

AMENDING THE CHARTER OF THE HOME FINANCING COMMISSION, RENAMING IT AS HOME FINANCING CORPORATION, ENLARGING ITS POWERS, AND FOR OTHER PURPOSES

EXECUTIVE ORDER NO. 535, May 03, 1979

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/56fa104764fe/>

WHEREAS, Section 7, Article II of the Constitution of the Philippines mandates that: “The State shall establish, maintain and insure adequate social services in the field of x x x housing x x x to guarantee the enjoyment by the people of a decent standard of living;”

WHEREAS, Presidential Decree 1396 “creating the Ministry of Human Settlements and Human Settlements Development Corporation,” amends the respective charters of corporations, authorizing agencies attached to the Ministry to better pursue and implement constitutional directives;

WHEREAS, P.D. 1396 authorize the amendment of existing charters or laws affecting the offices attached to the Ministry to make them more responsive to the changing needs of the times;

WHEREAS, the Home Financing Commission is one of the agencies attached to the Ministry of Human Settlements;

WHEREAS, to make the Home Financing commission a more effective instrument in the solution of the acute housing problems of the country, its charter must be amended accordingly;

NOW, THEREFORE, I, FERDINAND, E. MARCOS, President of the Philippines, hereby order and direct the following:

1. The Home Financing Commission shall henceforth be constituted and known as the HOME FINANCING CORPORATION, hereinafter referred to as the Corporation. The corporation shall have its principal office in Metro Manila.
2. In addition to the powers and functions vested under the Home Financing Act, the Corporation, shall have, among others, the following additional powers:
 - a) To require submission of and register articles of incorporation of homeowners associations and issue certificates of incorporation/registration, upon compliance by the registering associations with the duly promulgated rules and regulations thereon; maintain a registry thereof; and exercise all the powers, authorities and responsibilities that are vested on the Securities and Exchange Commission with respect to home owners association, the provision of Act 1459, as amended by P.D. 902-A, to the contrary notwithstanding;
 - b) To regulate and supervise the activities and operations of all homeowners association registered in accordance therewith;
 - c) To insure and guarantee loans extended to registered homeowners associations for rendering purposes to their members for the construction, restoration and/or improvement of residential homes as well as other structures beneficial to the members of such associations;

- d) To revise/adjust periodically all ceilings otherwise fixed in the Home Financing Act, as amended, to conform with the prevailing economic and financial conditions;
- e) To extend the benefits granted to building and loan associations under Chapter III of the Home Financing Act, as amended, to private development banks, Savings Bank, rural banks, savings and loan associations, cooperative banks, registered homeowner's association and other private entities under such terms and conditions as may be determined by the Corporation;
- f) To issue, among others, bonds, debentures, securities, collaterals, promissory notes, certificates of indebtedness and other debt instruments in foreign currencies, here or abroad, with the approval of the President after consultation with the Monetary Board of the Central Bank of the Philippines and the Minister of Finance. These bonds and other obligations shall be subject to the same limitations and requirements as provided for herein as well as in the Home Financing Act, as amended;
- g) To invest, own or otherwise participate in equity in any public or private establishment, firm or entity doing business that is necessary, allied or desirable in the pursuit of the purpose for which the Corporation was organized;
- h) To form, organize, manage and operate such subsidiary or affiliate companies as it may deem necessary to undertake its business; to establish and/or maintain one or more offices or branches in other parts of the Philippines or abroad; provided, that such subsidiary or affiliate companies shall each have a Board of Directors of at least five members in which at least one of the directors representing the Corporation shall be elected from among the incumbent members of the Board of Directors of the Corporation;
- i) To do any and all acts and things and to exercise all powers which may be necessary or convenient to the accomplishment or furtherance of its purposes and objectives or which a natural person could do and exercise and which may now or hereafter be authorized by law.

3. The authorized capital stock of the Corporation shall be ONE BILLION (P1,000,000,000.00) PESOS, Philippine Currency, to be fully subscribed by the Government of the Republic of the Philippines and paid as follows:

- a) The net assets of and the appropriate for the Home Financing Commission shall form part of the authorized capital of the Corporation.
- b) The balance shall be paid by the Government in such sums as may be determined by the Ministry of Human Settlements and the Budget Commission, which amounts shall be included in the annual appropriations until the entire authorized capital of the Corporation shall have been paid in full.

4. The Central Bank of the Philippines is hereby authorized to extend to the Corporation advances which may be needed for its operations and/or grant loans secured by any assets which are defined as acceptable securities by the Monetary Board.

5. The Republic of the Philippines hereby guarantee to payment by the Corporation both of the principal sums and interests of the bonds, debentures, collaterals, notes or such other obligations of the Corporation, issued or incurred by virtue of its Charter and this Executive Order and shall pay such principal sums and interests in the event that the Corporation fails to do so, provided, however, that the aggregate amount of the outstanding obligations shall not, at any one time, exceed fifteen (15) times the capital and surplus of the Corporation.

In such event, the Republic of the Philippines, shall succeed to all the rights of the holders of such bonds, debentures, collaterals, notes or other instruments to the extent of the payments made, unless the sums so paid by

the Republic of the Philippines shall be refunded by the Corporation within a reasonable time.

