



HOUSE OF REPRESENTATIVES

H. No. 4073

BY REPRESENTATIVES BUESER AND ZIALCITA, PER COMMITTEE
REPORT NO. 617

AN ACT AMENDING THE SUBDIVISION AND CONDOMINIUM BUYERS' PROTECTIVE DECREE

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

1 SECTION 1. *Short Title.* – This Act shall be known as “The
2 *Subdivision and Condominium Buyers’ Protective Decree Amendments of*
3 2005.”

4 SEC. 2. *Declaration of Policy.* – It is the policy of the State to
5 undertake, in cooperation with the private sector, a comprehensive and
6 continuing Urban Development.

7 SEC. 3. *Amendatory Provisions.* – For purposes of this Act and in
8 order to strengthen Presidential Decree No. 957, entitled: “Regulating the Sale
9 of Subdivision Lots and Condominiums, Providing Penalties for Violation

1 Thereof" otherwise known as "The Subdivision and Condominiums Buyers'
2 Protective Decree," the following provisions of P.D. No. 957 are hereby
3 amended:

4 (a) Paragraph 1, Section 17 of P.D. No. 957 is hereby amended to read
5 as follows:

6 "SEC. 17. *Registration.* – All [contracts to sell,] deeds of
7 sale [and other similar instruments] relative to the sale or
8 conveyance of the subdivision lots and condominiums units,
9 [whether or not] WHERE the purchase price is paid in full, shall be
10 registered by the seller in the Office of the Register of Deeds of the
11 province or city where the property is situated. **UPON THE**
12 **REQUEST OF THE BUYER AND AT HIS OWN EXPENSE, HIS**
13 **CONTRACT TO SELL MAY ALSO BE REGISTERED WITH THE**
14 **PROPER REGISTER OF DEEDS: PROVIDED, HOWEVER, THAT IN**
15 **CASE OF CANCELLATION OR RESCISSION OF SAID CONTRACT TO**
16 **SELL FOR ANY REASON WHATSOEVER, SUCH REGISTRATION OF**
17 **CONTRACT TO SELL SHALL BE CANCELLED BY THE PROPER**
18 **REGISTER OF DEEDS, WITHOUT NEED OF ANY COURT ORDER,**
19 **UPON EXECUTION BY THE SELLER OF AN AFFIDAVIT THAT SAID**
20 **CONTRACT TO SELL HAS BEEN CANCELLED OR RESCINDED."**

21 (b) Section 18 of P.D. No. 957 is hereby amended to read as follows:

1 "SEC. 18. *Mortgages.* – No mortgage on any unit or lot
2 shall be made by the owner or developer without prior written
3 approval of the Authority. Such approval shall not be granted
4 unless it is shown that the proceeds of the mortgage loan shall be
5 used for the development of the condominium or subdivision
6 project and effective measures have been provided to ensure such
7 utilization. The loan value of each lot or unit covered by the
8 mortgage shall be determined and the buyer thereof, if any, shall
9 be notified before the release of the loan. **THE DEED OF SALE OR**
10 **CONTRACT TO SELL COVERING A LOT OR UNIT SUBJECT OF A**
11 **MORTGAGE SHALL INCLUDE A PARTIAL RELEASE CLAUSE OR A**
12 **PROVISION GUARANTEEING THE RELEASE OF THE TITLE TO SAID**
13 **LOT OR UNIT UPON FULL PAYMENT BY ITS BUYER.** The buyer
14 may, at his option, pay his installment for the lot or unit directly to
15 the mortgagee who shall apply the payments to the corresponding
16 mortgage indebtedness secured by the particular lot or unit being
17 paid for, with a view to enabling said buyer to obtain title over the
18 lot or unit promptly after full payment thereof."

19 (c) Section 20 of P.D. No. 957 is hereby amended to read as follows:

20 "SEC. 20. *Time of Completion.* – Every owner or developer
21 shall construct and provide the facilities, improvements,

1 infrastructures and *other forms* of development, including water
2 supply and lighting facilities, AND CONCRETING OF ROADS, which
3 are offered and *indicated* in the approved subdivision or
4 condominium plans, brochures, prospectus, printed matters, letters
5 or in any form of advertisement, within one year from the date of
6 the issuance of the license for the subdivision or condominium
7 projects or such other period of time as may be fixed by the
8 Authority: *PROVIDED, THAT IN CASES OF FORCE MAJEURE,*
9 *FORTUITOUS EVENTS, WAR AND NATURAL CALAMITY, THE*
10 *AUTHORITY SHALL THEREAFTER DETERMINE THE REASONABLE*
11 *TIME WITHIN WHICH THE PROJECTS SHALL BE COMPLETED.*

12 "IN THE EVENT THAT THE OWNER OR DEVELOPER FAILS TO
13 COMPLETE THE DEVELOPMENT OF THE PROJECT AFTER THE
14 PERIOD OF ONE YEAR MANDATED ABOVE FOR ITS COMPLETION
15 FROM THE DATE OF THE ISSUANCE OF THE LICENSE FOR THE
16 SUBDIVISION OR CONDOMINIUM PROJECT, AND UNLESS THE
17 AUTHORITY SETS ANOTHER TIME FOR COMPLETION OWING TO
18 THE CIRCUMSTANCES STATED ABOVE, THE AUTHORITY SHALL
19 DECLARE THE PROJECT ABANDONED AND THE ROADS IN THE
20 ABANDONED PROJECT SHALL BECOME PUBLIC IN CHARACTER
21 FIVE YEARS FROM THE DECLARATION OF ABANDONMENT OF THE
22 PROJECT."

