

NINETEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
First Regular Session)

23 MAY -3 A11 :34

SENATE
S. No. 2108

RECEIVED BY: 

Introduced by Senator Christopher Lawrence "Bong" T. Go

AN ACT
INSTITUTIONALIZING THE PAMBANSANG PABAHAY PARA SA
PILIPINO PROGRAM

EXPLANATORY NOTE

Article XIII, Section 9 of the 1987 Constitution states that "the State shall, by law, and for the common good, undertake, in cooperation with the public sector, a continuing program of urban land reform and housing which will make available at affordable cost decent housing and basic services to underprivileged and homeless citizens in urban centers and resettlements areas." Pursuant to the mandate, the Department of Human Settlements and Urban Development (DHSUD) outlines the strategies to attain the objective of uplifting the living conditions of poor, marginalized, underprivileged, and homeless people in urban and resettlement areas including providing decent housing at a reasonable price.

According to the National Housing Authority (NHA) and the National Economic Development Authority (NEDA), in 2017, more than 1.5 million families were regarded as informal settlers.¹ About half a million informal settler families in the National Capital Region (NCR) are living in poor conditions, including in high-risk areas, which is made worse by the parallel effects of the COVID-19

¹ <https://www.cnnphilippines.com/news/2017/03/27/NHA-calls-off-KADAMAY-housing-eviction.html>

² <https://www.philstar.com/nation/2022/09/04/2207223/500k-families-ncr-living-poor-conditions>

pandemic and other disasters.² Furthermore, the DHSUD warned that the housing backlog of 6.5 million units, from 2017 to 2022, may eventually grow to 22 million units by 2040 if unaddressed.³ These predicaments could hamper the goal of sustainable housing development and the elimination of housing poverty.

The administration of President Ferdinand Marcos Jr. initiated the Pambansang Pabahay para sa Pilipino Program (4PH) through the DHSUD which establishes housing programs in partnership with local government units and the private sector, and implements an interest subsidy on mortgage payment of housing beneficiaries. This proposed measure institutionalizes the program to further elevate it as a national priority with sustainable funding and clear set of guidelines and standards for its proper and successful implementation. This will create a holistic initiative that can provide adequate and affordable housing to several families who lack decent housing.

In view of the foregoing, the approval of this measure is earnestly sought



SENATOR CHRISTOPHER LAWRENCE "BONG" T. GO

² <https://www.philstar.com/nation/2022/09/04/2207223/500k-families-ncr-living-poor-conditions>
³ <https://businessmirror.com.ph/2020/06/12/citing-22-million-backlog-forecast-government-steps-up-housing-projects/>

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AN ACT
INSTITUTIONALIZING THE PAMBANSANG PABAHAY PARA SA PILIPINO PROGRAM

Be it enacted by the Senate and the House of Representatives of the Philippines in Congress assembled:

1 **SECTION 1. Title.** - This Act shall be known as the " Pambansang Pabahay para sa
2 Pilipino Program Act of 2023.

3 **SEC. 2. Declaration of Policy.** - It is hereby declared a policy of the state to pursue
4 a continuing program of housing and urban development which shall make available at
5 affordable cost, decent housing and basic services especially the underprivileged and
6 homeless citizens by establishing a housing interest subsidy program with particular
7 focus on assisting informal settler families (ISFs) acquire their own decent housing.

8 **SEC. 3. The Pambansang Pabahay para sa Pilipino Program** – The Department of
9 Human Settlements and Urban Development (DHSUD) shall implement the Pambansang
10 Pabahay para sa Pilipino Program, hereinafter referred as the "Program", which shall
11 have the following objectives:

12 (a) Develop one million housing units every year;

13 (b) Prioritize the lowest 30% income decile of the population and low wage earners
14 as primary beneficiaries of the Program;

1 (c) Pursue innovative strategies to make housing finance accessible and housing
2 units affordable to the target beneficiaries, through but not limited to the
3 following:

4 (1) Allocate government funds for the payment of housing interest support to
5 lower the monthly interest rate payment of qualified program
6 beneficiaries;

7 (2) Utilize vacant, idle, blighted and/or under-utilized government and private-
8 owned lands for housing and mixed-use development;

9 (3) Tap government financing institutions (GFIs) and private banks to provide
10 development loans & end-user financing; and

11 (4) Promote varied forms of modalities in implementing housing and mixed-
12 use development.

13 (d) Capacitate and support the local government units (LGUs) as one of the main
14 project proponents in implementing housing projects; and

15 (e) Encourage and incentivize the private sector to participate in the program
16 implementation.

