



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

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**CORPORATE CIRCULAR CMP – 07-004**

February 05, 2007  
Series of 2007

TO : **ALL CMP ORIGINATORS / BORROWERS /  
STAKEHOLDERS**

SUBJECT : **REDUCTION OF MAXIMUM ALLOWABLE  
EQUITY**

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To ensure that acquisition of lots under the Community Mortgage Program (CMP) are maintained within the capacity of the homeless and the under privileged sector of the society, the SHFC Board of Directors approved, under the Board Resolution No. 67 dated 22 November 2006, the reduction of the maximum allowable equity from the previous level of 30% to 10% of average loan for properties located in Metro Manila and other Highly Urbanized Areas (HUAs), and 5% for areas outside Metro Manila and those not classified as HUAs.

Approval of projects with substantial equities to be shouldered by CMP beneficiaries exerts upward pressure on land prices and increases the burden on the borrowers. Hence, equity should be maintained at its lowest level.

This Circular shall cover applications that will received by SHFC commencing February 1, 2007 and supersedes all other Circulars and issuances inconsistent thereto.

  
**ATTY. FERMIN T. ARZAGA**  
President