RESOLUTION NO. R-851, ADOPTING THE 2009 REVISED RULES OF PROCEDURE OF THE HOUSING AND LAND USE REGULATORY BOARD

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Attached herewith is HLURB Board Resolution No. R-851, Series of 2009, Adopting the 2009 Revised Rules of Procedure of the Housing and Land Use Regulatory Board, which was approved by the Board on 16 December 2009.

The above was published in the Philippine Daily Inquirer on 24 April 2010, and, in accordance with the provisions of law, will take effect fifteen (15) days from its date of publication, 09 May 2010.

For your information and guidance.

(SGD.) ROMULO Q.M. FABUL
Commissioner and Chief Executive Officer

Attachment:

HLURB Resolution No. 851-09

Adopting the 2009 Revised Rules of Procedure of the Housing and Land Use Regulatory Board

RULE I
Title and Construction

SECTION 1. Title. – These Rules shall be known as the 2009 Revised Rules of Procedure, hereinafter referred to as the “Rules”, of the Housing and Land Use Regulatory Board or “Board” for brevity.

SECTION 2. Construction. – The Rules shall be liberally construed in order to promote the general welfare, and to assist the parties in obtaining a just, speedy and inexpensive determination of every action, application or proceeding.

SECTION 3. Nature of the Proceedings. – Proceedings before the Board shall be summary in nature. The provisions of the Rules of Court shall not be applicable except in a suppletory character.

RULE II
Parties to a Complaint

SECTION 1. Complainant and Respondent. – In any complaint filed before the Board, the person filing the same shall be called the complainant, while the person against whom it is filed shall be called the respondent.

RULE III
Parties to a Disputed Application

SECTION 1. Applicant and Oppositor. – Any person, natural or juridical, or entity authorized by law, who files an application before the Board for the issuance of any license, permit or clearance, or the authority to exercise any right or privilege granted under any law, proclamation, decree or executive order administered or implemented by the Board, shall be called the applicant.

Any person, natural or juridical, or entity authorized by law who opposes or claims an adverse right or interest in any application shall be called the oppositor.

RULE IV
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 the Board, in three (3) copies and in such number of copies as there are respondents, with supporting documents and upon payment of the required filing fees.

SECTION 2. Parts of the Complaint. –

- The body.

The body of the complaint sets forth the full name of the real parties in interest, whether natural or juridical, showing capacity to sue and to be sued, status, mailing address, designation, the allegations of the party's claims, the reliefs prayed for, and the date of the pleading.

- Signature, address, and representation.

Every complaint must be signed by the party or his duly authorized counsel, stating in either case his address which should not be a post office box.

A lawyer appearing for a party is presumed to be properly authorized for that purpose. In every case, he shall indicate in his pleadings and motions his Roll of Attorney's Number, current Professional Tax Receipt Number, IBP Official Receipt Number or IBP Lifetime Membership Number and MCLE Compliance or Exemption Certificate Number and their date of issue. The signature of counsel constitutes a certification by him that he has read the complaint; that to the best of his knowledge and information there is good ground to support it; and that it is not interposed for delay.

A non-lawyer who represents a party shall attach to the complaint a special power of attorney authorizing him to file the case and an affidavit duly executed by the party represented stating the reasons why he is physically incapable of personally prosecuting the action. In case the real party-in-interest is out of the country, these instruments must be certified or authenticated by the consular office concerned and comply with other applicable formalities for their execution.

- Verification.

A complaint is verified by an affidavit that the affiant has read the complaint and that the allegations therein are true and correct of his personal knowledge.

A complaint based on "information and belief," or upon "knowledge, information and belief," shall be dismissed.

- Certification Against Forum Shopping.

The complainant shall certify under oath in the complaint or other initiatory pleadings asserting a claim for relief, or in a sworn certification annexed thereto and simultaneously filed therewith: (a) that he has not theretofore commenced any action or filed any claim involving the same issues in any court, tribunal or quasi-judicial agency and, to the best of his knowledge, no such other action or claim is pending therein; (b) if there is such other pending action or claim, a complete statement of the present status thereof; and (c) if he should thereafter learn that the same or similar action or claim has been filed or is pending, he shall report that fact within five (5) days therefrom to the Board wherein his aforesaid complaint or initiatory pleading has been filed.