17 **SEC. 4. Program components. –**

18 (a) Site identification. - As the main project proponents, the LGUs shall, in
19 coordination with the DHSUD, be responsible for project site identification and
20 the development of their respective residential project/s. LGUs may engage
21 and/or enter into a joint venture with government entities or private developers
22 or builders, to undertake and construct housing projects using DHSUD-guided
23 housing parameters.

24 The following lands may be used for the housing projects:

25 (1) LGU-owned property. The property identified for the project should have a
26 "clean" or a "near-clean" title. For this purpose, a "clean title" shall be
27 defined as one that is registered in the name of the LGU and is entirely free
28 of any lien or encumbrance. On the other hand, a "near-clean title" shall be
29 defined as one that is affected by a lien or encumbrance including any
30 adverse claim or interest or any issue, complication or obstacle that can be

1 resolved within the timeframe needed for its utilization and the completion of
2 the project.

3 (2) NGA-owned property. LGUs who intend to use the properties of National
4 Government Agencies (NGAs) for their housing projects shall be mainly
5 responsible for securing the issuance of authority to use such land and/or the
6 disposal/transfer thereof to them from the NGAs concerned.

7 (3) Privately-owned property. Private landowners of blighted areas or land
8 occupied by ISFs are encouraged to participate in the 4PH Program by (a)
9 donating their land, or (b) selling their properties at a reduced/discounted
10 price. Subject to the cap on the proposed selling price of the planned
11 housing units, the LGUs may consider purchasing such land or entering into
12 a joint venture agreement with the owner, subject to compliance with
13 appropriate government laws and regulations.

14 (b) Housing design. - LGUs shall be responsible for preparing the parameters of their
15 proposed housing projects, in accordance with existing government-prescribed
16 laws and standards, and the following DHSUD design and proposed price ceiling
17 parameters for projects to be accredited under the Program.

18 (c) Housing construction. - LGUs shall procure or select qualified developers and/or
19 contractors to construct the proposed housing project/s in accordance with
20 applicable government rules and regulations. Notwithstanding the entry of new
21 developers and contractors, the LGUs are encouraged to invite housing
22 developers who are known to have good standing and have already undertaken
23 projects within their areas of jurisdiction and need to develop corresponding
24 socialized housing projects in compliance with the balanced housing development
25 program requirement.

26 (d) Financing for the housing project. - The Pag-IBIG Fund (HDMF), as well as other
27 GFIs and private banks, shall make their funds available for the LGUs' housing
28 projects through their respective developmental loan programs. They shall also
29 participate by providing end-user financing to homebuyers;

1 (e) Beneficiaries. - LGUs shall set the eligibility criteria for, and identify, the project
2 beneficiaries. In formulating such criteria, they shall coordinate with GFIs and
3 private banks that will provide end-user financing to ensure alignment of all their
4 selection criteria particularly as regards the credit- worthiness and amortization
5 capacity of potential buyer-beneficiaries.

6 Beneficiaries must be capable of and committed to paying the monthly housing
7 loan amortization over the 30-year loan term, to the GFIs or private banks. The
8 above notwithstanding, LGUs and their development partners are not prohibited
9 from developing housing projects that incorporate or provide cross subsidies
10 between different income classes so as to benefit more ISFs and lower- bracket
11 wage earners.

12 (f) Subsidy on amortization and interest. – The DHSUD shall, directly or through its
13 attached corporations, provide amortization support payable to the end-user
14 finance providers for the account of the buyer-beneficiaries' units, using funds
15 that will be made available through the General Appropriations Act (GAA), and/or
16 other identified funding sources. LGUs are also encouraged to provide monthly
17 amortization support to buyer- beneficiaries of the units, if needed to enable
18 them to meet their monthly amortization obligations.

19 **SEC. 5. Roles and Responsibilities.** The implementing agencies shall, at the
20 minimum, undertake the following roles, functions, and responsibilities:

21 (a) Department of Human Settlements and Urban Development (DHSUD)

22 (1) Act as the overall initiator, coordinator, and facilitator, of the Program;

23 (2) Facilitate the provision of funds through the GAA, Key Shelter Agencies (KSAs),
24 GFIs and private banks, for use as: (a) development loans, (b) interest support
25 for the program's project beneficiaries, (c) end-user financing, (d) guarantee
26 financing, and (e) purchase of loan accounts;

27 (3) Oversee and monitor the implementation of the Program, including the project
28 implementation and performance of all participants;

29 (4) Provide parameters/specifications, extend support and technical assistance to
30 LGUs, developers, and other program partners including facilitating the issuance

1 of Development Permits and Licenses to Sell within its areas of responsibilities;
2 and

3 (5) Perform such other roles, functions and acts which it may deem proper and
4 necessary for the effective and full implementation of the Program;

