

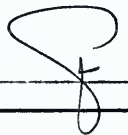
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NINETEENTH CONGRESS OF THE )  
REPUBLIC OF THE PHILIPPINES )  
First Regular Session )



'22 JUL 14 P4 :07

SENATE  
S. No. 653

RECEIVED BY: 

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**Introduced by SENATOR FRANCIS "TOL" N. TOLENTINO**

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**AN ACT**  
**STRENGTHENING THE NATIONAL HOUSING AUTHORITY, EXTENDING ITS**  
**CORPORATE TERM, AND AMENDING FOR THIS PURPOSE PRESIDENTIAL**  
**DECREE NO. 757, ENTITLED "CREATING THE NATIONAL HOUSING**  
**AUTHORITY AND DISSOLVING THE EXISTING HOUSING AGENCIES,**  
**DEFINING ITS POWERS AND FUNCTIONS, PROVIDING FUNDS THEREFOR,**  
**AND FOR OTHER PURPOSES"**

EXPLANATORY NOTE

Housing assistance can drive significant economic improvement on the well-being of low income families as housing costs may amount to the largest expense item in their budget. Hence, socialized housing and resettlement programs remain as one of the top priority social welfare initiatives of the government amid rapid population growth, urbanization, and rural-urban migration. In order to reduce poverty and to improve socio-economic development, it is imperative that housing assistance, as a platform, is efficiently utilized.

Article XIII, Section 9 of the 1987 Constitution provides that "[t]he State shall, by law, and for the common good, undertake, in cooperation with the private 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 resettlement areas. It shall also promote adequate employment opportunities to such citizens. In the implementation of such program the State shall respect the rights of small property owners."

The National Housing Authority (NHA), a government-owned and controlled corporation (GOCC), was established by virtue of Presidential Decree No. 757. As the sole government agency engaged in direct shelter production, the NHA is tasked to develop and implement a comprehensive and integrated housing program which shall embrace housing development and resettlement, sources and schemes of financing, and delineation of government and private sector participation, among others. Much still needs to be done to improve the planning and implementation of housing and resettlement programs. The Department of Human Settlements and Urban Development (DHSUD) has reported that the country's housing backlog stood at 6.75 million units as of September 2020. This number can balloon to 22 million units by 2040 if the problem is not addressed. The COVID-19 pandemic has also laid bare not only urban planning issues in the country that has made the observance of social distancing protocols challenging, but also the plight of many Filipinos who have lost their homes or are in danger of losing them due to economic reversals.

The NHA's corporate existence is set to expire in 2025, or fifty (50) years from its creation on 31 July 1975. This bill seeks to extend the corporate life of the NHA for another fifty (50) years In order to provide continuity to the government's housing programs. It also aims to streamline administration, strengthen policy formulation, and improve the delivery of services by reinforcing the Authority's powers and functions.

In view of the foregoing, the immediate passage of this bill is earnestly sought.



**FRANCIS "TOL" N. TOLENTINO**

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**AND FOR OTHER PURPOSES"**

*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 "National Housing Authority  
2 Act of 2022."

3        **SECTION 2. *Declaration of Policy.*** - It is the policy of the State to ensure a  
4 continuing urban land reform and housing program, which will make available at  
5 affordable cost, sustainable housing and basic services to underprivileged and homeless  
6 citizens, in order to guarantee freedom from poverty, rising standard of living, and  
7 improved quality of life for all.

8        The State, in partnership with the private sector and stakeholders, shall also:

1 (a) Expand people's access to affordable, adequate, safe, and secure shelter  
2 in well-planned and sustainable communities;

3 (b) Enable informal settler families to live in resilient, vibrant, and connected  
4 urban communities;

5 (c) Promote inclusive and integrated housing that are culturally sensitive,  
6 community-based, responsive to local context and/or special needs, and in accordance  
7 with appropriate standards and designs;

8 (d) Develop and sustain close partnerships with local government units  
9 (LGUs) to enhance and streamline the formulation, preparation, and implementation of  
10 housing programs;

11 (e) Encourage and sustain investments in the housing and urban  
12 development sector by, among others, promoting partnerships, improving market  
13 linkages, simplifying government procedures, and facilitating access to finance;

14 (f) Improve affordability of housing programs and projects;

15 (g) Respond to displacement of families due to natural disasters and  
16 emergencies;

17 (h) Promote climate change resilient housing and basic infrastructure, taking  
18 into account the importance of cultural and environmental stewardship; and

19 (i) Make land available and accessible for housing.