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The following shall be attached to the complaint upon filing:

- Proof of payment of fees;

- In homeowners association cases, a certification issued by the chairman of the Election Committee in cases involving elections, or by the chairman of the Grievance Committee or any other committee constituted to resolve any matter in controversy at the association level, as the case may be, stating under oath that the parties have been invited to participate in the proceedings to settle the dispute but that no amicable settlement was reached; and

- In the absence of an Election Committee and Grievance Committee or refusal to issue the certification, an affidavit attesting to this fact shall be made and further stating that complainant has exhausted administrative remedies.

Non-compliance with any of the above requirements shall be a ground for the immediate dismissal of the complaint.

SECTION 3. Summons. – Upon filing of the complaint and the payment of correct filing fees and a determination that the complaint is sufficient in form and substance, the Arbiter shall forthwith issue the corresponding summons to the respondent.

Summons, together with a copy of the complaint, shall be served by registered mail, unless the complainant desires to serve the summons through personal service after seeking written permission from the Arbiter.

Personal service shall be made to the respondent in person or by leaving a copy thereof with a competent person of suitable age and discretion, who appears or represents himself to be in charge of the respondent's office or residence, as the case may be. If the respondent or his representative refuses to receive it, service of summons shall be effected by tendering or leaving a copy thereof in the address on record of the respondent. Thereafter, the server shall execute an affidavit of service and file the same with the Regional Office within three (3) days from date of service.

SECTION 4. Verified Responsive Pleading or Answer. – The respondent shall file his verified responsive pleading or answer, together with the supporting documents within a non-extendible period of fifteen (15) days from receipt of the summons, furnishing complainant/s copies thereof.

All grounds for a motion to dismiss, counterclaim, or cross-claim must be pleaded or incorporated in the answer, otherwise these shall be deemed waived. A third-party complaint may be filed by respondent provided the grounds therefor are manifested in the answer. (a)

SECTION 5. Opposition to Application for a Permit, License or Clearance. –

- An opposition to an application for clearance, permit or license shall be treated as a complaint and all other provisions of these Rules on complaints shall, except as otherwise provided, apply to such oppositions.

- An opposition to an application for locational clearance for projects of national and regional significance, if filed with the Regional Office, shall be elevated to the Board of Commissioners which shall assume original jurisdiction and resolve the opposition. All projects are presumed to be of local significance unless otherwise declared by the National Economic and Development Authority (NEDA).

- The decision of the Board of Commissioners on oppositions to applications shall be immediately executory.

The rules pertaining to contested applications for license, permit or clearance shall apply to cases filed for the revocation thereof.

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RULE V
Prohibited Motions and Pleadings

SECTION 1. Prohibited Motions and Pleadings. – The following shall be considered as prohibited motions and shall not be entertained:

- Motion to dismiss, except for lack of jurisdiction;
- Motion for extension of time to file answer;
- Motion to admit answer filed beyond the reglementary period;
- Motion for a bill of particulars;
- Motion for reconsideration of any order or decision of the arbiter;
- Reply except in answer to a compulsory counterclaim;
- Fourth and subsequent party complaints; and
- Petitions for certiorari, mandamus, prohibition or injunction from any interlocutory order of the Arbiter are also considered as prohibited pleadings.

Should one be filed, the same shall not interrupt the running of the proper prescriptive period and shall not bar the adjudication of the case. Said prohibited pleadings shall also be expunged from the records of the case.

RULE VI
Default

SECTION 1. Declaration of Default. – If the respondent fails to answer or file a responsive pleading within fifteen (15) days from service of summons, the Arbiter, upon motion of the complainant with notice to the respondent, and with proof of such service, declare the respondent in default.

In an opposition to an application for a license, permit, or clearance filed with the Board or any of its Regional Field Offices, where the applicant fails to file his or its comment thereon within fifteen (15) days from service of notice, the case shall be deemed submitted for resolution.

