

IMPLEMENTING GUIDELINES ON THE HOUSING PROGRAM FOR THE OVERSEAS CONTRACT WORKERS (OCWS)

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In response to the President's pronouncement and pursuant to policy direction of the Board of Trustees to improve existing benefits, the Secretariat developed a housing program to provide affordable shelters to OCWs.

I

Program Description

The housing program is designed to provide affordable housing packages subsuming both socio-economic corollary components as coping mechanisms for the gradual reintegration of the OCWs and their sustained productivity. On account of relatively high exposure of resources, this program shall be implemented in collaboration with the Home Development Mutual Fund (HDMF) and other governmental institutions involved in similar undertaking.

II

Program Objectives

A. General Objective - To provide mechanisms that will assist OCWs to acquire housing units on an individual or group basis which may seek/lead to build an exclusive self-reliant community of OCWs.

B. Specific Objective - To provide affordable housing units in accordance with the design standards of Batas Pambansa (BP) 220;

To provide socio-economic corollary components as venues for alternative sources of income for OCW families for sustained productivity; educational facilities for the children; and other amenities to OCWs within the village; and

To provide other support services such as equity financing; marketing services; and others.

III

Eligible Beneficiary

Qualified under the program are OCWs who are beneficiaries/members of OWWA and at the same time member of HDMF, Social Security System or the Government Service Insurance System.

IV

Program Strategy

To accelerate implementation of the housing program, the following strategies shall be undertaken.

1. Full development of an exclusive housing village.
2. Allocation of certain percentage of existing housing package to OCWs
3. Forging agreement with various developers.

Under these strategies, OWWA shall provide Equity Financing to assist OCWs in paying the equity or portion of

the equity while availing the housing program. This shall enable them to get by second real estate mortgage which is usually of high interest.

To pursue the program OWWA entered into a Memorandum of Agreement with HDMF. Pursuant to the agreement, the following guidelines are hereby promulgated.

V

Implementing Guidelines for the
Three Strategies and Equity
Financing to Accelerate Program
Implementation.

A. Full Development. (Strategy 1) This shall be implemented with the HDMF as the support agency and the Accredited Developer (AD). To delineate functional areas between the collaborating agencies, the respective roles are hereby defined.

A.1

OWWA shall act as marketing arm through OWWA Overseas Centers. Specifically, the Centers shall conduct the following:

a.1.1

Information Dissemination The OWWA Center shall disseminate the program to OCWs on site. Information dissemination shall include program concept, implementing guidelines and corollary components.

a.1.2

Referral The OWWA Center shall coordinate with Field Service Office through the Overseas Programs Department for possible referral of OCWs who would like to avail of informations regarding existing housing packages nationwide.

a.1.3

Market Survey In the preparation of the marketing feasibility of the housing program, the OWWA Centers shall conduct the market survey. The LPD-EBD shall make available the needed survey instruments and respondents in coordination with HDMF.

a.1.4

Organization of OCWs The full development strategy shall follow the general guidelines of the Group Land Acquisition and Development Program (GLAD) of HDMF. The beneficiaries shall be organized into groups, duly registered with proper agencies which shall vest them with legal personality (e.g. the Securities and Exchange Commission, the Bureau of Cooperative Development, or the Home Insurance and Guarantee Corporation). The OWWA Centers shall organize of OCW groups on site and the FSO shall assist in the registration of the groups with proper agency.

A.2 OWWA in coordination with HDMF shall maintain an inventory of available units to facilitate referral.

A.3 OWWA shall extend Equity Financing.

A.4 OWWA shall act as the lead executing agency coordinating all other aspects of the program vis-a-vis financial and marketing operations.

A.5 OWWA shall certify bona fide OWWA membership registration.

Home Development Mutual Fund
(HDMF)

A.1 HDMF shall provide financial assistance for land acquisition and new land development or partially developed land and construction of housing unit under the GLAD or Direct Development Loan Program.

A.2 HDMF shall provide technical assistance to OWWA on market survey form formulation, appraisal, evaluation of costing estimate submitted by the accredited developer, ensure that technical requirement adheres to BP 220, loan documentation and other relevant technical support.

A.3 HDMF shall certify bona fide HDMF membership registration.

