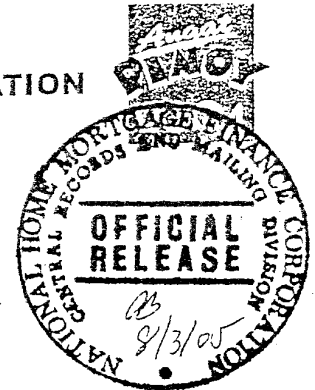




**NATIONAL HOME MORTGAGE FINANCE CORPORATION**

Corporate Circular No. CMP-032  
August 2, 2005  
Series 2005



TO : ALL CMP ORIGINATORS / BORROWERS /  
STAKEHOLDERS

SUBJECT : IMPLEMENTATION OF DIRECT MORTGAGE SCHEME  
IN LIEU OF TRANSFER OF TITLE TO NHMFC

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Consistent with NHMFC Board Resolution No. 3404 dated 27 July 2005 and to enable a more comprehensive consultation among stakeholders of the Community Mortgage Program (CMP), ventilation of issues and consequent arrival at a common consensus beneficial to all stakeholders, implementation of Corporate CMP Circular No. 031, is hereby suspended. Subject Circular dated 15 March 2005 and entitled "Amendments on the CMP Loan and Mortgage Documentary Forms and Procedures", requires that the title of the property being acquired by the Community Association (CA) through CMP shall be registered in the name of NHMFC instead of the CA as provided for in Corporate Circular No. CMP-18.

In lieu of the above, a direct mortgage scheme provided for under Corporate Circular No. CMP-026 shall be adopted and implemented. Under this scheme, the title of the property being acquired by the CA through CMP shall still be transferred in the name of the CA. However, the Loan and Mortgage Agreement, which originally was in favor of the Originator, shall now be executed in favor of NHMFC and subsequently will be annotated in the title registered under the CA's name.

In line with the suspension of Circular 31, the following loan and mortgage documents shall now be submitted for project enrollment / take-out:

1. Intent to Sell by the Landowner / Intent to Purchase by the Community Association (CA);
2. Loan Agreement between the CA and NHMFC;
3. Lease Purchase Agreement (LPA) between CA and the individual beneficiary;
4. Deed of Assignment of the LPA executed by the CA in favor of NHMFC;
5. Deed of Absolute Sale between landowner and the CA;
6. Real Estate Mortgage (REM);
7. Promissory Note by the CA in favor of NHMFC;


FILOMENA BUILDING III, 104 AMORSOLO ST., LEGASPI VILLAGE, MAKATI CITY  
TELEPHONE NUMBER 893-15-01

8. Collection Agreement between the CA and NHMFC;
9. Deed of Assignment by the CA assigning the loan proceeds to the landowner.

Above documents are in addition to usual accreditation requirements for the originator and the CA as provided for under Corporate Circular No. CMP-018.

This Circular supersedes all previous Circulars and other issuances on the same subject and shall cover applications in process for project enrollment, projects accredited, delivered and in process by the Loan and Mortgage Examination Group for endorsement to the NHMFC Board.

However, unless the CA so desires to be covered by this Circular, the same will not cover projects, which have already been documented under Circular 31 or are already in the process of being transferred to NHMFC.



**ATTY. FERMIN T. ARZAGA**  
OIC/Executive Vice President