20 **SECTION 3. *Statement of Objectives.*** - Towards this end, the State shall  
21 integrate all laws relating to the National Housing Authority to effectively achieve the  
22 following objectives:



1 (a) Develop integrated, sustainable, safe, affordable and resilient  
2 communities, particularly for the underprivileged and homeless as well as low-income  
3 households;

4 (b) Implement innovative and alternative solutions in addressing the housing  
5 needs of informal settler families, the lower-income classes, and the vulnerable sector;

6 (c) As a government-owned and -controlled corporation, to generate income  
7 through the efficient utilization of existing and future assets to support the programs of  
8 the Authority;

9 (d) Adopt viable land acquisition and management approaches; and

10 (e) Strengthen housing as a platform to reduce poverty, promote climate  
11 resilience, improve socio-cultural outcomes, and promote economic development.

12 **SECTION 4. *Extension of Corporate Term; Effect.*** - The corporate term of  
13 the government corporation known as the National Housing Authority, hereinafter, the  
14 "Authority", created by virtue of Presidential Decree No. 757 (P.D. 757), is hereby  
15 extended for a period of fifty (50) years upon the approval of this Act.

16 As such, the Authority shall continue to perform its mandates, exercise its  
17 powers and functions, and enjoy its incentives, as contained in P.D. 757, and  
18 subsequent laws and issuances, unless expressly repealed herein. Likewise, it shall  
19 continue to enjoy all rights and assume all of the liabilities that pertain thereto.

20 **SECTION 5. *Office.*** - The Authority shall retain its principal office at the NHA  
21 Main Office, Elliptical Road, Diliman, Quezon City 1101, but may have such regional and  
22 district offices, agencies, or subsidiaries in other areas in the country, as necessary.

23 **SECTION 6. *Powers and Functions of the Authority.*** - The Authority, in line  
24 with its role as the sole government agency engaged in direct shelter production, and in

1 pursuit of the foregoing policies and objectives, shall also exercise the following  
2 powers and functions:

3 **I. Housing Operations and Support Services**

4 (a) Develop and implement comprehensive and integrated housing and  
5 urban and rural development programs for citizens including, but not  
6 limited to:

7 i. programs for the improvement of blighted urban areas;

8 ii. direct shelter production and disposition primarily for informal  
9 settler families and the underprivileged and homeless;

10 iii. relocation of families subject of court-ordered eviction; and,

11 iv. housing programs for government employees and armed  
12 personnel, such as: members of the Armed Forces of the  
13 Philippines (AFP), Philippine National Police (PNP), Bureau of Jail  
14 Management and Penology (BJMP), Bureau of Fire Protection  
15 (BFP), and Bureau of Corrections (BuCor).

16 (b) Prescribe guidelines and standards for the reservation, conservation,  
17 and utilization of public lands identified for housing and resettlement;

18 (c) Design and implement sustainable livelihood programs, fully funded by  
19 the national government, which are responsive to the needs of its  
20 housing community, in coordination with the concerned local and  
21 national government agencies, with adequate participation of civil  
22 society organizations and representation from the private sector;

23 (d) Strengthen citizen participation in the planning of housing programs  
24 and projects. Housing programs and projects shall be publicly available  
25 in a manner that affords affected housing residents, assisted families,

1 and other interested parties an opportunity, for a period not shorter  
2 than sixty (60) days, to study and comment on the measures. The  
3 Authority, in preparing a final plan or in making amendments, shall  
4 consider comments or views received from stakeholders. The final  
5 plan, program, amendment, or report shall be made publicly available.

