



Social Housing Finance Corporation

a subsidiary of National Home Mortgage Finance Corporation

Corporate Circular HDH No. 14 - 002
Series of 2014

**Subject: IMPLEMENTING RULES AND REGULATIONS (IRRs) FOR
BUILDING CONSTRUCTION AND SITE DEVELOPMENT
LOANS FOR HIGH DENSITY HOUSING (HDH) PROGRAM**

Section 1. Purpose

This Implementing Rules and Regulations, hereinafter called the IRR, is formulated for the implementation of Building Construction and Site Development Loans for the High Density Housing (HDH) Program pursuant to Sections 5 and 7 of the Social Housing Finance Corporation (SHFC) Corporate Circular No. 13-026, Series of 2013 which was approved on July 11, 2013.

Section 2. Definition of Terms

For purposes of this IRR, the following terms or words shall mean or be understood as follows:

- a. Site Development - refers to improvement of the project site pertaining to establishment of roads, construction of drainage and sewerage system and installation of water and electrical system.
- b. Building Construction - refers to the process of building or assembling of infrastructure, primarily those used to provide shelter.
- c. Performance Security - refers to a security to guarantee the faithful performance of the developer / contractor of its obligations under the contract and to satisfactorily complete the project in accordance to the approved plans and specifications.
- d. Retention Fee - refers to the percentage of payment held back from a developer/contractor which is equivalent to 10% of the contract price to cover defective works, if any.

Section 3. Eligibility

The community associations who are registered owner of land or have existing usufructuary arrangement with landowner or who have availed of the lot acquisition loan under HDH Program shall be eligible for building construction and/or site development loans under this IRR, provided that they have complied with the requirements for the building construction and/or site development loans under the HDH Program.

