

RESOLUTION NO. R-645, APPROVING THE ADOPTION OF AN OFFICIAL POLICY GOVERNING THE INTERIM FINANCING SCHEMES AND OTHER ANALOGOUS DEFERRED TAKE-OUT PRACTICES BY DEVELOPERS

HLURB MEMORANDUM CIRCULAR NO. 23, S. 1999, May 12, 1999

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/9bf0b0b2934f/>

Quoted hereunder is the full text of the subject resolution passed by the Board of Commissioners in its 273rd Regular Meeting on 12 May 1999:

“WHEREAS, verified official reports of interim financing or its analogous deferred loan take-out schemes by real estate developers or brokers have come to the attention of this Board, thus, generating grave concerns for its possible uncontrolled proliferation;

WHEREAS, the scheme attracts real estate buyers of subdivision lots or condominium units to tender a prepayment of their expected or future bank loan or financing amortizations in favor of the developer in amounts approximately equivalent to the loan repayment installments and prior to the actual release by banks or other government financing institutions of the loan proceeds;

WHEREAS, the scheme allows the real estate developer to retain and appropriate as business income the interest components of every buyer’s monthly amortizations, and remits the balance or the principal components thereof to the Banks or GFIs for the reported reduction or shortening by Banks or GFIs of the expected or yet undetermined period of the loan settlement;

WHEREAS, private or government-owned or controlled banking entities are not made parties to these financing schemes to ensure faithful compliance therewith and to protect the interest of the buying public;

WHEREAS, the financing schemes have resulted in numerous suits or disputes among its parties who accuses each other of non-payment, non-submission of proper documentary requisites for loan processing, non-procurement of government permits or licenses, or deliberate acts of delay and other malicious designs to foreclose the facilitation of loan applications, thereby, creating an undue atmosphere of suspicion and hostility among buyers and developers, and eventually eroding public trust in the effectiveness of HLURB to protect and enforce public policy and the interest of the public as a whole.

NOW, THEREFORE, BE IT RESOLVED, AS IT IS HEREBY RESOLVED, to discourage and forbid the practice of interim loan financing or deferred loan take-out scheme as a form of developer-loan origination or as an alternative to government-approved bank-loan origination to dispel and thwart any further causes of misunderstanding and controversy in the real estate industry.

APPROVED, 12 May 1999, Quezon City, Metro Manila.”

For your guidance and information.

Adopted: 12 May 1999

(SGD.) ROMULO Q. FABUL

Commissioner and Chief Executive Officer

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.