



Republic of the Philippines

Office of the President

Housing and Urban Development Coordinating Council

HOUSING AND LAND USE REGULATORY BOARD

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HLURB ADMINISTRATIVE ORDER NO. 03
Series of 2007 Date: *10 April*

TO : ALL CONCERNED

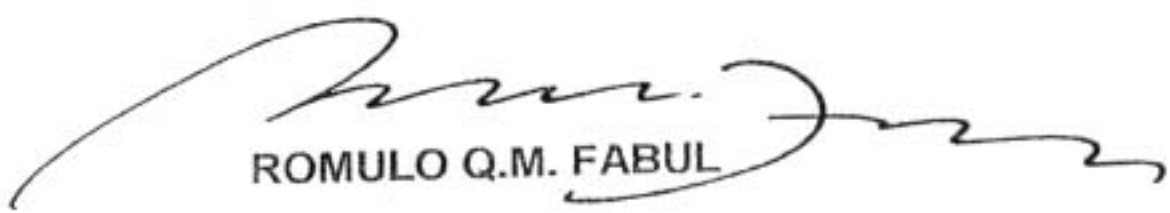
FROM : ROMULO Q.M. FABUL
Commissioner and Chief Executive Officer

SUBJECT : **RESOLUTION NO. R-802, AMENDING RULES III AND X
OF THE 2004 RULES OF PROCEDURE TO
INCORPORATE RULES ON MEDIATION**

Attached herewith is a copy of HLURB Board Resolution No. R-802, Series of 2007, *Amending Rules III and X of the 2004 Rules of Procedure to Incorporate Rules on Mediation*, which was approved by the Board on 26 February 2007.

The above was published in *The Philippine Daily Inquirer* on 30 March 2007, and, in accordance with the provisions of law, shall take effect fifteen (15) days from its date of publication, on 14 April 2007.

Please be guided accordingly.


ROMULO Q.M. FABUL



Board of Commissioners

RESOLUTION NO. 802
Series of 2007

**AMENDING RULES III AND X OF THE 2004 RULES OF
PROCEDURE TO INCORPORATE RULES ON MEDIATION**

WHEREAS, Republic Act No. 9285, otherwise known as the *Alternative Dispute Resolution (ADR) Act of 2004*, declares it the policy of the State to actively promote party autonomy in the resolution of disputes and encourage the use of ADR as a means to speedy and impartial justice;

WHEREAS, Executive Order No. 523 Series of 2005, *Instituting the Use of Alternative Dispute Resolution in the Executive Department*, mandates the offices under the Office of the President to develop and institutionalize an ADR Program;

WHEREAS, there is a need to incorporate the mediation process in the Rules of Procedure of this Board;

WHEREAS, consistent with the thrust of ADR, there is also a need to strengthen the internal grievance mechanism in homeowners associations;

WHEREFORE, BE IT RESOLVED AS IT IS HEREBY RESOLVED, that the Rules of Procedure of this Board be amended as follows:**

1. Sections 1 and 2 of Rule III, (COMMENCEMENT OF ACTION, SUMMONS AND ANSWER) are hereby amended to read as:

**"RULE III
COMMENCEMENT OF ACTION,
SUMMONS AND ANSWER**

Section 1. *When action is deemed commenced.* – An action is deemed commenced upon the filing of a verified complaint with the Regional Office of

** New text in ALL CAPITAL LETTERS; text for deletion in [brackets]

(n) New provision
(a) Existing provision amended

the Board, in three (3) copies and in such number of copies as there are respondents, with supporting documents. THE FOLLOWING SHALL BE ATTACHED TO THE COMPLAINT UPON FILING:

- A. PROOF OF PAYMENT OF FEES
- B. VERIFICATION
- C. A certification of non-forum shopping which complies with Supreme Court Circular No. 28-91, as amended [shall be attached to the complaint.]
- D. IN HOMEOWNERS ASSOCIATIONS CASES, A CERTIFICATION ISSUED BY THE CHAIRMAN OF THE ELECTION COMMITTEE IN CASES INVOLVING ELECTIONS, GRIEVANCE COMMITTEE, OR ANY OTHER COMMITTEE CONSTITUTED TO RESOLVE THE MATTER IN CONTROVERSY AT THE ASSOCIATION LEVEL, STATING UNDER OATH THAT THE PARTIES HAVE BEEN INVITED TO PARTICIPATE IN PROCEEDINGS TO SETTLE THE DISPUTE BUT THAT NO AMICABLE SETTLEMENT WAS REACHED.

