.1) refuses to sell a portion of his property to the CA;
 - 1.2) demands a price not affordable to the CA;
 - 1.3) cannot be found

In the above case, the following requirements can substitute for perpetual grant and annotation of RROW for take-out purposes:

- 1.1.a) Submission of an undertaking from the CA and Originator that a petition for the grant of RROW will be filed with the proper court/body within six (6) months from the date of take-out of the project; and
- 1.1.b) Determination by N-HMFC thru site inspection that there is an existing access to the project which serves as the proposed RROW constituting the shortest road to project.

2. When the existing RROW is a subdivision road not yet turned-over to the City or Municipal government, the following shall be required:
 - 2.1) An undertaking from the CA and Originator that a grant of RROW for the Homeowners Association of the subdivision shall be submitted, or if it cannot be obtained, petition for the grant of RROW will be filed with the proper court/body within six (6) months from the date of take-out of the project;
 - 2.2) Actual site inspection by NHMFC to establish the existence of the RROW.

3. When the RROW is an abandoned private road, the following documents should be submitted:
 - 3.1) An undertaking from the CA and originator that a grant of RROW from the Homeowners Association of the subdivision will be submitted or if it cannot be obtained, a Petition for the Grant of RROW will be filed with the proper court/body within six (6) months from the date of take-out of the project;
 - 3.2) Actual site inspection by NHMFC to establish the existence of the RROW.

COVERAGE:

The foregoing policy shall apply to CMP projects in the pipeline for take-out, including those already approved by the Board, and projects for accreditation/enrollment.

SANCTIONS:

In the event the Community Association and the originator fail to comply with the Warranty Undertaking at the end of six months from take-out of the project, the loan shall be declared due and demandable and the Originator's accreditation may be suspended should circumstances warrant. Moreover, the origination fee of the Originator shall not be released until proof of filing of petition for grant of RROW is submitted. Attached is a pro-forma Warranty Undertaking on RROW to be executed by the CA and Originator.

For immediate implementation.


ATTY. ANGELICO T. SALUD
President