I. PURPOSE

This Memorandum Circular prescribes the guidelines, policies and procedures in the selection of beneficiaries in the government housing program under the auspices of the National Housing Authority (NHA).

II. REFERENCES

A. Republic Act No. 7279 otherwise known as the "Urban Development and Housing Act of 1992" which was approved on March 24, 1992;

B. Administrative Order No. 9 directing the National Housing Authority to formulate, implement and manage a housing program for the military and police personnel which was promulgated on April 11, 2011; and

C. Individual Loan Agreement Form for House and Lot Package issued by the NHA to borrower/beneficiary/awardee.

III. DEFINITION OF TERMS

For purposes of this Memorandum Circular:

A. "Affordable cost" refers to the most reasonable price of land and shelter based on the needs and financial capability of program beneficiaries and appropriate financing schemes [Section 3 (a), R.A. No. 7279];

B. "Improvements" refers to all types of buildings and residential units, walls, fences, structures or constructions of all kinds of a fixed character or which are adhered to the soil but shall not include trees, plants and growing fruits, and other fixtures that are mere superimpositions on the land, and the value of improvements shall not be less than fifty percent (50%) of the assessed value of the property [Section 3 (f), R.A. No. 7279];

C. "Professional squatters" refers to individuals or groups who occupy lands without the express consent of the landowner and who have sufficient income for legitimate housing. The term shall also apply to persons who have previously been awarded homelots or housing units by the Government but who sold, leased or transferred the same to settle illegally in the same place or in another urban area, and non-bona
fide occupants and intruders of lands reserved for socialized housing. The term shall not apply to individuals or groups who simply rent land and housing from professional squatters or squatting syndicates [Section 3 (m), R.A. No. 7279];

D. "Resettlement areas" refers to areas identified by the appropriate national agency or by the local government unit with respect to areas within its jurisdiction, which shall be used for the relocation of the underprivileged and homeless citizens [Section 3 (n), R.A. No. 7279];

E. "Security of tenure" refers to the degree of protection afforded to qualified program beneficiaries against infringement or unjust, reasonable and arbitrary eviction or disposition, by virtue of the right of ownership, lease agreement, usufruct and other contractual arrangements [Section 3 (o), R.A. No. 7279];

F. "Socialized housing" refers to housing programs and projects covering houses and lots or homelots only undertaken by the Government or the private sector for the underprivileged and homeless citizens which shall include sites and services development, long-term financing, liberalized terms on interest payments, and such other benefits in accordance with the provisions of R.A. No. 7279 [Section 3 (r), R.A. No. 7279];

G. "Squatting syndicates" refers to groups of persons engaged in the business of squatter housing for profit or gain [Section 3 (s), R.A. No. 7279];

H. "Underprivileged and homeless citizens" refers to the beneficiaries of R.A. No. 7279 and to individuals or families residing in urban and urbanizable areas whose income or combined household income falls within the poverty threshold as defined by the National Economic and Development Authority (NEDA) and who do not own housing facilities. This shall include those who live in makeshift dwelling units and do not enjoy security of tenure [Section 3 (t), R.A. No. 7279];

I. "Urban areas" refers to all cities regardless of their population density and to municipalities with a population density of at least five hundred (500) persons per square kilometers [Section 3 (v), R.A. No. 7279]; and

J. "Urbanizable areas" refers to sites and lands which, considering present characteristics and prevailing conditions, display marked and great potential of becoming urban areas within the period of five (5) years [Section 3 (w), R.A. No. 7279].
IV. BACKGROUND/RATIONALE

It is the declared policy of the State to undertake, in cooperation with the private sector, a comprehensive and continuing Urban Development and Housing Program to uplift the conditions of the underprivileged and homeless citizens in urban areas and in resettlement areas by making available to them decent housing at affordable cost, basic services, and employment opportunities [Section 2 (a), R.A. No. 7279].

It is also the policy of the State to improve the welfare of government employees, including military and police personnel, by providing them and their families with decent and affordable shelter. For this purpose, the “AFP/PNP Housing Project” which shall address the housing needs of the low-salaried members of the Armed Forces of the Philippines (AFP) and the Philippine National Police (PNP) was established. The project involves the provision of permanent housing sites for applicants who shall qualify under the beneficiaries’ selection criteria formulated for the program [Administrative Order No. 9, April 11, 2011].