NON-COMPLIANCE WITH ANY OF THE ABOVE REQUIREMENTS SHALL BE A GROUND FOR DISMISSAL OF THE COMPLAINT. (a)"

2. Rule X of the present rules (Conciliation Conference and Resolution) is hereby amended as follows:

**“RULE X
[CONCILIATION] MEDIATION [CLARIFICATORY
CONFERENCE] AND RESOLUTION**

SECTION 1. MANDATORY MEDIATION. – THE CONDUCT OF MEDIATION IN ADVERSARIAL CASES FILED BEFORE THE REGIONAL OFFICES IS MANDATORY. HOWEVER, MEDIATION SHALL STILL BE AVAILABLE AT ANY STAGE OF THE ADJUDICATION PROCEEDINGS, EVEN ON APPEAL AND EXECUTION, PRIOR TO THE FULL IMPLEMENTATION OF THE DECISION, UPON THE REQUEST OF BOTH PARTIES. (n)

SECTION 2. CONFIDENTIALITY OF MEDIATION PROCEEDINGS.
– ALL INFORMATION OBTAINED DURING THE MEDIATION PROCEEDINGS SHALL BE CONFIDENTIAL. SUCH CONFIDENTIALITY SHALL BE GOVERNED BY SECTIONS 9, 10, 11 AND 12 OF REPUBLIC ACT NO. 9285. (n)

Section [1] 3. MEDIATION [conciliation] conference. – Upon receipt of the answer, the Arbiter shall summon the parties to a MEDIATION [conciliation] conference [to explore the possibility of an amicable settlement] AND THEREAFTER INDORSE THE CASE TO THE MEDIATION UNIT FOR ASSIGNMENT TO A MEDIATOR. (a)

SECTION 4. ROLE OF THE MEDIATOR. – PRIOR TO THE CONDUCT OF THE PROCEEDINGS, THE MEDIATOR SHALL EXPLAIN TO THE PARTIES THE OBJECTIVES, NATURE AND RULES OF THE MEDIATION PROCESS AND, UPON THE PARTIES' AGREEMENT TO SUBMIT TO THE SAME, PROCEED TO FACILITATE COMMUNICATION AND NEGOTIATION IN ORDER TO ASSIST THE PARTIES IN REACHING A VOLUNTARY AGREEMENT REGARDING THEIR DISPUTE. (n)

SECTION [2] 5. APPEARANCE OF PARTIES MANDATORY. – THE APPEARANCE OF PARTIES IN THE MEDIATION PROCEEDINGS IS MANDATORY. In case the parties CANNOT BE [are not] personally present, their representative [or counsel] shall be clothed with the proper special power of attorney or board resolution, as the case may be, WITH FULL POWER to enter into a COMPROMISE AGREEMENT OR settlement. Such authority shall be presented before the commencement of the MEDIATION proceedings. (a)

Section [2] 6. Effect of non-appearance in MEDIATION [conciliation] conference. – Where a party fails [or refuses] to appear PERSONALLY OR THROUGH A REPRESENTATIVE during the scheduled MEDIATION [conciliation] conference, the party present may move for termination of the conference AND CONTINUATION OF THE PROCEEDINGS BEFORE THE ARBITER [and submission of the case for resolution in accordance with Section 10 of this rule]. OTHERWISE, THE MEDIATOR, *MOTU PROPRIO* OR UPON REQUEST OF THE PARTY PRESENT, SHALL RESET THE MEDIATION CONFERENCE AND CAUSE THE ISSUANCE OF NOTICE OF SUCH RESETTING. (a)

Section [4] 7. *Compromise agreement; JUDGMENT UPON COMPROMISE.* – If a[n amicable settlement] COMPROMISE IS REACHED, THE AGREEMENT SHALL BE REDUCED IN WRITING, SIGNED BY THE PARTIES AND ATTESTED BY THE MEDIATOR WHO SHALL THEN RETURN THE CASE TO THE ARBITER TOGETHER WITH THE AGREEMENT. FORTHWITH, THE ARBITER SHALL RENDER judgment [shall be rendered] based on the compromise agreement WHICH SHALL BE IMMEDIATELY EXECUTORY AND NOT APPEALABLE [duly signed by the parties, or their duly authorized representatives]. (a)

SECTION 8. *TERMINATION OF THE MEDIATION CONFERENCE.* – WHERE NO COMPROMISE OR SETTLEMENT IS REACHED WITHIN THIRTY (30) DAYS FROM THE DATE OF THE INITIAL CONFERENCE, THE MEDIATOR SHALL TERMINATE THE MEDIATION PROCEEDINGS UNLESS BOTH PARTIES AGREE TO AN EXTENSION. UPON TERMINATION, THE MEDIATOR SHALL FORTHWITH RETURN THE CASE TO THE ARBITER WITH A CERTIFICATE ATTESTING THAT RULE X, SECTION 1 OF THESE RULES HAS BEEN COMPLIED WITH. (n)

