

**CMP OVERVIEW AND OBJECTIVES**

The Community Mortgage Program (CMP) aims to improve the living conditions of homeless and underprivileged citizens by providing them affordable financing with which they can secure tenure on the land they occupy.

The CMP is a mortgage financing program which assists legally organized associations of residents of blighted or depressed areas to own the lots they occupy, providing them security of tenure and eventually improve their neighborhood and homes to the extent of their affordability.

Revised Loan Entitlement Amounts applicable for both Metro Manila and highly urbanized cities, and other areas, without distinction, have been increased as follows:

Purpose	Maximum Loan Amount	Monthly Amortization
Land Acquisition	P 100,000.00	685.30
Site Development/Community Upgrading	30,000.00	205.59
House Construction	120,000.00	834.60
<b>Loan Package</b>	<b>250,000.00</b>	<b>1,725.49</b>

*The determination of final loan amount shall be subject to existing CMP guidelines*

The CMP loan will bear 6% interest per year based on the outstanding balance and will be payable over a maximum period of 25 years in equal monthly amortizations.

**DUE DILIGENCE**

The processing of CMP loan applications will essentially involve due diligence verification by SHFC on the CMP loan application and the collateral.

Upon acceptance of complete documentary requirements, SHFC shall strive to devote no more than one hundred twenty (120) working days to complete the due diligence process from CMP loan application to loan release.

**CMP PROJECT CLASSIFICATION**

ON-SITE	OFF-SITE
Members of the Community Association (CA) are already living/residing in the project site	Homogenous group living outside the project area but has to be relocated due to any of the following reasons:

<ul style="list-style-type: none"> <li>✓ The community has been in existence for five (5) years; 85% of the total number of members should have a residency of 5 years;</li> <li>✓ at least 85% occupancy rate at the time of application and 100% after two (2) years from loan release                             <ul style="list-style-type: none"> <li>• Maximum of 200 beneficiaries</li> <li>• 100% appraisal</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>✓ Beneficiaries living in danger zones/areas;</li> <li>✓ Beneficiaries affected by government infrastructure project; and</li> <li>✓ Beneficiaries with threat of eviction or actual ejection thru a case/court order                             <ul style="list-style-type: none"> <li>• Maximum of 200 beneficiaries</li> <li>• 100% appraisal</li> </ul> </li> </ul>
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**CMP LOAN COLLATERAL**

The land to be acquired by the Community Association (CA) shall serve as the CMP loan collateral, and will be acceptable if the following criteria are met:

1. The title to the land is free from all liens and encumbrances at the time of release of the CMP loan;
2. The land is not classified as agricultural;
3. The land is not within environmentally-constrained/hazardous or high-risk areas as certified by the DENR and the concerned local government unit;
4. The land has a road right of way or an access road lot to a city, municipal or barangay road; and
5. The landowner should have the legal capacity to sell or transfer the subject property for loan collateral under the CMP.

**BORROWERS**

Tenants/beneficiaries shall form and register a CA, which entity shall borrow and initially own and mortgage the land. Individual beneficiaries' right over the land and eventual ownership of the lot is achieved through a Lease Purchase Agreement (LPA) with the CA.

**ELIGIBILITY OF CMP BORROWERS**

1. Filipino citizen, of legal age (18) at the time of the loan application and shall not be more than 60 years old upon loan release;
2. Certifies under oath that he/she has not been a recipient of any CMP loan or other govt. housing programs. Does not own or co-own a real property and is not a professional squatter as defined in RA 7279;
3. Must be a structure owner, a renter or a sharer at the site.

**DELINQUENCY / DEFAULT**

A CA account is considered in default if it is not up to date with its loan amortization payments equivalent to three months.

**PENALTIES**

In case of non-payment of monthly amortizations on the due date (one month after release of the loan), the CA shall pay a penalty equivalent to delay.

**INSURANCE**

For the duration of the loan, there shall be a Mortgage Insurance on the lives of the principal borrowers as identified in the Master List of Members on a yearly renewable term basis. The insurance premiums shall be included in the monthly amortizations of the members.

**SUBSTITUTION OF BENEFICIARIES / FORECLOSURE**

The Master list of members submitted as part of the CMP loan application are deemed final and may not be subject to substitution during loan application processing period.

A member may be substituted due to the following:

1. A member is in default in the payment of his/her share in the monthly amortization of the CA loan; and
2. A member voluntarily waives his/her rights to the allocated lot/property in favor of the CA.

Renters or sharers in the project sites shall be preferred or prioritized in the substitution process.

The CA shall be responsible for the substitution of the member without prejudice to the right of SHFC to disqualify substitute members if they fail to meet the qualifications of a member or if there is proof of misrepresentation by the CA officers.

**COMMUNITY MOBILIZERS (CMP-M)**

Accredited CMP-Ms are tasked to assist informal settlers in organizing themselves into CAs.

CMP-Ms may either be any government entity, non-government organizations (NGO) and People's Organizations (PO) and must possess the needed skills to organize communities, document CMP project applications and provide access to other government agencies involved in the program.

CMP-Ms shall be entitled to a service fee equivalent to two percent (2%) of the loan amount or P1,000.00, per member, whichever is higher.

## CHECKLIST OF REQUIREMENTS

### I. PROJECT APPLICATION

#### CMP MOBILIZERS' (CMP-M) PARTICIPATION

(Include in all 4 project folders)

- A. Duly accomplished application (CMP-001)
- B. Duly accomplished CMP-M Information Sheet (CMP-002)

#### For New Private Applicants

1. SEC/CDA Registration and Articles of Incorporation/Code of By-laws;
2. Bio-data of officers indicating past and present positions held in relation to their involvement in community-based economic/social development projects. (Please include references);
3. Board Resolution or Secretary's Certificate (Re: community coordinating activities on the project); and
4. Track record in CMP and/or social housing development projects, i.e. summary of CMP and/or social housing development projects undertaken.