The AFP/PNP Housing Program which started in 2011 is intended for personnel of the Armed Forces of the Philippines (AFP), Philippine National Police (PNP), Bureau of Jail Management and Penology (BJMP) and Bureau of Fire Protection (BFP) pursuant to Administrative Order No. 9, s. 2011 [2014 Year–End Report of the Housing Sector].

Hence, in order to help the State achieve its objective more effectively, the BJMP needs to prescribe guidelines, policies and procedures for an effective identification of qualified beneficiaries through pre-qualification assessments. In this way the BJMP will be able to check whether the shelter unit is being allocated to the right person and is therefore alleviating the housing problem in the country [Chapter 3 (3), Management Services Report No. 2002–06; Sectoral Audit of COA on Socialized Housing Program of the NHA: June 9, 2003].

V. GUIDELINES

A. Qualifications of Beneficiary - To qualify for the socialized housing program, a beneficiary:

1. Must be a Filipino citizen [Section 16 (a), R.A. No. 7279];

2. Must not own any real property whether in the urban or rural areas [Section 16 (c), R.A. No. 7279];
3. Must not be a professional squatter or a member of squatting syndicates [Section 16 (d), R.A. No. 7279]; and

4. Must not have sold, alienated, conveyed, encumbered or leased his lot, including improvements or rights thereon, which was previously awarded under the socialized housing program [Section 14, R.A. No. 7279].

B. Additional Qualifications of Beneficiary – In addition to the qualifications required by R.A. No. 7279, a beneficiary:

1. Must be a BJMP Uniformed or Non–Uniformed Personnel [Administrative Order No. 9, April 11, 2011];

2. Must have no pending criminal or administrative case;

3. Must be on active duty status;

4. Must not have been a beneficiary of any government housing program except on leasehold or rental arrangement [LGU’s Guidebook for Local Housing Project/Program promulgated by the Office of the President; p. 16];

5. Must not have availed of any housing loan from either the SSS, GSIS, HDMF or any financing institutions as a principal borrower or co-obligor [LGU’s Guidebook for Local Housing Project/Program];

6. Must not own any residential unit in the capacity as a sole owner or co-owner [LGU’s Guidebook for Local Housing Project/Program]; and

7. Must not be acting as a dummy or agent of any other person [C.A. No. 108, as amended, otherwise known as the Anti–Dummy Law].

VI. REQUIREMENTS

A. The following requirements shall be indispensable for the pre-qualification assessment of beneficiary to the BJMP Housing Program:

1. Sworn Application Form

2. Proof of Income which may be any of the following:

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   Legal Office II
   Chief, Law and Legal Affairs Section
   Legal Service Office

   Noted by:
   JCS/INS MICHAEL ANGELO M. CACERES
   Chief, Legal Service Office

   Reviewed by:
   JCSUPT ALLAN S. IRAL
   DESE
   Deputy Chief for Administration/CMR

   Approved by:
   JUDG. DORCAS DATAPAYAN, CESE
   Chief, BAPP
MEMORANDUM CIRCULAR

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BJMP HOUSING PROGRAM

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GUIDELINES, REQUIREMENTS AND PROCEDURES IN THE SELECTION OF BENEFICIARIES

a. Employer’s Certificate of Compensation issued by Finance Service Office (FSO); and
b. BIR certified latest Income Tax Return (original to be presented).

3. Proof of Identity/Civil Status

a. For Single Applicants
   1. Copy of Birth Certificate issued by Philippine Statistics Authority (PSA); and
   2. Authenticated back to back photocopy of BJMP ID (original to be presented).

b. For Married Applicants
   1. Copy of Birth Certificate issued by Philippine Statistics Authority (PSA);
   2. Authenticated back to back photocopy of BJMP ID (original to be presented);
   3. Copy of Marriage Contract issued by Philippine Statistics Authority (PSA); and
   4. Affidavit of Separation—In—Fact for applicants who are not legally separated/annulled.

