



## SOCIAL HOUSING FINANCE CORPORATION

**Corporate Circular No. 16 - 041**  
**Series of 2016**

**Subject: Guidelines on the Implementation of Accommodation Mortgage and Usufruct for CMP Offsite Projects**

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Under Corporate Circular No. 15-032, loan release through Accommodation Mortgage is being undertaken by SHFC primarily to expedite the release of the loan proceeds as payment to the landowner. The scheme relieves the landowner of the numerous requirements of other concerned government agencies with regards to the transfer of title in the name of the community association (CA). It also enables SHFC to comply with a COA related concern on loan security through the annotation of the accommodation mortgage in the landowner's title, instead of the HOA title.

Under Corporate Circular No. 15-035, SHFC shall acquire the land and extend a usufruct arrangement to the CA while the latter undertakes to develop the land and construct their houses, for a period of two (2) years.

In view of the foregoing, the following guidelines are hereby adopted:

1. Accommodation Mortgage

a. Occupancy Requirement

Full (100%) release of the loan proceeds with Accommodation Mortgage shall be undertaken when majority (50% + 1) of the member beneficiaries have already transferred to the project site and upon compliance with the other requirements under Corporate Circular 15-032. The occupancy requirement of 85% under Corporate Circular 15-032 is hereby revised.

b. Release of the Loan

Full (100%) release of the loan proceeds as payment to the landowner shall be made following the latter's execution of an Accommodation Mortgage with SHFC and compliance with SHFC requirements under Corporate Circular 15-032.

## 2. Usufruct

### a. Occupancy Requirement

For offsite projects where the occupancy rate is below the majority (50% +1), SHFC shall buy the land/property from the landowner and enter into a usufruct arrangement with the CA. SHFC shall sell it to the CA after two (2) years.

Under the usufruct arrangement, the CA shall be required to undertake site development and house construction loan from SHFC. Upon termination of the usufruct arrangement and acquisition of land from SHFC, the purchase price for land/property shall be added to the final loan of the CA.

### b. Release of the Loan

The mode of payment to the landowner shall be 80% of the loan amount to be released upon issuance of the Letter of Guaranty (LOG) and compliance with SHFC requirements under Corporate Circular No. 15-035. The balance of 20% shall be released upon transfer of title in the name of SHFC.

This Circular supersedes all previous Circulars and issuances on the same subject and shall be effective immediately.

  
**MA. ANA R. OLIVEROS**

*President*

March 08, 2016