Accredited Developer (AD)

A.1 AD shall prepare subdivision schemes, detailed architectural and engineering plans:

A.2 AD shall undertake land development and housing construction.

A.3 AD shall ensure installation of basic utilities and services.

A.4 AD shall maintain project until turn-over.

A.5 AD shall secure necessary permits and clearances from government agencies.

PROCESS FLOW

PROGRAM MANAGEMENT

Activity

Responsibility Center

1. Negotiation with HDMF

-

OWWA/HDMF

2. Market Feasibility Study

-

OWWA/HDMF

3. Accreditation of Developers

-

OWWA/HDMF

4. Financial Feasibility Study

-

HDMF

5. Management Feasibility Study

-

OWWA

6. Acquisition of Land

-

OWWA/HDMF

7. Legal Feasibility

-

Developer

8. Documentation/Permits & Licenses

-

Developer

9. Technical Feasibility Study

-

Developer

10. House Inspection

-

Developer

11. Mortgage Take-out

-

Developer

12. Turnover

-

Developer

All other processes except for the accreditation of developer and acquisition of land shall be undertaken by the respective partners as delineated above. Since OWWA does not possess the capability to accredit developers and appraise the land to be acquired, OWWA shall, therefore, sit in the Pre-Qualification, Bidding Committee of HDMF to facilitate the process.

PROCESS FLOW - HOUSING LOAN DEVELOPMENT CYCLE

Activity

Responsibility Center

1. Program Orientation

HDMF/OWWA

2. Presentation of HDMF/OWWA

Housing Packages

3. Trippings

OCWs

4. Payment of Reservation Fee

OCWs

5. Loan Documentation

OCWs

6. Submission of Loan Docket to HDMF

OCWs

7. Evaluation HDMF

8. Equity Financing

OWWA

9. Approval/Disapproval

HDMF

10. House Construction

Developer

11. House Inspection

Developer

12. Mortgage Take-out with the National Home Mortgage Financing Corp. (NHMFC)

Developer

13. Turnover

Developer

PROCESS FLOW - LOAN DOCKET

Activity

Responsibility Center

1. Submission of Loan Docket of HDMF

OCWs

2. Evaluation

HDMF

3. Approval/Disapproval

HDMF

4. Mortgage Take-Out

Developer

General Guidelines

A.1 Eligible Beneficiary - Eligible under the program are OCWs who are member of the FILOW Program and have satisfied the following requirements:

1. Must have been a FILOW Program member for at least 6 months;
2. Must have made at least 12 monthly contributions;
3. Must be a contributing member upon loan application;
4. Must not be more than 70 years old at the date of loan maturity;
5. Must have the legal capacity to enter into contract and purchase real property under the Philippine laws; and
6. Must have not availed of a housing loan except lot purchase with the PAG-IBIG Fund, either as principal or as co-borrower.

A.2 Documentary Requirement

1. Pag-ibig Housing Loan Application (properly accomplished with I.D. photo/ of the borrower/s).
2. Income Tax Return (ITR) with W2 (Duplicate & 1 photocopy)/Contract of Employment or Certification from the Embassy regarding Salary Range for OCWs working in Europe and other countries wherein the OCWs cannot file an ITR.
3. Certificate of Pag-ibig Premium Payment latest 12 months (original plus 1 photocopy).
4. Marriage Contract (2 photocopies), if applicable
5. Residence Certificate (Husband & Wife, 2 copies).
6. Birth Certificate (2 copies).
7. Pay Slip for latest month (original plus 1 copy).

8. Special Power of Attorney (if applicable).
9. Certificate of Loan Eligibility.
10. Collection Servicing Agreement.
11. Tax Identification Number (1 photocopy).
12. Medical Questionnaire for loans once P200,000.00.
13. Full Medical Examination for borrower over 60 years old.
14. Other documents as HDMF may request.

A.3 Amortization Payment - Amortization shall be computed/remitted to HDMF based on their existing procedures.

A.4 Default - Basis/Computation of default shall be based on the existing guidelines of HDMF.

A.5 Maximum Loanable Amount - FILOW members earning below US\$1,000 monthly shall be entitled to a maximum loanable amount of P250,000.00.