4. Certificate of Active Duty Status

5. Two (2) consecutive latest Payslip

6. Certified true copy of latest Sworn Statement of Assets, Liabilities and Net Worth (SALN)

7. Certificate of No Pending Criminal and Administrative Case

B. In addition to the above-stated requirements, the following shall also be submitted:

1. One (1) piece 2x2 ID picture
2. Photocopy of Community Tax Certificate (cedula)
3. Properly filled out Authority to Deduct form.

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Deputy Chief for Administration, QMR

Approved by:
U.P. LAW CENTER
Office of the National Administrator
Deputy Chief for Administration, QMR

Noted by:
J/CINSPT MICHAEL ANGELO M CACERES
Chief, Legal Service Office

MAY 30, 2018
VII. PROCEDURES

A. Coordination and Information Dissemination

1. The BJMP Housing Board (Board) shall coordinate with the NHA for the list of housing sites and number of socialized housing intended for the BJMP.

2. The Board shall post the prospective socialized housing intended for the BJMP in the BJMP website and Bulletin Board in the National Headquarters (NHQ) and the Regional Office concerned to give due notice to all interested applicants.

3. The Board shall conduct information dissemination as to the list of housing sites, number and specifications of socialized housing constructed.

4. The Board shall also conduct information dissemination on the qualifications of beneficiary, documentary requirements, conditions and prohibitions.

B. Submission of Documentary Requirements

1. The applicant shall submit the requirements in an ordinary long folder with tabbings to the Board for pre-qualification assessments.

C. Pre-Qualification Assessments

1. The Board shall assess the qualification of each applicant based on the documents submitted.

2. The Board shall then pass a resolution on the names of applicants, the approval of their application and the subsequent endorsement of their application to the NHA.

3. The Board shall also inform the other applicants of the disapproval of their application and the reasons thereof.

4. The Board shall then endorse the approved applications to the NHA for inclusion in the Alpha List. The Board shall coordinate on the NHA approval of the applications and the number of socialized housing allotted to BJMP.
D. Awarding of Socialized Housing allotted to BJMP

1. The Board shall pass a resolution awarding the socialized housing to qualified applicants. If the number of socialized housing allotted to BJMP is less than the number of applicants, the Board shall first conduct a raffle to be participated by the applicants.

2. The Board shall give each awardee copy of the NHA Loan Agreement which shall be signed by them.

3. The Board shall submit the awardee’s application folder together with the duly signed loan agreement to the NHA through a Board Resolution.

E. Inspection of Site and Socialized Housing allotted to BJMP

1. The Board shall issue the Notice of House and Lot Allocation to the awardee.

2. The Board shall conduct inspection of site and socialized housing allotted to BJMP.

3. The Board shall assist the awardee in coordinating with the NHA and the developer for water and power reconnection.

F. Turnover and Acceptance of Socialized Housing by the Awardee

1. The Board shall finally award the socialized housing to the awardee. In all cases, the Board shall assist the awardee in complying with the requirements of the NHA.

2. The awardee shall submit duly filled out Authority to Deduct to the Board.

3. The Board shall coordinate with the NHA and developer for the turnover of the socialized housing, house keys and Occupancy Permit to the awardee.

4. The awardee shall then accept the socialized housing, house keys and Occupancy Permit.

G. Records and Filing

1. The Board shall maintain a record of all the awardees and their site location preferably in a logbook form showing relevant information as follows:

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Approved by:

Noted by:
MEMORANDUM CIRCULAR

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a. Name;
b. Site of the socialized housing;
c. Date awarded or accepted;
d. Lot area;
e. Floor area;
f. Name of Developer; and

g. Such other information which the Board deems relevant.

2. The Board shall also keep for its record copy of Resolutions, Endorsements, Notice of House and Lot Allocation including a copy of the Loan Agreement of each awardee.

VIII. CONDITIONS AND PROHIBITIONS

A. No land for socialized housing, including improvements or rights thereon, shall be sold, alienated, conveyed, encumbered or leased by any beneficiaries [Section 14, R.A. No. 7279].

B. Should the beneficiary unlawfully sell, transfer, or he/she dispose of his/her lot or any right thereon, the transaction shall be null and void. He/she shall also lose his/her right to the land, forfeit the total amortization paid thereon, and shall be barred from the benefits under the law for a period of ten (10) years from the date of violation [Section 14, R.A. No. 7279].