SECTION 2. Motion to Lift Order of Default and Admit Answer. – A motion to lift the order of default and admit the answer attached thereto, may be filed by the party declared in default, furnishing the opposing party with notice thereof, within five (5) days from receipt of the order of default.

The motion must be accompanied by an affidavit of merit showing fraud, accident, mistake or excusable negligence, and meritorious defense. Thereafter, the Arbiter shall resolve the motion.

SECTION 3. Effect of Order of Default. – The Arbiter, upon declaring a party in default, shall direct the complainant to file within fifteen (15) days his verified position paper and draft decision, together with supporting documents, after which the case shall be deemed submitted for resolution. The party declared in default shall be entitled to notice of subsequent proceedings but shall not be allowed to take part therein.

Where the order of default is lifted, the answer shall be admitted and the Arbiter shall order the respondent to file an answer and draft decision, together with all supporting evidence, within fifteen (15) days from the receipt of the order lifting the default. Thereafter, the case shall be deemed submitted for resolution.

SECTION 4. Review of Judgment by Default. – If a judgment by default is rendered, the party declared in default may file an appeal from the judgment in accordance with Rule XVI of these Rules. Whatever defenses respondent

may have against the complainant may still be raised in said appeal.

RULE VII
Election Contest

SECTION 1. Cases Covered. – The provisions of this Rule shall apply to election contests involving homeowners associations.

SECTION 2. Definition. – An election contest refers to any controversy or dispute involving title or claim to any elective office in a homeowners association, the validation of proxies, the manner and validity of elections, and the qualifications of candidates, including the proclamation of winners and assumption to the office of directors, trustees or other officers directly elected by the members of a home-owners' association where the articles of incorporation or by-laws so provide.

SECTION 3. Filing of Election Contest. – In addition to the requirements in Sections 1 and 2, Rule IV, of these Rules, the complaint in an election contest must state that the case was filed within ten (10) days from the date of the election, if the by-laws of the association do not provide for a procedure for resolution of the controversy, or within ten (10) days from receipt of the resolution of the controversy by the association as provided in its by-laws.

SECTION 4. Designation of Parties. – The party bringing the action shall be designated as the complainant, and the party against whom the action is brought shall be designated as the respondent.

SECTION 5. Duty of the Arbiter upon the Filing of the Complaint. – Upon finding that the complaint does not fall within the jurisdiction of the Board or the same is not sufficient in form and substance, the Arbiter, with the approval of the Regional Officer, shall dismiss the complaint within five (5) days from the date of raffle. Otherwise, the Arbiter shall issue the summons which shall be served, together with a copy of the complaint, in accordance with Section 3, Rule IV hereof.

SECTION 6. Answer. – Within ten (10) days from receipt of summons and a copy of the complaint, the respondent shall file his answer specifying the nature of his defense, and furnish a copy thereof upon the complainant.

SECTION 7. Effect of Failure to Answer. – If the respondent fails to file a verified responsive pleading or answer within the reglementary period, the Arbiter shall, after ten (10) days from the lapse of said period, render judgment as may be warranted by the allegations of the complaint, as well as by the affidavits, documentary and other evidence on record. In no case shall the Arbiter award a relief that is not prayed for in the complaint.

SECTION 8. Clarificatory Conference. – At any time before the case is submitted for resolution, the Arbiter may examine election-related documents, or require submission of additional evidence to clarify certain factual issues pertinent to the resolution of the controversy.

SECTION 9. Decision. – The Arbiter, with the approval of the Regional Officer shall render a decision based on the pleadings, affidavits, documentary and other evidence on record within a period of thirty (30) days after the case is submitted for resolution.

SECTION 10. Appeals. – Any party aggrieved by the decision of the Regional Office may file an appeal therefrom in accordance with Rule XVI of these Rules. The decision of the Board shall be immediately executory.

RULE VIII
Derivative Suits

SECTION 1. Derivative Suit. – A member of a homeowners association in good standing may bring an action on

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behalf of the association provided, that:

- He was a member at the time the acts or transactions subject of the action occurred, and at the time the action was filed;

- He exerted reasonable efforts, and alleges the same with particularity in the complaint, to exhaust all remedies available under the association's articles of incorporation, by-laws, laws, or rules for the purpose of obtaining the relief prayed for; and

- A cause of action exists such as where the directors or officers of the association waste or dissipate the homeowners association funds, fraudulently dispose of homeowners association assets or perform ultra vires acts.