Section [5] 9. *Position paper and draft decision.* – WHERE THE MEDIATION IS TERMINATED AND THE CASE IS RETURNED FOR CONTINUATION OF THE ADJUDICATION PROCEEDINGS, [If the parties fail to agree upon an amicable settlement, either in whole or in part during the conciliation conference], the Arbitrator or Executive Committee, AS THE CASE MAY BE shall issue an order directing the parties to simultaneously file within thirty (30) days their respective position papers, jointly verified by counsel and the parties, attaching thereto the affidavits of their witnesses and documentary evidence, as well as their draft decisions as provided for by Executive Order No. 26. (a)

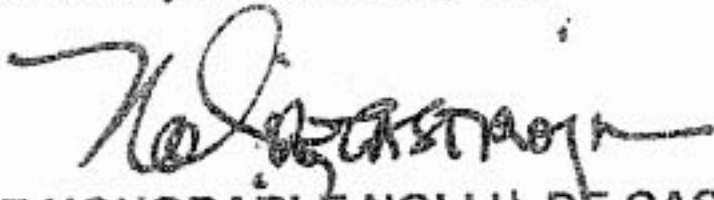
Said position paper and draft decision shall state clearly and distinctly the facts, the issues and applicable laws and jurisprudence on which it is based. (a)

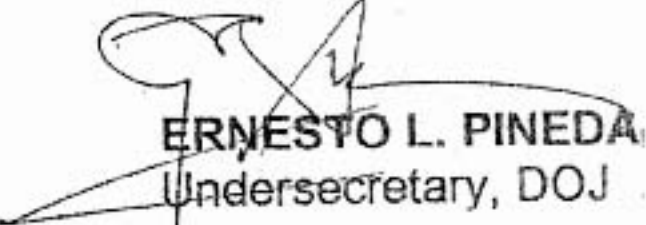
Section [3] 10. *Ocular inspection and/or clarificatory questions.* – [During the conference, and/or] [A]t any time before or after the case is submitted for resolution, the Arbitrator may in his discretion, require an ocular inspection of the project or the site of the homeowners association, examination of the records of the owner or the developer, or the corporate records of the association, and the presentation of witnesses, solely for purposes of clarification or additional information on the evidence on record. (a)

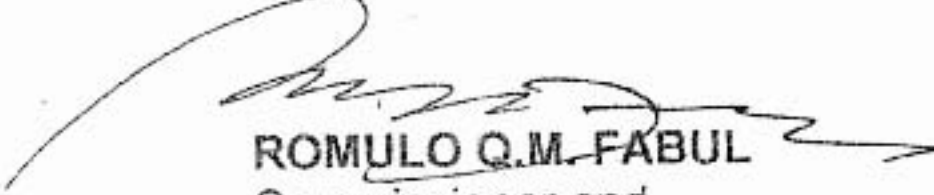
Section [6] 11. *Summary resolution.* – With or without the position paper and draft decision, the Arbiter shall resolve the case on the basis of the pleadings and pertinent records of the case and of the Board.”

RESOLVED FURTHER, AS IT IS HEREBY FURTHER RESOLVED, that the Chief Executive Officer be authorized to issue supplemental orders to establish the mechanisms for the implementation of these rules.


APPROVED, 26 February 2007, Pasay City.

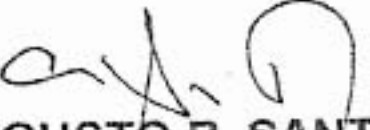

THE HONORABLE NOLI L. DE CASTRO
Vice President of the Philippines and
Chairman, HUDCC

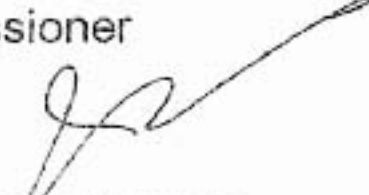

ERNESTO L. PINEDA
Undersecretary, DOJ


ROMULO Q.M. FABUL
Commissioner and
Chief Executive Officer

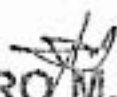
WENCELITO T. ANDANAR
Undersecretary, DILG


TERESITA A. DESIERTO
Commissioner

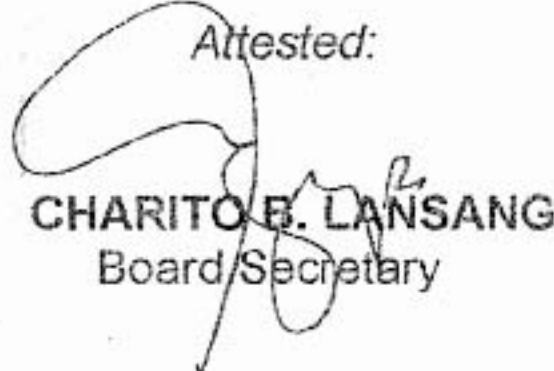

AUGUSTO B. SANTOS
Deputy Director-General, NEDA


JESUS YAP PANG
Commissioner

JOEL L. JACOB
DPWH


ARTURO M. DUBLADO
Commissioner

Attested:


CHARITO B. LANSANG
Board Secretary