C. In the event the beneficiary dies before full ownership of the land is vested on him/her, transfer to his/her heirs shall take place only upon their assumption of his/her outstanding obligations. In case of failure by the heirs to assume such obligations, the land shall revert to the Government for disposition in accordance with law [Section 14, R.A. No. 7279].

D. The awardee agrees to pay NHA his/her obligation, subject to the rules and regulations of the NHA, for a period of THIRTY (30) years. The payment shall be in accordance with the schedule of amortization payments which shall carry a six percent (6%) interest rate per annum on the lot and zero interest for the house [Item 3, Individual Loan Agreement for House and Lot Package].

E. Amortization payments shall be done through salary deduction. The first monthly amortization payment for the Individual Loan Agreements duly signed and notarized within the first fifteen (15) days of the month shall commence on the fourth (4th) month after. The first monthly amortization payment for the Individual Loan Agreements duly

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Approved by:
VDOO DEPT. OF ADMIN. TAPAYAN, CSE
Chief, BSMTP

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signed and notarized from the sixteenth (16th) up to the end of the month shall commence on the fifth (5th) month after. Succeeding payments shall be without need of any demand within the first ten (10) days of each month. Failure to make any such payment shall be charged with delinquency interest of one-half (0.5%) percent per month on the amount due. The awardee shall have the option to pay the entire amount in full or under a shorter period subject to the same interest rates [Item 4, Individual Loan Agreement for House and Lot Package].

F. The awardee agrees to fully pay the outstanding balance in case of separation or dismissal from the service. Failure to settle the outstanding obligations will cause the cancellation of the contract [Item 5, Individual Loan Agreement for House and Lot Package].

G. Failure to pay three (3) consecutive monthly amortizations and/or violation and/or failure to comply with any of the terms and conditions of the contract shall cause the cancellation of the award and the contract without the necessity of judicial declaration. Thereafter, the awardee shall be considered a mere illegal occupant and shall be ejected summarily. All payments made shall be treated as reasonable compensation for the use and occupation of the property. The awardee shall be given a grace period of thirty (30) days to update the account or to voluntarily vacate and surrender the lot/unit to NHA. In the event the awardee fails to exercise this option, the NHA shall pursue the summary eviction proceedings against him/her [Item 6, Individual Loan Agreement for House and Lot Package].

H. To secure payment to the NHA, the awardee agrees that the title of the property shall be registered in the name of the NHA [Item 8, Individual Loan Agreement for House and Lot Package].

I. The awardee is acquiring the property strictly for his/her own personal and family use and not for the use of any undisclosed party. The purpose of the award is to provide the awardee with a permanent residence to be exclusively utilized by himself/herself and his/her dependents and not as a means of investment, speculation or profit therefrom by way of assignment of his/her rights or lease or subletting to others [Item 9, Individual Loan Agreement for House and Lot Package].

J. The awardee obligates himself/herself to occupy and take possession of the property [Item 10, Individual Loan Agreement for House and Lot Package].

K. Upon occupancy of the lot/unit, the awardee shall assume monthly payment of power and water charges. He/she shall likewise pay monthly assessment fees to

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homeowner's association for maintenance, security, garbage collection and other appropriate fees, if any [Item 11, Individual Loan Agreement for House and Lot Package].

L. Should the awardee and his/her family abandon the lot/unit without informing the NHA, he/she shall be perpetually disqualified from any assistance under the government housing program [Item 12, Individual Loan Agreement for House and Lot Package].

M. The awardee agrees that the house and lot shall not be alienated, transferred or encumbered, in whole or in part unless fully paid, within ten (10) years from the issuance of the Transfer Certificate of Title (TCT) except by hereditary succession or transfer to compulsory heirs inter vivos. Alienation, transfer or encumbrance shall be subject to the written consent of NHA and payment of prescribed fees under the existing policy and guidelines of the NHA. The restriction shall be annotated on the title and shall be cancelled after the 10-year restrictive period [Item 13, Individual Loan Agreement for House and Lot Package].