FILOW members earning more than US\$1,000 monthly shall be entitled to a maximum loanable amount of P500,000,000.00

A.6 Gross Loan Proceeds - The loan amount to be released by the NHMFC shall be net of insurance prepayments which are the Mortgage Redemption Insurance (MRI) and Fire Insurance (F1) and the 2% Credit Insurance Fee (if applicable).

MRI is a type of life insurance wherein the borrower shall be covered under the automatic coverage system of an insurance pool. The total coverage is 100% of the approved loan.

FI. The borrower shall obtain through NHMFC fire and allied insurance on the property mortgage for an amount equivalent to the appraised value of the house or improvement.

A.7 Loan Term - The maximum term of the loan shall not be more than 25 years, provided that the borrower shall not be more than 70 years old upon loan maturity.

A.8 Interest Rate - Interest Rates shall be as follows:

Loan Amount Interest Rate

P150,000 and below 9% p.a.

Over P150,000 - P225,000 12% p.a.

Over P225,000 - P375,000 16% p.a.

Over P375,000 - P500,000 17% p.a.

Corollary Components

The corollary components shall subsume both social-economic components as coping mechanism for the gradual re-integration and sustained productivity. The components shall include but shall not be limited to the following:

- Provision of Educational Institutions
- Sports and Cultural Development
- Provision of Health and Sanitation
- Environmental Improvements
- Provision of Recreational Structures
- Income Generating Projects such as

1. village transport
2. grocery and etc.

The community shall be provided with Community Development Officers (CDO), who shall facilitate in the formation of community structures necessary in carrying out smooth implementation of programs and projects intended for the community and shall foster the development of neighborhood groups among its residents.

B. Networking With Developers (Strategy 2 & 3) - Under strategy 2 & 3, OWWA shall forge tie-up with developers to apportion certain percentage of its existing housing packages to OCWs, to answer the immediate needs for housing on a nationwide scale.

Developers shall be categorized into two (2) types:

1. HDMF-Accredited Developers - Initially, Equity Financing shall be provided to HDMF accredited developers only. Eventually, it shall be extended to cover other developers in good standing depending on the recommendations of the Loan Programs Division, Economic Benefits Department.
2. Developers in Good Standing - interested developers who are HDMF accredited but are of good standing may participate in the program. However, they shall be certified by the House & Land Use Regulatory Board as bonafide developer. Under the program, these developers may avail of the marketing assistance services of OWWA.

The agreement with both HDMF accredited developers and other developers of good standing shall stipulate the following provisions:

1. provisions of technical inputs which OWWA may find substantial in marketing the product;
2. provisions of discount on the contract price of the house and lot package to OCW applicants considering that OWWA shall assume marketing functions;
3. allocation of certain percentage of its existing housing units available to OCWs;
4. automatic reimbursement by the developer of the Equity Financial Assistance paid by OWWA on account of the client in case the OCWs decided to withdraw approved housing loan application; and
5. provision of relevant information to OWWA in the process of evaluating the loan proposal of the applicant.

Provincial-based developers shall coordinate with the Regional Units to participate in the program. Preliminary arrangement shall be made at the regional level. However, forging of Agreement shall be executed at the Central Office.

PROCESS FLOW - FORGING AGREEMENT WITH DEVELOPER

Activity Responsibility Center

1. Invitation of Developers to participate in the program HDMF/OWWA

2. Orientation Workshop with the Developers regarding the program HDMF/ OWWA

3. Screening of Developers HDMF/OWWA

a. Indorsement

from HDMF if HDMF accredited.

b. Certification

from HLURB if not accredited with HDMF.

4. Forging Agreement OWWA

C. Equity Financing - Equity Financing shall be provided to assist OCWs in paying the equity portion of the housing loan.

General Guidelines

C.1 Eligible Borrowers - Eligible under the program are OCWs who have applied housing loan with HDMF and have made partial payments with accredited developers.

C.2 Loan Term/Loanable Amount - The Equity Financing shall have a maximum loan term of two (2) years. The assistance shall depend on the actual equity requirement but not to exceed P100,000.00.

C.3 Interest Rates - The loan shall bear an interest rate of 14% per annum.

C.4 Loan Purpose - The financial assistance shall be used solely to finance the equity or portion of the equity of the housing loan of the OCWs. The equity shall be the difference between the contract price of the house and lot package less the loanable amount granted by the HDMF.