6 (e) Formulate a comprehensive housing management plan, which shall be  
7 updated regularly, or as circumstances require, and shall contain the  
8 following information:

- 9 i. Financial Resources - An operating budget for the Authority that  
10 Includes a description of the financial resources available; the uses  
11 to which such resources will be committed, and administrative,  
12 management, maintenance, and capital improvement activities to  
13 be carried out; and an estimate of the market value of each public  
14 housing development of the Authority;
- 15 ii. Eligibility - A statement of the policies of the Authority governing  
16 eligibility, admissions, and occupancy of housing dwelling units and  
17 housing assistance. The plan shall include the procedures for  
18 assignment of families admitted to dwelling units and any  
19 standards and requirements for occupancy. The necessary  
20 safeguards for unauthorized sale, lease, rent, or disposition of  
21 housing units shall also be reinforced; and
- 22 iii. Quality Standards - A statement of the standards and policies of  
23 the Authority governing maintenance and management of housing  
24 projects. It shall lay down the routine and preventive maintenance  
25 policies for public housing, emergency, and disaster plans as well  
26 as collection and security plans and policies.

1 (f) Develop and undertake other urban and rural development projects  
2 including basic community facilities, by itself or through joint ventures  
3 or other arrangements with public and private entities;

4 (g) Improve, redevelop, or revitalize completed but not yet turned-over  
5 NHA housing projects by constructing therein additional community  
6 structures, or whenever necessary, demolishing previously erected  
7 structures similar in nature, and consistent with existing laws and  
8 regulations;

9 (h) Provide technical and other forms of assistance to local government  
10 units in the implementation of their own housing programs, or private  
11 developers undertaking low-cost housing projects, in consonance with  
12 the policies of the Authority;

13 (i) Undertake financing of housing programs initiated by local government  
14 units or local communities; and

15 (j) Extend shelter services to victims of calamities, natural or manmade,  
16 as declared by the President; for this purpose, the Authority is given  
17 sufficient leeway by the other government agencies to expedite the  
18 process.

19 **II. Asset Management and Business Development**

20 (a) Exercise the right of eminent domain, purchase, sell, lease and/or  
21 exchange lands for purposes of housing development, resettlement  
22 and other related services and facilities;

23 (b) Issue bonds or contract loans, credits, or indebtedness. Including  
24 suppliers credit or any deferred payment arrangements with any  
25 person or entity, domestic or foreign, for the implementation of its  
26 housing programs;



1 (c) Invest its funds, as it may deem proper, in bonds and securities issued  
2 and guaranteed by the government or by the Bangko Sentral ng  
3 Pilipinas, and to invest, own or otherwise participate in equity in any  
4 establishment, firm, or entity; to form, organize, invest in, or establish  
5 and maintain a subsidiary or subsidiaries in relation to any of its  
6 purposes;

7 (d) Ensure the collection and recovery of all indebtedness, liabilities,  
8 and/or accountabilities, due from all obligors, whether public or  
9 private; to demand payment of the obligations referred to herein, and  
10 in the event of failure or refusal of the obligor or debtor to comply with  
11 the demand, to initiate and institute the necessary or proper actions or  
12 suits, criminal, civil, administrative, or otherwise, before the courts,  
13 tribunals, commissions, boards, or bodies of proper jurisdiction:  
14 Provided, however, that the Authority may compromise or release, in  
15 whole or in part, any interest, penalty, or civil liability to the Authority  
16 in connection with the collection or amortizations, under such terms  
17 and conditions as prescribed by the Board of Directors, and consistent  
18 with existing laws and regulations: Provided, further. That the Board  
19 may, upon recommendation of the General Manager, deputize any  
20 member of the Authority's legal staff to act as special sheriff in  
21 foreclosure cases, in the sale or attachment of the debtor's properties,  
22 and in the enforcement of court writs and processes in case involving  
23 the Authority. The special sheriff of the Authority shall make a report  
24 to the proper court after any action taken by him, which shall treat  
25 such action as if it were an act of its own sheriffs in all respects; and.

26 (e) Generate sources and formulate schemes for financing, with due  
27 delineation of government and private sector participation.

28

1           **III. Management Services**

2           (a) Formulate and enforce general and specific policies for housing and  
3           resettlement;

4           (b) Monitor and/or discharge all responsibilities of the government as may  
5           arise from treaties, agreements, and other commitments on housing  
6           and resettlement to which it is a signatory, including the determination  
7           of forms of assistance for housing development to be extended  
8           through multilateral or bilateral assistance programs;

9           (c) Serve as central repository of database and census list of  
10          households/families along waterways, danger areas, government  
11          infrastructure project site, and government-owned lands in Metro  
12          Manila and all regions nationwide, which shall be used for subsequent  
13          government interventions with housing and resettlement component;  
14          and,

15          (d) Approve restructuring proposal for the payment of unpaid  
16          amortizations under such terms and conditions as the Board of  
17          Directors may prescribe.