#### For Participating Local Government Units (LGUs)

1. Council/Sangguniang Bayan Resolution; and
2. Permanent unit/department who will handle processing of CMP

#### For Other Government Entities

1. Copy of charter (if entity is not involved in housing); and
2. Authority from board/head of office to do CMP community coordination;
3. Bio-Data of Officers

#### For Existing Community Mobilizers

At least 80% Collection Efficiency Rating or Performance Rating

### II. FOR LETTER OF GUARANTY

#### A. Project Accreditation, Evaluation & Monitoring Department

1. CMP Community Profile;
2. HLURB Certified Copy of Registration, Articles of Incorporation, By-Laws Updated General Information Sheet;
3. Memorandum of Agreement between CA and CMP-M;
4. Masterlist of Beneficiaries w/ Loan Apportionment (CD Copy);
5. Notarized Memorandum of Agreement between the landowner and CA or Letter of Intent to Sell from the landowner and Letter of Intent to Buy of the CA

#### B. Technical Services Department

1. Lot Plan with Technical Descriptions of the proposed CMP Site, duly signed by a licensed Geodetic Engineer (G.E.);
2. Vicinity Map showing the name of the roads leading to the site and the land-marks (must show the Socio-economic facilities /establishments within 2 to 5-km radius and distances from the Proposed CMP site)
3. Schematic Subdivision Plan duly signed by a licensed G.E. (must show the area per lot, the excluded lots, if any and other information pertaining to the site's physical features which may affect the collateral value)
4. Topographic Map if the site has sloping terrain;
5. Latest RD certified copy of Present Title, Latest RD certified copy of 1st Back Title, Latest RD certified copy of 2nd Back Title
6. Latest Tax Declaration showing RESIDENTIAL classification;
7. Zoning Certification

#### C. Loan Examination Department

1. Masterlist of Beneficiaries with Loan Apportionment (CD Copy);
2. Proof of CA savings equivalent to three (3) months amortization and one (1) year MRI premium (both savings and MRI must be deposited in favor of the SHFC prior to LOG);

3. Notarized Proof of Payment of Equity;
4. Notarized Memorandum of Agreement between the landowner and CA or Letter of Intent to Sell from the landowner Letter of Acceptance by the CA
5. Notarized Lease Purchase Agreement (LPA);
6. Locational Plan of lot sold to CA;
7. Schematic Subdivision Plan duly signed by a licensed G.E. (must show the area per lot, the excluded lots, if any and other information pertaining to the site's physical features which may affect the collateral value)

#### D. Mortgage Examination Department

1. HLURB Certified Copy of the Certificate of Registration, Articles of Incorporation, By-Laws Updated General Information Sheet
2. Notarized Memorandum of Agreement between the landowner and CA Letter of Intent to Sell from the landowner Letter of Intent to Buy of the CA
3. Latest RD certified copy of Present Title, Latest RD certified copy of 1st Back Title, Latest RD certified copy of 2nd Back Title
4. Notarized Board Resolution/Secretary's Certificate issued by the CA to its representative;
5. Latest Tax Declaration showing RESIDENTIAL classification;
6. Updated Real Property Tax Clearance;
7. Updated Special Power of Attorney (SPA) for Individual Landowner or Secretary's Certificate if the landowner is a Corporation;
8. SEC Certified Copy of Incorporation Papers and updated GIS if the landowner is a Corporation
9. Two (2) Valid Government issued IDs of the individual landowner/s and/or authorized representative duly certified by the CMP-M. If the landowner is a Corporation, IDs of the representative and Corporate Secretary should be submitted
10. TIN ID of Individual Landowner
11. BIR Certificate of Registration of CA
12. BIR Certificate of Registration of Landowner - Corporation
13. Real Estate Mortgage (REM);
14. Deed of Assignment of LPA from CA to SHFC;
15. Promissory Note;
16. Collection Agreement between CA and SHFC;
17. Deed of Assignment of Loan Proceeds from CA to landowner;
18. Loan Agreement

### III. For Loan Release

1. Notarized Deed of Absolute Sale;
2. Cancelled TCT in the name of landowner (with annotation of Deed of Absolute Sale) or SPA / Secretary's Certificate of Landowner - Corporation
3. TCT in the name of the CA with annotation of the REM and the Secretary's Certificate issued by the CA to its representative;
4. Register of Deeds certified copies of Deed of Sale, REM and Secretary's Certificate issued by the CA to its representative
5. Tax Declaration in CA's Name
6. Cash Deposit equivalent to three (3) months amortization & one (1) year MRI premium

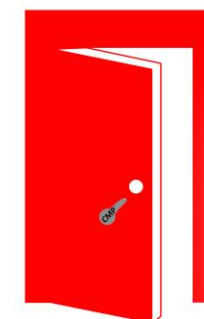
### IV. Others

1. DAR conversion order if the title is a Certificate of Land Award (CLOA) or Emancipation Patent



SOCIAL HOUSING FINANCE CORPORATION

✉ [www.shfcph.com](http://www.shfcph.com)



## Community Mortgage Program

Ang susi sa pag-angat sa buhay

*"Ang CMP at ang pamayanan, susi sa pag-angat sa buhay"*

**For inquiries please call:  
Community Support Unit**  
☎ **750-63-37**  
**750-63-46**

**local 140 & 530**