6. The powers and functions of the Corporation shall be exercised by a Board of Directors, hereinafter referred to as the Board, which shall be composed of five (5) members, as follows:

- a) The Minister of Human Settlements, who shall be the ex-officio Chairman of the Board;
- b) The Vice-Chairman, who shall be the President of the Corporation shall assist the Chairman and act in his stead in case of the latter's absence or incapacity;
- c) Three (3) other members to be appointed by the President of the Philippines, who shall serve for a term of five (5) years unless sooner removed by the President for cause.

7. The Board shall have the following additional powers:

- a) To formulate policies, plans, projects, rules and regulations to carry out effectively the functions of the Corporation;
- b) To direct the management, operations and administration of the Corporation;
- c) To authorize such expenditures by the Corporations as are in the interest of the effective administration and operations of the Corporations;
- d) To create offices or positions necessary for the efficient operations of the Corporation; to appoint and fix the remuneration and other emoluments of subordinate officers and personnel of the Corporation and to remove or otherwise discipline such officers/employees for cause as provided by law; and
- e) To exercise such other powers as may be necessary to accomplish the purposes for which the Corporation was organized;

8. The Vice-Chairman of the Board shall be the President of the Corporation. He shall serve for a term of five (5) years unless sooner removed by the President for cause. He shall receive such salary as may be determined by the Board but in no case less than SIXTY THOUSAND PESOS (P60,000.00) per annum. The Board may authorize payment of allowances and other emoluments to the President of the Corporation.

9. The powers and duties of the President shall be:

- a) To prepare the agenda for meetings of the Board and to submit for the consideration of the Board the policies and measures which are necessary to carry out the purposes and provisions hereof;
- b) To execute and administer the policies and measures approved by the Board;
- c) To represent the Corporation in all dealings with other offices, agencies and instrumentalities of the Government and with all persons and entities, public or private, domestic or foreign; and
- d) To exercise such other powers as may be vested in him by the Board.

10. The General Manager, who shall be appointed by the Board, shall be the Executive Vice-President of the Corporation. He shall receive such salary as may be determined by the Board but in no case less than FIFTY-TWO THOUSAND PESOS (P52,000.00) per annum. The Board may authorize payment of allowances and other emoluments to the Executive Vice-President of the Corporation.

11. The Corporation shall coordinate its policies, plans projects and regulations with those of the Ministry of Human Settlements and all other agencies of the Government involved in home building and development and mortgage financing.

The Central Bank of the Philippines is hereby directed to exempt the Corporation and/or its subsidiary/affiliate companies from the coverage of its regulations governing quasi-banking functions.

12. The Office of the Government Corporate Counsel shall be the General Counsel of the Corporation.

13. The Board shall adopt the By-Laws of the Corporation and promulgate the necessary rules and regulations for the effective implementation of the policies and purposes of the Corporation and revise or amend the same as may be expedient.

14. The period of lease, as provided in Sec. 22 (a) of the Home Financing Act, in case the mortgage is on the interest of either lessor or the lessee of the real estate is hereby reduced from not less than forty (40) years to not less than twenty (20) years.

15. Subject to the approval of the President of the Philippines upon consultation with the Minister of Finance, the tax exemptions granted in favor of lending institutions under Sec. 25 (c) of the Home Financing Act, as amended, shall likewise extend to mortgages held by other entities and persons which are insured under the mortgage insurance program of the corporation.

16. The provisions of the Corporation Law, insofar as they are no consistent with the provisions and policies provided herein, shall be applicable to the Corporation.

17. Any provisions of law, decree, executive order, ordinance, rules and regulations inconsistent herewith are hereby repealed, amended or modified accordingly.

18. If for any reason, any section or provision of this Executive Order is declared to be unconstitutional or invalid, the other sections or provisions hereof, which are not affected thereby, shall continue to be in full force and effect.

19. This Executive Order shall take effect immediately.

DONE in the City of Manila, this 3rd day of May in the year of Our Lord, Nineteen Hundred and Seventy-Nine.

(SGD.) FERDINAND E. MARCOS

President of the Philippines

By the President:

(SGD.) JACOBO C. CLAVE

Presidential Executive Assistant

ABOUT BATAS.ORG

Study smarter at BATAS.org

The Philippine bar review and law-school companion built around how your brain actually remembers.

The complete Philippine law library - free for everyone.

More than 100,000 Supreme Court decisions, Republic Acts, and executive issuances - full-text searchable, browsable by category and year, and always free. No paywall, no login. This PDF came from it.

Audio case-brief lectures.

Any decision becomes a podcast-style lecture - facts, issues, ruling, and doctrine - with read-along highlighting and a hands-free presentation mode. Study while commuting, working out, or resting your eyes.

Bar review built on the science of memory.

Complete, sequenced courses for all eight bar subjects, narrated like podcasts and reinforced with retrieval practice and spaced review - the study techniques with the strongest evidence behind them.

The full law-school curriculum.

One subscription unlocks the entire J.D. curriculum - every subject, every lesson, with your progress tracked down to the paragraph so you can pick up exactly where you left off, on any device.

Mock exams that tell you where you stand.

Timed multiple-choice exams graded instantly, with per-subject score breakdowns and focus suggestions that point you at your weakest topics first.

A study planner that keeps you on pace.

Set your schedule and BATAS tells you every day whether you are on track for bar day - and exactly which lesson to take next.

Start free at <https://batas.org>

The law library is free forever - and your first lesson is one click away.

The text of this document is an official public record and remains in the public domain. Formatting, presentation, and compilation © 2026 batas.org.

Downloaded free from the batas.org Law Library. Share it freely - the library is free for every law student, bar reviewee, and practitioner.