

AMENDMENTS TO THE RULES AND REGULATIONS GOVERNING SEC. 23 ON NON-FORFEITURE OF PAYMENTS

HLRB BOARD RESOLUTION NO. R-540, s. 1994, February 16, 1994

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WHEREAS, notwithstanding Rule VI, Sec. 23 of the Rules Implementing P.D. 957, there is a need to further promulgate additional guidelines to preclude a unilateral decision by a buyer to arbitrarily stop payments of installments on one hand and the unreasonable forfeiture of payment by the developer on the other hand;

WHEREAS, to have a uniform basis for the resolution of cases filed with the Board related to Sec. 23 of P.D. 957, be it resolved as it is hereby resolved that Sec. 23, Rule VI of the Rules Implementing P.D. 957 be amended to read as follows:

SECTION 23. Non-Forfeiture of Payments - No installment payment made by a buyer in a new or existing subdivision or condominium project for the lot or unit he contracted to buy shall be forfeited in favor of the owner or developer when the buyer, after due notice to the owner or developer and clearance from the (Commission) Board desists from further payment due to the failure of the owner or developer to develop the project according to the approved plans and within the time limit for complying with the same. Such buyer may at his option be reimbursed the total amount paid including amortization interests but excluding delinquency interests, with interest thereon at the legal rate.

a. There shall be failure to develop when the owner or developer fails to complete, within the time limit set by the law or extensions granted by the Board, the construction, installation and the Provision of operational and Usable facilities, improvements, infrastructure and other forms of development, including water supply and lighting facilities as are specified in the approved plans and specifications, contracts, brochures, prospectus, printed matters, letter or in any form of advertisement and the standards and rules specified by the Board.

b. A Buyer may desist from further payment of installments if the following conditions are present:

b.1

There is failure to develop as specified above.

b.2

Payment of amortization or installments is up-to-date or the buyer has no arrears.

b.3

The buyer shall notify in writing the following of his intention to stop payment;

b.3.1

Developer/Owner

b.3.2

HLRB

b.3.3.

Institution from which loan was secured (If applicable)

b.4

Clearance is issued by the Board to desist from further payment of installments.

c. HLRB shall verify the claim of the buyer of owner/developer's failure to develop and informs both the buyer and developer whether clearance to suspend payment of installments is granted to the buyer.

Adopted: 16 Feb. 1994

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