5 (b) Local Government Units (LGUs)

6 (1) Act as the main proponent and major player in the planning, implementation
7 and management of their respective housing projects;

8 (2) Have the primary responsibility of identifying lands for potential project
9 locations as well as making it available for their proposed housing projects;

10 (3) Determine and prepare the project concept to be used for their housing
11 projects;

12 (4) Determine the implementation modalities for each of their envisioned housing
13 projects, including which project to undertake on its own, through joint venture,
14 or using other options;

15 (5) Identify the project proponent that would undertake the development of each
16 project, whether solely or in joint venture with third parties;

17 (6) Identify, select and enter into agreements with qualified developers and/or
18 contractors to implement their proposed housing projects, in accordance with
19 applicable government laws, rules and regulations;

20 (7) Provide support to their priority housing projects and beneficiaries, either
21 through monthly amortization support and/or other commitments or
22 forms/modes of assistance, such as land donation and site development, to
23 make the units affordable to target buyer-beneficiaries;

24 (8) Issue the appropriate resolutions and/or ordinances needed for the proposed
25 projects, including the allocation of land, funds and other necessary support for
26 the successful implementation of the projects;

27 (9) Establish an office and provide qualified personnel to implement their housing
28 program;

29 (10) Conduct social preparation activities for target beneficiaries in coordination
30 with the DHSUD and its pertinent KSAs;

1 (11) Facilitate the expeditious issuance of local permits and clearances for their
2 projects;

3 (12) Take charge, to the extent possible and applicable, of all documentation
4 necessary for the full implementation of their housing program;

5 (13) Undertake estate/property management responsibilities for their projects
6 and ensure the availability of funds for the purpose;

7 (c) National Housing Authority and Social Housing Finance Corporation

8 (1) As landowners, enter into appropriate partnership agreements with the
9 concerned partner LGUs;

10 (2) As a developer and/or project manager, implement the project/s in coordination
11 with LGUs and other entities in accordance with the roles and responsibilities as
12 may be agreed upon by the parties involved;

13 (3) Provide support to LGUs in social preparation, project development, and such
14 other assistance needed for the successful implementation of the LGUs' housing
15 program and projects under the Program;

16 (d) Home Development Mutual Fund (HDMF), participating Government Financial
17 Institutions (GFIs) and Private Banks

18 (1) Establish special lending programs with simplified, streamlined and expedited
19 guidelines, requirements, and processes, and allocate exclusive funds for the
20 Program, such as those needed for developmental loans to developers, and
21 end-user financing to project buyer-beneficiaries to allow the latter to purchase
22 their housing units;

23 (e) National Home Mortgage Finance Corporation (NHMFC)

24 (1) Provide liquidity to GFIs and private banks to ensure the sustainability of the
25 Program by purchasing eligible Real Estate Mortgage (REM) accounts from them,
26 securitizing such loan portfolios, and issuing asset-backed securities to attract
27 more funds for housing.

28 **SEC. 6. Annual Report of the Program.** - The DHSUD shall annually publish a full
29 report of the Program covering the implementation of the previous fiscal year. The said
30 report shall include financial disclosures, number of clients or beneficiaries served, and

1 recommendations to the President and to both chambers of Congress on how to further
2 enhance the program.

3 **SEC. 7. *Program Transparency.*** - The DSHUD shall regularly and timely post and
4 update on its website a report of financial disclosures and information about
5 beneficiaries based on geographical area, social, economic, and cultural circumstances.

6 **SEC. 8. *Joint Congressional Oversight Committee.*** - Upon effectivity of this Act, a
7 Congressional Oversight Committee, hereafter referred to as the Pambansang Pabahay
8 Oversight Committee is hereby constituted. This Committee shall set the overall
9 framework to review the implementation of this Act. It shall likewise determine inherent
10 gaps in the law and recommend necessary remedial legislation or executive measures.

11 **SEC. 9. *Appropriation.*** - The amount necessary to implement this Act shall be
12 included in the annual General Appropriations Act.

13 **SEC 10. *Separability Clause.*** - Any portion or provision of this Act that is
14 declared unconstitutional shall not have the effect of nullifying other portions or
15 provisions hereof as long as such remaining portions can still subsist and be given effect
16 in their entirety.

17 **SEC 11. *Repealing Clause.*** - All laws, ordinances, rules, regulations, other
18 issuances or parts thereof, which are inconsistent with this Act, are hereby repealed or
19 modified accordingly.

20 **SEC 12. *Effectivity.*** - This Act shall take effect fifteen (15) days after its
21 publication in the Official Gazette or in a newspaper of general circulation.

Approved