SECTION 2. Discontinuance. – A derivative action shall not be discontinued, compromised or settled without approval of the Regional Office or, when the case is on appeal, by the Board of Commissioners. During the pendency of the action, any sale, transfer, or assignment of rights or interest of the complaining member or homeowners association shall be subject to the approval of the Regional Office or the Board of Commissioners. If the Regional Office or Board of Commissioners determines that the interest of the members will be substantially affected by the discontinuance, compromise or settlement, it may direct that notice, by publication or otherwise, be given to the members whose interests will be prejudiced.

SECTION 3. Appeals. – Any party aggrieved by the decision of the Regional Office may file an appeal therefrom in accordance with Rule XVI of these Rules.

RULE IX
Inspection of the Books and Records of the Association

SECTION 1. Coverage. – This shall apply to disputes involving solely the rights of members of homeowners associations to inspect association books and records and/ or to be furnished with the financial statements or reports required by this Board, and, where applicable, those required under Sections 74 and 75 of the Corporation Code of the Philippines.

SECTION 2. Complaint. – In addition to the requirements in Sections 1 and 2 of Rule IV, the complaint must also state the following:

- The complaint is for the enforcement of complainant's right to inspect association books and records and/or to be furnished with financial statements and reports mentioned under Section 1 of this rule;

- A demand for the inspection and photocopying of books and records and/or to be furnished with financial statements was made by the complainant upon the respondent;

- The respondent refused to grant the demands of the complainant; and

- The refusal of the respondent to grant the demands of the complainant is unjustified and illegal, stating the law and/or jurisprudence in support thereof.

SECTION 3. Duty of the Arbiter upon the Filing of the Complaint. – Within five (5) days from the date of raffle, the Arbiter, with the approval of the Regional Officer, shall dismiss the complaint upon finding that the case does not fall within the jurisdiction of the Board or the same is not sufficient in form and substance. Otherwise, the Arbiter shall order the issuance of summons which shall be served, together with a copy of the complaint, on the respondent.

SECTION 4. Answer. – The respondent shall file his answer to the complaint, serving a copy thereof upon the

complainant, within ten (10) days from receipt of the summons and a copy of the complaint. In addition to the requirements in Rule III, the answer must state the following:

- The grounds for the refusal of the respondent to grant the demands of the complainant;

- The conditions or limitations on the exercise of the right to inspect, which should be imposed by the Arbiter, if the right to inspect is granted; and

- The cost of inspection, including manpower and photocopying expenses, if the right to inspect and to be furnished copies of the documents is granted.

SECTION 5. Affidavits, Documentary and Other Evidence. – The parties shall attach to the complaint and answer the affidavits of witnesses as well as documentary and other evidence in support thereof, if any.

SECTION 6. Effect of Failure to Answer. – If the respondent fails to file an answer within the reglementary period, the Arbiter shall render judgment as may be warranted by the allegations of the complaint, as well as the affidavits, documentary and other evidence on record within thirty (30) days from the expiration of the period to file answer. In no case shall the Arbiter award a relief not prayed for.

SECTION 7. Decision. – The Arbiter, with the approval of the Regional Officer, shall render a decision based on the pleadings, affidavits and documentary and other evidence attached thereto within thirty (30) days from receipt of the last pleading. A decision ordering the respondent to allow the inspection of books and records and/or to furnish copies thereof shall also order the complainant to deposit the estimated cost of the manpower necessary to produce the books and records and the cost of copying, and state, in clear and categorical terms, the limitations and conditions to the exercise of the right allowed or enforced.

SECTION 8. Execution upon Issuance of Decisions, Resolutions and Orders. – All orders, resolutions and decisions under this Rule shall be immediately executory.

RULE X
Mediation and Amicable Settlement

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 upon the request of both parties.

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.

SECTION 3. Mediation Conference. – Upon receipt of the answer, the arbiter shall summon the parties to a mediation conference and thereafter indorse the case to the mediation unit for assignment to a mediator.