C.5 Withdrawal of Housing Loan Application - In case wherein housing loan application is withdrawn by the client after the Equity Financing Assistance have been availed of, the OCWs shall be obliged to pay the interest of the Equity Financing, from the date the check was issued by the time the whole amount have been returned to OWWA.

C.6 Penalty charges - Late payments shall be imposed a 2% monthly penalty charges.

C.7 Security - To secure the Equity Financing, the OCWs shall issue post-dated checks corresponding to the monthly amortization due covering the whole term of the loan and payable to OWWA. Appropriate charges shall

be filed accordingly to clients who shall issue checks with insufficient funds.

C.8 Amortization Payment - Amortization payment shall commence a month after the equity financing is released.

C.9 Application of Post-dated Checks - Post-dated checks shall not be applied to the account of the OCWs. However, it shall be cancelled once actual cash payments are made at the Internal Management Service Office for NCR applicants or at the Regional Units for regional clients.

Procedural Guidelines

C.1 Application - Application shall be filed at the Regular Loans Programs of the Field Services Office for the National Capital Region or through the OWWA Regional Units. The documentary requirements to be submitted upon application are as follows:

C.1.1 Application Form

C.1.2 FILOW Membership

C.1.3 Authenticated Xerox Copy of the Official Receipt issued by the accredited developer for the initial down payment.

C.1.4 Promissory Note.

C.2 Evaluation - The application shall be evaluated by the Office by:

C.2.1 Checking the completeness of the documentary requirements

C.2.2 Checking with the accredited developer confirming loan application of the OCWs

C.3 Loan Approval - After conducting the evaluation, the loan docket shall be forwarded to the Director of the NCR of the Regional Supervisor for regional applicants for final approval.

C.4 Voucher Preparation - The processing of voucher shall adhere to existing procedures adopted.

C.5 Check Preparations - For control measures, the check shall be payable to the accredited developer on account of the OCW applicant.

C.6 Check Release - Check shall be released only upon receipt of the post-dated checks issued by the OCW applicants to secure the loan.

Process Flow - Equity Loan Development Cycle

Activity

Responsibility Center

1. Program Orientation OWWA
2. Loan Documentation OCWs
3. Evaluation OWWA

4. Approval/Disapproval OWWA

5. Voucher Preparation OWWA

6. Check Preparation OWWA

7. Check Releases OWWA

Process Flow - Filing of Charges

1. OWWA shall send duly registered demand letters to the respondents for at least three (3) times giving him enough time to settle their account:

2. In spite of the demand letters, the respondents deliberately failed to settle the account, OWWA through its legal officer shall file a case of estafa with the Fiscal's Office (FO) by filing a sworn statement charging the respondents with the offense, subscribed by the offended party, within twenty (20) days after the third letter of collection had been sent;

3. The FO is expected to furnish the respondent a copy of the complaint for him to answer within fifteen (15) days upon receipt;

4. The FO shall study the case and shall call for a preliminary investigation. Thereafter the investigation, if a probable cause exists, the case shall be filed with the Regional Trial Court (RTC) or Municipal Trial Court (MTC) depending on the amount;

Cases shall be filed with the RTC for amount involving P20, 000 or more. Cases shall be filed with the MTC for amount involving less than P20, 000.

5. If after the preliminary investigation, the respondent paid his accountabilities, the case shall be automatically closed;

6. If the respondent promised to pay the account after a specified period of time but not to exceed (1) month, and failed to comply the same, the case shall be pursued:

At this point the respondent shall be required to execute a promissory note with a corresponding penalty clause;

7. Should payment be made as promised by the respondent, OWWA shall inform the FO;

8. If the respondent failed to pay his obligation in spite of the promises, OWWA shall file a petition for the issuance of the Warrant of Arrest with the MTC or RTC as the case may be;

9. OWWA shall ascertain that the PNP-CIS or NBI shall be furnished copies of the warrant for them to serve; and

10. If the respondent absconds, OWWA shall publicize in a newspaper of general circulation the case against the respondent for his whereabouts.

For immediate compliance.

Adopted: 14, 1993

(Sgd.) DAVID P. CORPIN
Administrator

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