



SOCIAL HOUSING FINANCE CORPORATION
a subsidiary of National Home Mortgage Finance Corporation

CORPORATE CIRCULAR CMP NO. 10-016
26 May 2010
Series of 2010

TO : ALL CMP BORROWERS AND ORIGINATORS

SUBJECT : COLLECTION AND PAYMENT OF MONTHLY AMORTIZATIONS OF CMP LOANS

In order to ensure a more efficient and effective collection and payment of loan amortizations under the Community Mortgage Program (CMP) and to further clarify, supplement and consolidate Corporate Circular CMP Nos. 07-005 and 08-010, the following guidelines shall be adopted:

1. As long as the community loan is not yet fully paid, the Community Association (CA) shall have the primary responsibility to collect the amortization payments of its member-beneficiaries (MBs) and remit the same to Social Housing Finance Corporation (SHFC) in accordance with the Collection Agreement (CM-F-013).
2. SHFC may only accept direct payments from the MBs if the Collection Agreement is suspended or terminated under circumstances enumerated hereunder, to wit:
 - a. Inefficient servicing of collection as reflected in unacceptably low collection efficiency and delays in servicing/remittance of collection;
 - b. Non-remittance of collection;
 - c. Refusal of the CA officers to endorse the MBs' payments to SHFC;
 - d. Inactive CA officers;
 - e. Negligence in collection during the transition period towards new set of officers; or,
 - f. Other similar grounds which resulted to low collection efficiency.

SHFC may, at its option, suspend or terminate the Collection Agreement with the CA after ten (10) days from service of the written notice to the CA of such suspension or termination.

SHFC may likewise suspend the Collection Agreement upon failure of the CA to comply with Item No. 5 of the Collection Agreement (Maintenance of Records) after ten (10) days from service of the written notice to the CA of such suspension. During the period of suspension, SHFC may accept direct payments from the member-beneficiaries.

3. In cases of internal conflicts between the CA officers and the MBs, SHFC may accept in-trust, the payments made by the MBs, until the conflicts are resolved. However, full payments during said period of conflict shall not be considered in the computation of the Collection Efficiency Rating (CER). Based on the final resolution by SHFC and the CA or the authorized body that has jurisdiction over the conflict/issue, SHFC shall either reactivate or terminate the Collection Agreement with finality and accordingly inform the CA of the action taken by SHFC.
4. Individualization of titles and/or loans shall not in any way suspend the responsibility of the CA to collect the loan and the obligation of the MBs to pay their monthly amortizations through the CA. In case the titles are transferred in the name of the MBs by virtue of the Deed of Sale with Assumption of Mortgage executed by the CA, the concerned MBs may pay amortizations directly with SHFC.

This Circular takes effect immediately. All previous Circulars, Memorandum Orders and related issuances inconsistent with any provisions of this Circular are hereby repealed and modified accordingly.


ATTY. FERMIN T. ARZAGA
President