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.

SECTION 5. Appearance of Parties Mandatory. – The appearance of parties in the mediation proceedings is mandatory. In case the parties cannot be personally present, their representative 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 to the mediator before the commencement of the

mediation proceedings.

SECTION 6. Effect of Non-Appearance in Mediation Conference. – When a party fails to appear personally or through a representative during the scheduled mediation conference, the party present may move for the termination of the conference and for the continuation of the proceedings before the arbiter. Otherwise, the mediator, motu proprio or upon request of the party present, shall reset the mediation conference and cause the issuance of a notice of such resetting.

SECTION 7. Compromise Agreement; Judgment upon Compromise. – If a 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 compromise agreement. Forthwith, the arbiter shall render judgment based on the compromise agreement which shall be immediately executory and not appealable. (a)

SECTION 8. Termination of 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 which shall in no case exceed a period of fifteen (15) days. 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.

RULE XI
Cease and Desist Order

SECTION 1. Cease and Desist Order. – Upon filing of the complaint with application for a cease and desist order, the Arbiter shall, upon hearing and with the approval of the Regional Officer, transmit a copy of the records and submit a recommendation on the grant or denial of the application to the Board of Commissioners within five (5) days from the date of the last hearing.

SECTION 2. Grounds for the Issuance of Cease and Desist Order. – The Board of Commissioners shall resolve the application for cease and desist order. No cease and desist order shall be issued unless it is established that:

- The applicant is entitled to the relief demanded, and the whole or part of such relief consists in restraining the commission or continuance of such act or acts, either for a limited period or perpetually; or

- The commission or continuance of such act complained of during litigation, would cause grave and irreparable injury to the applicant; or

- The adverse party is doing, threatening or is about to do, is procuring to be done, some act probably in violation of existing laws and/or regulations being implemented by this Board, or of applicant’s rights respecting the subject of the action, tending to render the judgment ineffectual.

If the application for issuance of a cease and desist order is granted, the Board of Commissioners may require the applicant to file a bond to answer for whatever damages that the adverse party may sustain by reason of the order, if it should be later decided that the applicant is not entitled thereto.

SECTION 3. Effectivity of Cease and Desist Order. – A cease and desist order shall be immediately executory and shall remain effective unless:

- Lifted by the Board of Commissioners; or

- The Regional Office renders a decision in the main case that the applicant is not entitled to injunctive relief.

SECTION 4. Motion for Reconsideration. – The party against whom a cease and desist order has been issued may file a motion for reconsideration within five (5) days from the receipt of the said order.

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RULE XII
Powers of the Arbiter and the Regional Officer

SECTION 1. Powers of the Arbiter. – The Arbiter shall, under the supervision and control of the Regional Officer, have the following powers:

- To hear and decide, subject to the approval of the Regional Officer, cases cognizable by this Board consistent with these Rules;

- To issue subpoena ad testificandum and subpoena duces tecum;

- To cite and/or declare any person in direct or indirect contempt in accordance with Article IV, Section 5, q), 1) and 2) of Executive Order No. 648 dated 07 February 1981 as amended by Executive Order No. 90 dated 17 December 1986;

- To impose fines and or other penalties for violation of these rules and related regulations, and any Order or Decision of HLURB;

- To suspend or revoke, upon proper notice and hearing certificate of registration of the association upon any ground provided by law, rules and regulations of HLURB; and

- To perform such other powers and functions as may be assigned by the Board.

SECTION 2. Powers of the Regional Officer. – The Regional Officer shall have the following powers:

- To resolve contested applications for a license, permit or clearance except locational clearance applications for projects of national significance which shall be elevated to the Board of Commissioners;

- To approve or disapprove the recommended order or decision of the Arbiter;

- To decide cases cognizable by this Board, if he disapproves the Arbiter recommended order or decision;

- To reassign cases as may be deemed necessary in the exigency of service; and

- To perform such other powers as may be assigned by the Board.

SECTION 3. Incidental Powers. – The HLURB shall have the following incidental powers:

- To enlist the aid and support of any and all enforcement agencies of the government, civil or military; and

- To exercise such other powers as may be implied, necessary or incidental to carry out the express powers granted to it or to achieve the objectives and purposes of the HLURB as provided for in its Charter.

