

## REAL ESTATE MORTGAGE

This MORTGAGE made and executed by:

\_\_\_\_\_ hereinafter called (irrespective of number) the **MORTGAGOR**;

- IN FAVOR OF -

The SOCIAL HOUSING FINANCE CORPORATION (SHFC), a government corporation chartered under the provisions of PD 1267 and Executive Order No. 90, with offices at 8737 BDO Plaza Building, Paseo de Roxas, Makati City, duly represented herein by its Officer-In-Charge/President MA. ANA R. OLIVEROS, hereinafter called the **MORTGAGEE**.

### WITNESSETH THAT:

Pursuant to the terms of the Loan Agreement dated \_\_\_\_\_ executed between MORTGAGOR and the MORTGAGEE and in order to secure the obligations of the MORTGAGOR in favor of the MORTGAGEE in the amount of \_\_\_\_\_

(P \_\_\_\_\_) Philippine Currency, including interest, penalties and other charges accruing, the MORTGAGOR transfers and conveys by way of FIRST MORTGAGE to the MORTGAGEE, its successors-in-interest or assigns, the real estate(s) which is/are more particularly described herein and/or a supplementary list appended hereto, together with all the buildings and improvements now existing or which may thereafter exist on the said real estate(s), hereinafter referred to as the MORTGAGED PROPERTY(IES) of which the MORTGAGOR is the absolute owner, free from all liens and encumbrances of whatever nature, except the right granted by the MORTGAGOR under the LEASE/PURCHASE AGREEMENT executed with its member-beneficiary.

Upon transfer by the MORTGAGOR to the Lessee/Vendee of the absolute ownership to the property herein mortgaged, the Vendee shall assume this mortgage which shall likewise stand as security for the payment of any Promissory Note(s) which Vendee shall execute pursuant to the LOAN AGREEMENT, plus other charges payable by the Vendee pursuant to said Agreement. If the MORTGAGOR and/or the Vendee shall pay to the MORTGAGEE, its successors-in-interest and assigns, all the obligations secured by this MORTGAGE, this mortgage shall be rendered as null and void; otherwise, it shall remain in full force and effect.

This mortgage is constituted under the following conditions:

1. The MORTGAGOR shall keep the mortgaged property(ies) in good condition, he shall maintain the integrity, quality and sufficiency of the Mortgaged Property at a level acceptable to or directed by the MORTGAGEE. He shall not subdivide, lease, sell, dispose, mortgage, or encumber the Mortgaged Property without prior written consent of the MORTGAGOR nor commit any act which may impair directly or indirectly, the value of the said Mortgaged Property.

If the MORTGAGEE finds that the Mortgaged Property is lost, impaired or depreciated due to any cause whatsoever, the MORTGAGEE shall declare the Mortgage obligation due and demandable, unless the MORTGAGEE shall allow the MORTGAGOR to substitute the Mortgaged Property with new and/or provide additional collateral.

2. In the event the Mortgaged Property is sold, disposed of or otherwise transferred in whole or in part by the MORTGAGOR, the MORTGAGOR shall cause the transferee to assume this mortgage and the obligations secured hereby, furthermore the MORTGAGOR shall not be released from his liability but shall be liable jointly and severally with the transferee unless expressly released therefrom from writing under existing policy of the MORTGAGEE. In all cases, this mortgage shall constitute a first and superior lien, on the Mortgaged Property.

3. The MORTGAGOR shall allow the MORTGAGEE to inspect the Mortgage Property during reasonable hours to ascertain its condition or actual market value.

4. The MORTGAGOR shall promptly pay all taxes, assessments levied or assessed upon the same; he shall ensure that all the property(ies) are insured at all times at his expense with the pool of accredited insurance companies established for the purpose by the SOCIAL HOUSING FINANCE CORPORATION (SHFC) against such risk as may be determined by and for an amount satisfactory to the MORTGAGEE and to obtain for the MORTGAGOR'S account all insurance policies required under the Unified Home Lending Program of the SHFC. Every insurance policies obtained in connection herewith is hereby assigned to the MORTGAGEE, or its assignee notwithstanding MORTGAGOR's failure to endorse or deliver said policy. Any additional insurance policy acquired by the MORTGAGOR without proper indorsement in favor of the Mortgagee shall also be considered assigned to the MORTGAGEE or its assignee shall receive and apply the proceeds of such policies to reduce or pay the MORTGAGOR's obligations secured hereby or to restore or repair the damage to the Mortgaged Property(ies) whichever the MORTGAGEE may deem appropriate.