18           **IV. General Powers**

19          (a) Have the power of succession; to sue and be sued; to adopt and use a  
20          seal which shall be judicially noticed;

21          (b) Enter into contracts whenever necessary under such terms and  
22          conditions as it may deem proper and reasonable;

23          (c) Acquire property rights and interests, and encumber or otherwise  
24          dispose the same as it may deem appropriate;

1 (d) Borrow funds from any source, private or government, foreign or  
2 domestic;

3 (e) Receive donations, grants, bequests, and fund transfers from other  
4 government agencies, and utilize the same for the attainment of its  
5 objectives. Such donations, grants and bequests shall be exempt from  
6 the payment of transfer taxes and be fully deductible from the gross  
7 income of the donor or grantor for income tax purposes;

8 (f) Maintain a provident fund, which shall consist of contributions made by  
9 both the Authority and its officers and employees and their earnings,  
10 for the payment of benefits to such officials and employees or their  
11 heirs under such terms and conditions as it may prescribe; and

12 (g) Discharge all functions and perform such other acts not inconsistent  
13 with this Act, as may be necessary to effect the policies and objectives  
14 herein declared.

15 **SECTION 7. *The Board of Directors; Its Composition.*** — The Board of  
16 Directors, hereinafter referred to as the Board, is hereby reconstituted to have a  
17 maximum of thirteen (13) members, consisting of the following:

18 (a) Eleven (11) *ex officio* members, namely:

19 (1) Secretary of Human Settlements and Urban Development;

20 (2) Secretary of Public Works and Highways;

21 (3) Secretary of Finance;

22 (4) Secretary of Trade and Industry;

23 (5) Secretary of Labor and Employment;

24 (6) Secretary Environment and Natural Resources;

1 (7) Secretary of Interior and Local Government;

2 (8) Secretary of Budget and Management;

3 (9) Director-General of the National Economic and Development Authority

4 (10) Executive Secretary; and

5 (11) General Manager of the Authority

6 (b) Two (2) expert panel members with expertise in housing, urban planning,  
7 and development. The expert panel members must be: (i) Filipino citizens and of good  
8 moral character; (ii) of recognized probity and independence and must have  
9 distinguished themselves professionally in public, civic, or academic service; (iii) in the  
10 active practice of their professions for at least seven (7) years; and (iv) must not be  
11 appointed within one (1) year after losing in the immediately preceding elections,  
12 whether regular or special.

13 The Secretary of the Department of Human Settlements and Urban Development  
14 shall be the ex-officio Chairperson of the Board.

15 All appointive directors must have qualified under the Fit and Proper Rule, as  
16 defined by Republic Act No. 10149 or the "Governance Commission for GOCCs (GCG)  
17 Law." An appointive director shall have a term of one (1) year, unless sooner removed  
18 for cause: Provided, That to ensure the continued performance of governmental  
19 functions necessary for efficient delivery of public service, the appointive director,  
20 unless sooner removed for cause, shall continue to hold office until the successor is  
21 appointed.

22 The Board shall meet regularly at least once a month, nevertheless, special  
23 meetings may be called either by the Chairperson or by seven (7) members of the  
24 Board as may be deemed necessary. Seven (7) members of the Board shall constitute a



1 quorum and all decisions of the Board shall require the concurrence of at least seven  
2 (7) members.

3 **SECTION 8. Powers and Duties of the Board.**-In addition to usual corporate  
4 powers, the Board shall have the following powers and functions specified in this Act  
5 and the usual corporate powers:

6 (a) Formulate, prescribe, and promulgate the implementing rules and  
7 regulations required by this Act;

8 (b) Promulgate such rules and regulations as may be necessary or proper for  
9 the effective exercise of the powers and functions, as well as the discharge of the  
10 duties and responsibilities of the Board, its officers, and employees;

11 (c) Act upon the annual budget and such supplemental budgets of the  
12 Authority submitted by the General Manager: Provided, that the Board may reduce but  
13 may not increase any item proposed by the General Manager;