RULE XIII
Inhibition of the Arbiter and/or Regional Officer

SECTION 1. Grounds for Inhibition. – The Arbiter and/or Regional Officer shall inhibit himself from adjudicating a case on any of the following grounds:

- When he, his spouse, child or relative within sixth degree of consanguinity or affinity is directly or indirectly interested in the subject of the litigation;

- When he is related to either of the parties or their counsel within the sixth degree of consanguinity or affinity; or

- When he has participated as a counsel in the case.

SECTION 2. Voluntary Inhibition. – Aside from the grounds mentioned above, the Arbiter and/or Regional

Officer may voluntarily inhibit himself from adjudicating a case on any just and valid grounds, as set forth in Rule 137 of the Rules of Court.

SECTION 3. Procedure for Inhibition. – The party shall file with the Regional Office a motion for inhibition stating the grounds with the evidence in support thereof. Thereafter, the Arbiter and/or Regional Officer shall rule on the motion.

SECTION 4. Reassignment of Cases Upon Inhibition of Arbiter or Regional Officer. – In case the Arbiter inhibits himself from hearing or adjudicating a case, the Regional Officer shall reassign the case by raffle to another Arbiter. In the absence of other arbiters, the records of the case shall be transmitted to the Legal Services Group for assignment by raffle to an arbiter therein.

In case the Regional Officer inhibits or disqualifies himself from adjudicating a case, the records thereof shall be transmitted to the Legal Services Group for further proceedings and resolution. The decision of the Legal Services Group under this Rule is deemed the decision of the Regional Office.

RULE XIV
Procedure in Regional Offices Without Arbiter

SECTION 1. Procedure in Regional Offices Without Arbiter. – In case a Regional Office does not have an Arbiter, the following rules shall apply:

- The Regional Officer or his authorized legal officer shall act as hearing officer who shall conduct the mediation conference and issue initial compulsory processes such as summons, notices and subpoenas;

- When the case is submitted for resolution, the Regional Officer shall, with notice to the parties, transmit the records of the case to the Legal Services Group for resolution;

- The Director of the Legal Services Group shall assign the case by raffle to an Arbiter therein for preparation of the decision. The Arbiter handling the case shall sign the decision subject to the approval of the Director of the Legal Services Group. The decision of the Legal Services Group under this Rule is deemed the decision of the Regional Office;

- After the resolution of the case by the Legal Services Group, the records of the case shall be remanded to the Regional Office of origin for the release and service to the parties and execution of the decision.

RULE XV
Position Papers, Decision, and Interlocutory Orders

SECTION 1. Position Paper and Draft Decision. – Where the mediation is terminated and the case is returned for continuation of the adjudication proceedings, the Arbiter shall issue an order directing the parties to simultaneously file within thirty (30) days from receipt thereof their respective position papers, jointly verified by the parties and their respective counsels, attaching thereto the affidavits of their witnesses and documentary evidence, as well as their draft decisions as provided for by Executive Order No. 26.

Said position papers and draft decisions shall state clearly and distinctly the facts, the issues and applicable laws and jurisprudence on which they are based.

SECTION 2. Ocular Inspection and/or Clarificatory Questions. – At any time before the case is submitted for resolution, the Arbiter may require an ocular inspection of the project or the site of the homeowners association, examination of the records of the landowner or the developer, or the corporate records of the association, or the presentation of witnesses in the presence of the parties solely for purposes of clarification or eliciting additional information on the evidence on record.

SECTION 3. 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 within thirty (30) days after the lapse of the period for filing the same.

SECTION 4. Decisions and Orders. – All decisions and orders issued by the Arbiter shall be subject to the approval of the Regional Officer. All pending motions, including any application for issuance of a cease and desist order filed after the submission of the case for resolution, shall be resolved in the decision.

SECTION 5. Interlocutory Orders. – All interlocutory orders shall not be appealable.

RULE XVI
Appeal

SECTION 1. Appeal Memorandum. – Any party aggrieved by the decision of the Regional Office on any legal ground and upon payment of the appeal fee, may appeal the same by filing with the Regional Office a verified appeal memorandum in three (3) copies within fifteen (15) days from receipt of the assailed decision.