1 (d) Section 22 of P.D. No. 957 is hereby amended to read as follows:

2 "SEC. 22. *Alteration of Plans.* – No owner or developer
3 shall change or alter the roads, open spaces, infrastructures,
4 facilities for public use and/or other forms of subdivision OR
5 CONDOMINIUM development as contained in the approved
6 subdivision OR CONDOMINIUM plan and/or represented in its
7 advertisements, without the permission of the Authority and the
8 written conformity or consent of the duly organized homeowners
9 association OR CONDOMINIUM CORPORATION, or in the absence
10 of the latter, by the majority of the lot [buyers] OWNERS in the
11 subdivision OR OF THE UNIT OWNERS OF THE CONDOMINIUM."

12 (e) Section 25 of P.D. No. 957 is hereby amended to read as follows:

13 "SEC. 25. *Issuance of Title.* – The owner or developer shall
14 deliver the title of the lot or unit to the buyer upon full payment of
15 the lot or unit: **PROVIDED, THAT IN CASES OF LOTS OR UNITS**
16 **CONVEYED UNDER A PRE-SELLING SCHEME, AND IN CASES**
17 **WHERE THE OWNER OR DEVELOPER IS UNABLE TO COMPLETE**
18 **THE PROJECT WITHIN THE ORIGINAL PERIOD AND**
19 **SUBSEQUENTLY GRANTED AN EXTENSION OF TIME, THE**
20 **DELIVERY OF THE TITLE OF THE LOT OR UNIT TO THE BUYER**
21 **SHALL BE UPON COMPLETION OF THE PROJECT: PROVIDED,**

1 *FURTHER, THAT WHERE THE OWNER OR DEVELOPER PROPERLY*
2 *PROCESSED AND SUBMITTED THE DOCUMENTS TO THE*
3 *GOVERNMENT AGENCIES CONCERNED FOR ISSUANCE OF TITLE*
4 *AND THE DELAY IN THE ISSUANCE OF TITLE IS NOT THE FAULT OF*
5 *SUCH OWNER OR DEVELOPER OR WHERE THE NONISSUANCE IS*
6 *PURSUANT TO A COURT ORDER, THE OWNER AND/OR DEVELOPER*
7 *SHALL BE HELD LIABLE FOR SUCH DELAY OR NONISSUANCE OF*
8 *TITLE.*

9 "No fee, except those required for the registration of the
10 deed of sale in the Registry of Deeds, shall be collected for the
11 issuance of such title. In the event a mortgage over the lot or unit
12 is outstanding at the time of the issuance of the title to the buyer,
13 the owner or developer shall redeem the mortgage or the
14 corresponding portion thereof within six months from such
15 issuance in order that the title over any fully paid lot or unit may
16 be secured and delivered to the buyer in accordance herewith. IN
17 SUCH A CASE, THE MORTGAGEE SHALL NOT UNREASONABLY
18 REFUSE REDEMPTION OF THE TITLE BASED ON THE LOAN VALUE
19 THEREOF."

20 (f) Section 27 of P.D. No. 957 is hereby amended to read as follows:

21 "SEC. 27. *Other Charges.* -- No owner or developer shall
22 levy upon any lot or unit buyer a fee for an alleged community

1 THE CONDOMINIUM CORPORATION WITH THE CONSENT OF THE
2 CITY OR MUNICIPALITY CONCERNED. Upon acceptance of the
3 donation by the city or municipality concerned, no portion of the
4 area donated shall thereafter be converted to any other purpose or
5 purposes [unless, after hearing, the proposed conversion is
6 approved by the Authority]: *PROVIDED, FURTHER, THAT ROADS*
7 *IN SUBDIVISIONS WHICH HAVE BECOME PUBLIC IN CHARACTER*
8 *FIVE YEARS AFTER THE DECLARATION OF ABANDONMENT BY*
9 *THE AUTHORITY OF THE SUBDIVISION OR CONDOMINIUM*
10 *PROJECT WHERE THEY ARE LOCATED SHALL IPSO FACTO*
11 *BECOME PROPERTY OF THE LOCAL GOVERNMENT UNIT THAT*
12 *HAS JURISDICTION OVER SAID ROADS."*

13 (h) Section 39 of P.D. No. 957 is hereby amended to read as follows:

14 "SEC. 39. *Penalties.* - Any person who shall
15 INTENTIONALLY AND MALICIOUSLY violate any of the provisions
16 of this Decree and/or any rule or regulation that may be issued
17 pursuant to this Decree shall, upon conviction, be punished by a
18 fine of not [more] LESS than [twenty thousand pesos
19 (P20,000.00)] TWO HUNDRED THOUSAND PESOS (P200,000.00)
20 and/or imprisonment of not [more] LESS than [ten] TWENTY (20)
21 YEARS: *Provided,* That in case of corporations, partnership,

1 cooperatives, or associations, the President, Manager or
2 Administrator or the person who has charge of the administration
3 of the business shall be criminally responsible for any violation of
4 this Decree and/or the rules and regulations promulgated pursuant
5 thereto.”

6 SEC. 4. *Repealing Clause.* – All laws, decrees, executive orders,
7 proclamations, rules and regulations, and other issuances, or part or parts
8 thereof, which are inconsistent with the provisions of this Act are hereby
9 repealed or modified accordingly.

10 SEC. 5. *Separability Clause.* – If for any reason, any provision of this
11 Act is declared invalid or unconstitutional, the remaining provisions not
12 affected thereby shall continue to be in force and effect.

13 SEC. 6. *Effectivity Clause.* – This Act shall take effect upon
14 publication in at least two newspapers of general circulation.

Approved,

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