14 (d) Approve the Authority's organizational and administrative structures and  
15 staffing pattern, and to establish, fix, review, revise, and adjust the appropriate  
16 compensation package of its officers and employees as submitted by the General  
17 Manager;

18 (e) Design, formulate, negotiate, and implement financial or investment  
19 schemes;

20 (f) Enter into such contract or agreement as may be necessary for the  
21 attainment of the purposes and objectives of this Act;

22 (g) Enter into and execute memoranda of agreements, joint ventures, long  
23 term leases, and management contracts with private sector entities, to include real  
24 estate developers or construction companies with dependable reputation and proven  
25 track record in developing and managing real estate ventures;

1 (h) Condone or compromise, in whole or in part, penalties, interests or civil  
2 liabilities imposed on beneficiaries with delinquent accounts who, for justifiable reasons  
3 prescribed by the Board, failed to pay on time any obligation due to the Authority;

4 (i) Render annual reports to the President and such special reports as may  
5 be requested; and

6 (j) Exercise such powers necessary or incidental to the attainment of the  
7 purposes of this Act.

8 **SECTION 9. General Manager.** The General Manager shall be appointed by the  
9 President and shall have the following powers and duties:

10 (a) Execute and administer the policies and resolutions approved by the  
11 Board of Directors and prepare its agenda;

12 (b) Direct and supervise the operations, management and internal affairs of  
13 the Authority. The General Manager may delegate certain of his administrative  
14 responsibilities to other officers of the Authority, subject to the rules and regulations  
15 promulgated by the Board;

16 (c) Subject to the approval of the Board, to fix the number and salaries of  
17 and appoint, the subordinate officers and personnel of the Authority and to remove, or  
18 otherwise discipline, for cause, any such officer or employee pursuant to the provisions  
19 of the Civil Service Commission on discipline;

20 (d) Represent the Authority in all dealings with other officers, agencies, and  
21 instrumentalities of the Government and with all persons and entities, public or private,  
22 domestic or foreign;

23 (e) Act, in the conduct of the business of the Authority, on all matters that are  
24 not by this Act specifically reserved to the Board;

25 (f) Solely confer lot awards to eligible beneficiaries;

1 (g) Have original and exclusive jurisdiction over cases filed questioning the  
2 propriety of lot awards granted to the Authority's beneficiaries; for this purpose, the  
3 General Manager may create a body for the investigation and adjudication of such  
4 cases;

5 (h) Report and submit to the Board as soon as possible after the close of each  
6 fiscal year, if applicable, a complete report of the operations of the Authority for the  
7 preceding year, and the state of its affairs; and

8 (i) Exercise such other powers and duties as may be vested in him by the  
9 Board.

10 **SECTION 10. *Assistant General Manager.*** - The General Manager shall be  
11 assisted by three (3) Assistant General Managers, who shall be appointed by the  
12 President. The General Manager may recommend nominees to the President for Acting  
13 General Managers: Provided, That at least one (1) Assistant General Manager shall be a  
14 career officer.

15 **SECTION 11. *Qualifications and Appointment.*** - No person shall be  
16 appointed General Manager and Assistant General Manager of the Authority unless he  
17 or she is a citizen and resident of the Philippines, of good moral character, and of  
18 proven integrity, competence, and expertise in housing, urban planning, and  
19 development.

20 **SECTION 12. *Organizational Structure and Staffing Pattern.*** - Subject to  
21 the approval of the Governance Commission for GOCCs (GCG), the Board shall  
22 determine the Authority's organizational structure, and create new divisions or units, as  
23 it may deem necessary in accordance with civil service laws, rules, and regulations.  
24 Subject to the approval of the Board, the General Manager shall likewise determine the  
25 rates of allowances, honoraria, and such other additional compensation which the  
26 Authority is hereby authorized to grant to its officers, technical staff, and consultants,  
27 including the necessary detailed personnel.



1           **SECTION 13. *Disaster and Emergency Response Housing Office.*** - There  
2 shall be a Disaster and Emergency Response Housing Office under the Authority which  
3 shall formulate plans and programs addressing the needs of displaced families due to  
4 disasters and emergencies and shall ensure the effective and efficient implementation  
5 of post disaster or emergency housing programs through sustainable, integrated, multi-  
6 sectoral and community-based approaches and strategies, in coordination with local  
7 government units.

