



**HLURB ADMINISTRATIVE ORDER No. 09
Series of 2018 (14 August 2018)**

TO : ALL CONCERNED

FROM : CHIEF EXECUTIVE OFFICER AND COMMISSIONER

SUBJECT : EXECUTIVE COMMITTEE RESOLUTION NO. 002, S. 2018, EXTENDING TO UNIVERSAL BANKS THE SERVICING OF ESCROW DEPOSITS OF DEVELOPERS COMPLYING UNDER SECTION 4.4 OF BOARD RESOLUTION NO. 965, SERIES OF 2017, THE REVISED IMPLEMENTING RULES AND REGULATIONS TO GOVERN SECTIONS 3, 18 AND 20 OF R.A. 7279, AS AMENDED BY R.A. 10884, THE "BALANCED HOUSING DEVELOPMENT PROGRAM AMENDMENTS"

Quoted hereunder is Executive Committee Resolution No. 002, Series of 2018, Extending to Universal Banks the Servicing of Escrow Deposits of Developers Complying Under Section 4.4 of Board Resolution No. 965, Series of 2017, The Revised Implementing Rules and Regulations to Govern Sections 3, 18 and 20 of R.A. 7279, As Amended by R.A. 10884, The "Balanced Housing Development Program Amendments", approved on 13 July 2018, to wit:

WHEREAS, Section 4. **Other Manners of Compliance** of Board Resolution no. 965, Series of 2017, specifies that developers may also choose from among any of the manners of compliance provided therein to comply with the balanced housing development requirement, subject to the pertinent guidelines, requirements, and procedures that may be promulgated by the Housing and Land Use Regulatory Board;

WHEREAS, Developers may comply with the balanced housing development requirement through Paragraph 4.4, participation based on a percentage of the amount of investment required to undertake a new settlement for socialized housing project described in sub-paragraphs 4.4.1 and 4.4.2, as follows:

- "4.4.1 Thru a third party for the implementation of land development, installation of water utility, or power utility; or
- "4.4.2 Construction, thru a third party, of non-salable and non-recoverable housing projects on land owned by the government or donated private land such as housing for AFP personnel, public housing, rehabilitation of calamity-stricken communities, housing for street children, indigent elderly and people with disability or other types of projects".

WHEREAS the same Paragraph 4.4 further provides, as follows:

"The developers participating under this provision shall enter into a Memorandum of Agreement with the HLURB, HUDCC and any Shelter Agency or Local Government Unit as proof of participation. The accredited socialized housing developer shall submit to HLURB a proposed socialized housing project or program for HLURB evaluation and approval. The amount of participation required for socialized housing compliance shall be deposited by the private developer in an escrow trust account with **Pag-Ibig Fund** and such funds shall be subject to release to the third party contractor accredited by the HLURB in accordance with the terms and conditions of a work order or construction agreement. Upon remittance by the developer of its participation in escrow with the **Pag-ibig Fund**, x x x. A final Certificate of Compliance shall be issued in favor of the developer upon completion of the construction or installation intended for the remitted participation in escrow with the **Pag-ibig Fund**, x x x."

WHEREAS, during the Key Shelter Agency Heads Meeting on May 17, 2018, the Chief Executive Officer of HDMF/Pag-ibig Fund (Fund), concerned of exposing the Fund and its officers to any liability that may occur by reason of the above stated provision, manifested that the Fund would be willing to assist in setting up the escrow accounts with Land bank, but it may not be a signatory nor could it participate in the disbursement of the funds held by the said escrow accounts (Minutes of the meeting);

WHEREAS, there is an urgent need of extending to universal banks authorized to service escrow trust accounts, the servicing of escrow deposits of developers complying under Section 4.4 of Board Resolution no. 965, series of 2017, the Revised Implementing Rules and

Regulations to Govern Sections 3, 18 and 20 of R.A. 7279, as amended by R.A. 10884, so as not to render nugatory or defeat the objectives of the law;

WHEREFORE, BE IT RESOLVED, as it is hereby **RESOLVED,** extending to universal banks, the servicing of escrow deposits of developers complying under Section 4.4 of Board Resolution no. 965, series of 2017, the Revised Implementing Rules and Regulations to Govern Sections 3, 18 and 20 of R.A. 7279, as amended by R.A. 10884, the "Balanced Housing Development Program Amendments", subject to ratification by the Board of Commissioners.

APPROVED, 13 July 2018, Quezon City

The said Resolution was published in The Philippine Star on 14 August 2018, and in accordance with the pertinent provisions of law, will take effect fifteen (15) days from its date of publication, on 29 August 2018.

Please be guided accordingly.


LLOYD CHRISTOPHER A. LAO

Code No. 01A