Within ten (10) days from receipt of the appeal memorandum, the Regional Office shall elevate the records of the case to the Board of Commissioners together with the summary of proceedings.

SECTION 2. Contents of Appeal Memorandum. – The appeal memorandum shall state the date when the appellant received a copy of the decision, the grounds relied upon, the arguments in support thereof, and the relief prayed for.

In addition, the appellant shall attach to the appeal memorandum the following:

- Affidavit of service of the appeal memorandum executed by the appellant, which substantially complies with Supreme Court Circular No. 19-91, stating in essence the date of such service and copies of the registry return receipt shall likewise be attached;

- A verified certification executed by the appellant in accord with Supreme Court Circular No. 28-91 as amended, attesting that they have not commenced a similar, related or any other proceeding involving the same subject matter or causes of action before any other court or administrative tribunal in the Philippines; and

- In case of money judgment, an appeal bond in the form of a cash bond or surety bond satisfactory to the Board equivalent to the amount of the award excluding interests, damages and attorney's fees. A surety bond shall be issued by a reputable bonding company duly accredited by the Supreme Court, and shall be accompanied by original or certified true copies of the following:

- A joint declaration under oath by the appellant and the bonding company, attesting that the bond posted is genuine, and shall be in effect until final disposition of the case;

- An indemnity agreement between the appellant and bonding company;

- Proof of security deposit or collateral securing the bond: provided, that a check shall not be considered as an acceptable security;

- Certificate of authority from the Insurance Commission;

- Certificate of registration from the Securities and Exchange Commission;

- Certificate of authority to transact surety business from the Office of the President;

- Certificate of accreditation and authority from the Supreme Court; and

- Notarized board resolution or secretary's certificate from the bonding company showing its authorized

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signatories and their specimen signatures.

A cash or surety bond shall be valid and effective from the date of deposit or posting until the case is finally decided, resolved or terminated, or the award satisfied. This condition shall be deemed incorporated in the terms and conditions of the surety bond, and shall be binding on the appellant and the bonding company.

The appellant shall furnish the appellee with a certified true copy of the said surety bond with all the above-mentioned supporting documents. The appellee shall verify the regularity and genuineness thereof and immediately report any irregularity to the Board. Upon verification by the Board that the bond is irregular or not genuine, the Board shall cause the immediate dismissal of the appeal, and censure or cite in contempt the responsible parties and their counsels, or subject them to reasonable fine or penalty.

No motion to reduce bond shall be entertained except on meritorious grounds, and only upon the posting of a bond in a reasonable amount in relation to the monetary award. The mere filing of a motion to reduce bond without complying with the requisites in the preceding paragraphs shall not stop the running of the period to perfect an appeal.

SECTION 3. Counter-Memorandum. – Upon receipt of a copy of the appellant's memorandum and without waiting for any separate order from the Board of Commissioners, the appellee shall file a counter-memorandum in three (3) copies within a non-extendible period of fifteen (15) days from receipt of the appellant's memorandum, with proof of service to the appellant.

SECTION 4. Effect of Filing An Appeal. – The filing of an appeal shall have the effect of automatically staying the execution of any decision or order of the Arbiter or Regional Officer, unless otherwise provided in the Rules.

SECTION 5. Prohibited Pleadings in Appeal Proceedings. – Reply and rejoinder memorandum are prohibited and shall not be filed during the pendency of the appeal before the Board of Commissioners.

RULE XVII
Dismissal of the Appeal

SECTION 1. Dismissal of the Appeal. – The appeal shall be dismissed on any of the following grounds:

- Filing of the appeal beyond the reglementary period;
- Joint motion of the parties to dismiss the appeal;
- Withdrawal of the appeal;
- Failure to pay appeal fees;
- Failure to post appeal bond as required in Section 2 (C) of Rule XVI;
- Failure to furnish the other party or parties a copy of the appeal memorandum; and
- Failure to comply with the orders of the Board and/or the requirements of these Rules.