8           **SECTION 14. *Exemption from Taxes and Regulatory Fees.*** - The  
9 Authority, its assets and properties, and all accruals thereto and income or investment  
10 earnings therefrom, as well as supplies, equipment, papers, or documents shall be  
11 exempt from any tax, assessment, fee, charge, or customs or import duty, of any kind,  
12 whether imposed by local or national entities. The exemption includes, but is not limited  
13 to the following: income tax, real property tax, capital gains tax, transfer tax, value  
14 added tax, donor's tax, and similar taxes; and building permit fee, fire inspection permit  
15 fee. Environmental Compliance Certificate (ECC) fees, and other regulatory fees.  
16 Similarly, the Authority shall be exempt from the payment of documentary stamp tax  
17 and registration fees, including fees required for the issuance of transfer certificates of  
18 titles. Furthermore/ to promote the policy of improving housing affordability, projects of  
19 the Authority, in cooperation with local government units, the private sector, and other  
20 entities, shall also enjoy the exemptions enumerated above.

21           **SECTION 15. *Lands for Authority Projects; Management; Conversion***  
22 ***and Classification.*** - The Authority shall assess the lands identified and designated for  
23 Housing and Urban and Rural Development, pursuant to Section 24 of Republic Act No.  
24 11201, otherwise known as the "Department of Human Settlements and Urban  
25 Development Act", for program or project feasibility. Should the site evaluation be  
26 found suitable, said lots shall forthwith be transferred to the Authority. This shall not,  
27 however, preclude the Authority from pursuing its continuing mandate under existing  
28 laws of identifying, acquiring, and managing lands for the immediate and future needs  
29 of its beneficiaries. In pursuit thereof, the Authority must consider, among others, the



1 access to basic services and utilities and modes of transport, the proximity to economic  
2 opportunities, and the preservation of the social capital of beneficiaries. All lands  
3 acquired by the Authority, for any of its programs and projects, shall be reclassified and  
4 converted, in order to facilitate their immediate development, pursuant to existing laws.  
5 The Authority, in coordination with the Department of Human Settlements and Urban  
6 Development (DHSUD), the Department of the Interior and Local Government (DILG),  
7 the Department of Agriculture (DA), and the Department of Agrarian Reform (DAR),  
8 shall craft the rules and regulations necessary to implement this provision.

9 **SECTION 16. *Designation of the Authority as Lead Agency in the***  
10 ***Disposition Activities.*** - The Authority, under the supervision of the DHSUD, shall  
11 take the lead in the disposition activities of the lands in the preceding section: *Provided,*  
12 that disposition activities shall include the preliminary stages of identification and  
13 evaluation of lands suitable for disposition under this Act. The DHSUD is hereby  
14 directed to submit immediately an updated list of government-owned lands suitable for  
15 socialized housing purposes and shall make recommendations to the President of the  
16 Philippines relative to the disposition of the lands subject hereof.

17 **SECTION 17. *Management or Disposition of Completed Projects.*** The  
18 Authority shall determine, establish and maintain the most feasible and effective  
19 program for the management or disposition of specific housing or resettlement projects.  
20 Unless otherwise decided by the Board, completed housing or resettlement projects  
21 shall be managed and administered by the Authority until it they have been turned over  
22 to the local government unit concerned or other public or private entity concerned, as  
23 the case may be.

24 **SECTION 18. *Issuance of Bonds.*** - Subject to the approval of the Secretary  
25 of Finance, after consultation with the Monetary Board of the Bangko Sentral ng  
26 Pilipinas (BSP), the Authority is hereby authorized to issue bonds and other securities to  
27 finance the implementation of its housing programs: *Provided,* That only so much of  
28 such bonds or securities shall be issued and sold as the annual project implementation

1 would require: *Provided*, further. That no bonds or securities shall be issued unless  
2 eighty per cent (80%) of those already issued had been sold: *Provided*, finally. That the  
3 total amount of the bonds or securities issued shall in no case exceed ten times its paid  
4 up capital and surplus.