N. Upon full payment and compliance with the term and conditions of the contract, the NHA shall transfer the title to the subject property in favor of the awardee [Item 14, Individual Loan Agreement for House and Lot Package].

O. The awardee shall not change or convert the use of the residential lot/unit within the 10-year restrictive period from the issuance of the title without the written consent of NHA [Item 15, Individual Loan Agreement for House and Lot Package].

P. The awardee agrees to abide by the restrictions promulgated by the NHA and any violation shall be considered a breach of the conditions and sufficient ground for cancellation of the contract [Item 16, Individual Loan Agreement for House and Lot Package].

Q. In case of dispute and/or litigation, the venue of actions shall be in the proper courts of Quezon City to the exclusion of other courts [Item 17, Individual Loan Agreement for House and Lot Package].

R. The contract shall be binding upon the heirs, executors, administrators, assigns and successors-in-interest of the parties to the contract [Item 18, Individual Loan Agreement for House and Lot Package].

S. The Notice of House and Lot Allocation and Certificate of Title shall not be subject to collateral attack. It cannot be altered, modified or cancelled except in a direct
proceeding in accordance with law [Section 48, P.D. No. 1529, as amended, otherwise
known as the Property Registration Decree].

T. The applicant may withdraw his/her application for socialized housing before the
passage of a resolution by the Board awarding the socialized housing to him/her. The
withdrawal shall be made by the submission of properly filled out Withdrawal of
Application Form accompanied by a letter indicating therein the reasons for the
withdrawal. If the withdrawal is made after the passage of a resolution, the applicant
shall be disqualified to be an awardee for the immediately succeeding socialized
housing, unless the withdrawal is based on reasonable ground as may be determined
by the Board.

IX. BJMP HOUSING BOARD

A. Composition

The Board shall be composed of the following:

Chairperson - Deputy Chief for Administration of the Jail Bureau
Vice Chairperson - Director for Personnel and Records Management
Member - Director for Comptrollership
Member - Director for Program Development
Member - Chief, Legal Service Office
Secretariat/Recorder - Chief, Morale & Welfare Division, DPRM

B. Duties and Responsibilities

1. Supervise all matters relative to the implementation of the housing program;
2. Handle the documentation of all socialized housing projects;
3. Responsible in the overall direction and supervision of documents submitted by the
beneficiary;
4. Keep all records, documents and profile of all BJMP beneficiaries including Deed
of Sale;
5. Monitor payment by the beneficiaries until full payment is made;
6. Prepare and formulate plans and programs for the implementation of the socialized
housing program;
7. Assist in the supervision of projects to ensure that they conform to the approved
specifications;
8. Prepare contracts and all other documents pertinent to the award to qualified
beneficiaries; and

Prepared by:

Reviewed by:

Approved by:

Noted by:

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Executive Director
MAY 30, 2018
Recipient:
9. Conduct socio-economic surveys and other related researches and studies for the purpose of pursuing the Board’s objectives.

C. The Board shall hold office within the Directorate for Personnel and Records Management particularly under the auspices of the Chief, Morale & Welfare Division.

D. The composition of the Board shall be replicated in the Regional Office level but for purposes of pre-qualification assessment only and shall forward pre-assessed applications to the Board.

E. The Chief, Morale & Welfare Division of the DPRM shall act as the Focal Person for the housing program.

X. SEPARABILITY CLAUSE

If any provision of this Memorandum Circular is declared invalid or unconstitutional, the other provisions not affected thereby shall remain valid and subsisting.

XI. REPEALING CLAUSE

All other existing BJMP issuances which are inconsistent with this Memorandum Circular are hereby rescinded or modified accordingly.

XII. EFFECTIVITY

This Memorandum Circular shall take effect fifteen (15) days from filing thereof with the Office of the National Administrative Register (ONAR), University of the Philippines Law Center (UPLC) in accordance with Sections 3 and 4, Chapter II, Book VII of Executive Order No. 292 otherwise known as the “Administrative Code of 1987”.

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Chief, Law and Legal Affairs Section
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Reviewed by: J/CSUPT ALLAN S IRAO, CSE Deputy Chief for Administration/OGM

Approved by: U.P. LAW CENTER
Bureau of the NATIONAL ADMINISTRATIVE Register
MAY 3, 2018