5. In case the MORTGAGOR and/or the Vendee violates the terms and conditions of the aforesaid Loan Agreement or if he fails to perform any of the conditions stipulated herein, the MORTGAGEE may in addition to whatever legal remedies it may have by law or agreement, declare the obligations secured by this mortgage due and payable, and upon failure to receive full payment, the MORTGAGEE may proceed to judicially or extrajudicially foreclose this mortgage.

6. In case of extrajudicial foreclosure under Act 3135, as amended, the auction shall take place in the city or the province where any of the mortgaged property/ies is located. Effective upon the breach of any condition of this Mortgage, the MORTGAGEE is hereby appointed as attorney-in-fact of the MORTGAGOR, with full power of substitution and authority to perform such acts as may be necessary to dispose of the mortgaged property/ies in accordance with the provisions of Act No. 3135 as amended, and pending such disposition to perform all other acts of administration and management in the manner most advantageous to and for the best interest of the MORTGAGEE. This MORTGAGEE hereby reserves its right to bid at the appropriate public auction.

7. If it becomes necessary for the MORTGAGEE to institute any legal action or proceedings, judicial or extrajudicial, to enforce this mortgage, the MORTGAGOR shall pay the Mortgagee as attorney's fee a sum equivalent to at least twenty five percent (25%) of the total amount due plus all expenses of such action or proceedings.

8. The parties herein are aware and understand that this mortgage shall be assumed by the Lessee/Vendee in accordance with the Loan Agreement that will be executed between the parties and accordingly give their conformity thereto and commit to perform such acts or execute such documents that may hereafter be required by SHFC under its home lending guidelines.

9. If the mortgage cannot be recorded in the corresponding Register of Deeds, the obligations secured shall immediately become due, payable and defaulted.

10. The MORTGAGOR shall pay the notarial fees, documentary stamps and other expenses in connection with this mortgage and all other transactions which may have been or may hereafter be executed in connection herewith, as well as the fees for the registration of this and other documents related hereto.

11. All correspondence of whatever kind, pursuant to or relative to this Agreement, shall be sent to the MORTGAGOR at the address given above. The mere act of the Mortgagee mailing such correspondence postage prepaid to said address shall be a valid and effective notice to the Mortgagor for all legal purposes. In case of MORTGAGOR's change of address, the Mortgagee shall be immediately notified.

#### **TECHNICAL DESCRIPTION OF MORTGAGE PROPERTY(IES)**

IN WITNESS WHEREOF, we have hereunto set our hands this  
\_\_\_\_ day of \_\_\_\_\_ 200\_\_\_\_, at \_\_\_\_\_.

**SOCIAL HOUSING FINANCE CORPORATION**

By:

By:

\_\_\_\_\_

**SIGNED IN THE PRESENCE OF:**

\_\_\_\_\_

**ACKNOWLEDGEMENT**

REPUBLIC OF THE PHILIPPINES )  
CITY OF \_\_\_\_\_ ) S.S.

At the above stated locality on this \_\_\_\_ day of \_\_\_\_\_,  
before me personally appeared:

	<b>CTC No.</b>	<b>Issued at/on</b>
_____	_____	_____
_____	_____	_____
_____	_____	_____

known to me and to me known to be the same person who executed the foregoing instrument and acknowledged to same to be their free and voluntary act and deed as well as that of the Corporation herein represented.

This instrument refers to a Real Estate Mortgage over \_\_\_\_\_ parcels of land with all the buildings and improvement thereon and consisting of \_\_\_\_ ( ) pages, including this page wherein the Acknowledgment is written, signed by the parties and their witnesses and sealed with my notarial seal.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal at the place and on the date abovementioned.

**NOTARY PUBLIC**

Doc. No.: \_\_\_\_\_ ;  
Page No.: \_\_\_\_\_ ;  
Book No.: \_\_\_\_\_ ;  
Series of \_\_\_\_\_.