5 The Authority, in consultation with the Secretary of Finance and the Monetary  
6 Board, shall prescribe the form, the rate of, interest, and denominations, maturities,  
7 negotiability, call or redemption features, and all other terms and conditions of the  
8 bonds and securities to be issued. In the promotion of the sale of bonds or securities,  
9 the Authority is authorized to adopt the lottery scheme enunciated under existing laws,  
10 rules, and regulations. The bonds and securities issued under this Act including, the  
11 income thereof, shall be exempt from all kinds of taxes and from attachment,  
12 execution, and seizure which facts shall be stated on the face thereof. A sinking fund  
13 shall be established by the Authority in such manner that the total annual contribution  
14 thereto, accrued at such rate of interest as may be determined by the Secretary of  
15 Finance in consultation with the Monetary Board, shall be sufficient to redeem at  
16 maturity the bonds or securities issued pursuant to this Act. The sinking fund shall be  
17 under the custody and administration of the BSP which may invest the same in Bangko  
18 Sentral Certificates of Indebtedness and similar financing schemes subject to the  
19 approval of the Authority in consultation with the Secretary of Finance: *Provided*, that  
20 the proceeds from such scheme shall accrue to the Authority.

21 **SECTION 19. *Guarantee by the Government*** - The Republic of the  
22 Philippines hereby guarantees the payment of both the principal and the interest of the  
23 bonds, debentures, collaterals, notes or such other obligations issued or incurred by the  
24 Authority by virtue of this Act, and shall pay such principal and interest in case the  
25 Authority fails to do so. In such event, the Republic of the Philippines shall succeed to  
26 all the rights of the holders of such bonds, debentures, collaterals, notes or other  
27 instruments to the extent of the payment made, unless the sum so paid by the Republic  
28 of the Philippines shall be refunded by the Authority within a reasonable time.

1           **SECTION 20. *SSS and GSIS Participation.*** - Notwithstanding any provision  
2 of their respective Charters to the contrary, the Social Security System (SSS) and the  
3 Government Service Insurance System (GSIS) shall absorb all or part of the bonds or  
4 securities issued by the Authority in such proportion as may be determined by the  
5 National Economic and Development Authority (NEDA), and approved by the President  
6 of the Philippines.

7           **SECTION 21. *Reports.*** - The Authority shall submit an annual report to the  
8 Office of the President, copy furnished to the DHSUD, indicating, among others, the  
9 housing program being implemented, the stage of their implementation, and the  
10 financial position of the Authority. It shall likewise submit such periodic or other reports  
11 as may be required from time to time.

12           **SECTION 22. *Audit*** - The Chairperson of the Commission on Audit (COA) shall  
13 act as the ex-officio auditor of the Authority, and accordingly, is empowered to appoint  
14 a representative and other subordinate personnel to perform and report on such audit  
15 duties, who shall be responsible to and removable only by the COA Chairperson,  
16 without prejudice, however, to the power of the Board of Directors to contract for  
17 another mode of independent audit service, in addition to that provided by COA under  
18 Presidential Decree No. 1445, otherwise known as the Government Auditing Code of the  
19 Philippines.

20           **SECTION 23. *Implementing Rules and Regulations.*** -The implementing  
21 rules and regulations to effectively carry out the provisions of this Act shall be adopted  
22 by and promulgated by the Board of Directors of the Authority, not later than ninety  
23 (90) days after the approval of this Act.

24           The Departments charged with crafting the implementing rules and regulations  
25 to effectively carry out Section 14 hereof are given thirty (30) days after the approval of  
26 the Act to enact the same.



1           **SECTION 24. *Applicability of the Revised Corporation Law.*** -The  
2 provisions of the Revised Corporation Code, in so far as they are not inconsistent with  
3 the provisions and policies provided in this Act, shall be applicable to the Authority.

4           **SECTION 25. *Separability Clause.*** – If any provision of this Act is declared to  
5 be unconstitutional or invalid, the remaining provisions not affected thereby shall  
6 continue to be in full force and effect.

7           **SECTION 26. *Repealing Clause.*** - All others laws, decrees, executive orders,  
8 or rules and regulations, or parts thereof inconsistent with or contrary to the provisions  
9 of this Act or its purposes are hereby amended or modified accordingly.

10           **SECTION 27. *Effectivity Clause.*** - This Act shall take effect fifteen (15) days  
11 after its publication in the *Official Gazette* or in a newspaper of general circulation.

*Approved,*