RULE XVIII
Incidental Proceedings and Remedies Pending Appeal

SECTION 1. Admissibility of New Evidence on Appeal. – The Board may, in the evaluation of the appeal, order reception of evidence or conduct further proceedings, or take judicial notice of other records of the Board, pursuant to Section 22 of Chapter 4, Book VII, of Executive Order No. 292, the Administrative Code of 1987.

RULE XIX

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Submission and Resolution

SECTION 1. Submission of Draft Decision. – The parties shall submit their draft decision within the same fifteen (15) day-period for the filing of the appeal memorandum and counter-memorandum. With or without a draft decision, the appeal shall be submitted for resolution.

SECTION 2. Resolution. – The appeal shall be decided by the Board of Commissioners sitting en banc or by division in accordance with the internal rules of the Board of Commissioners.

RULE XX
Motion for Reconsideration and Appeal from Board Decisions

SECTION 1. Motion for Reconsideration. – Within the period for filing an appeal from a decision, order or ruling of the Board of Commissioners, any aggrieved party may file a motion for reconsideration with the Board only on the following grounds:

- Serious errors of law which would result in grave injustice if not corrected; or

- Newly discovered evidence.

Only one (1) motion for reconsideration shall be entertained.

Motions for reconsideration shall be assigned to the division from which the decision, order or ruling originated.

The filing of a motion for reconsideration shall toll the fifteen (15)-day reglementary period for filing an appeal with the Office of the President and the pendency of the motion shall suspend the running of the said period to appeal. However, if the motion for reconsideration is denied, the movant shall have only the remainder of said period to file his appeal, which shall in no case be less than five (5) days, computed from receipt of the notice of the denial.

SECTION 2. Opposition. – Any opposition to the motion for reconsideration shall, without waiting for any separate order from the Board of Commissioners, be filed within a non-extendible period of five (5) days from receipt of a copy of said motion.

SECTION 3. Appeal. – Any party may, upon notice to the Board of Commissioners and the other party, appeal from a decision rendered by the Board of Commissioners to the Office of the President within fifteen (15) days from receipt thereof, in accordance with P.D. No. 1344 and A.O. No. 18, series of 1987.

RULE XXI
Finality of Judgment

SECTION 1. Finality of Judgment. – Decisions and orders of the Regional Office and the Board of Commissioners shall be deemed final and executory in accordance with the following:

- Unless otherwise provided, a decision or resolution of the Regional Office shall become final and executory fifteen (15) days after the date of receipt thereof by the parties and no appeal has been filed within the said period;

- In the case of decision and resolutions of the Board of Commissioners, the same shall become final and executory fifteen (15) days after the receipt thereof by the parties and no appeal or motion for reconsideration has been filed within the said period.

RULE XXII
Execution

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SECTION 1. Execution of Decisions. – Execution shall issue only upon motion of an interested party upon a final order or decision. A motion for execution shall be accompanied by an entry of judgment or certificate or order of finality issued by the Board of Commissioners, the Office of the President, the Court of Appeals or the Supreme Court, as the case may be.

SECTION 2. Writs of Execution. – All writs of execution shall be issued by the Regional Officer and directed to the provincial or city sheriff concerned.

SECTION 3. Prohibited Pleadings in Execution Proceedings. – The following shall be considered as prohibited pleadings in execution proceedings and shall not be entertained:

- Any motion that effectively questions or seeks the modification of the final judgment or decision; and

- Pleadings in the guise of an appeal on collateral issues or questions deemed already passed upon or considered in the resolution of the case or incident.

SECTION 4. Resolution of Incidents of Execution. – All incidents pertaining to the implementation of the final and executory decision shall be resolved by the Regional Office and no further appeals therefrom shall be entertained by the Regional Office or the Board of Commissioners.

RULE XXIII
Legal Fees

SECTION 1. Legal Fees. – All legal fees relating to adjudicating cases shall be in accordance with the schedule of fees approved from time to time by the Board of Commissioners.

SECTION 2. Pauper Litigants Exempt from Payment of Legal Fees. – A pauper litigant whose gross income does not exceed six thousand pesos (P6,000.00) a month or as may from time to time be determined by the Board of Commissioners and who does not own any real property with a fair market value as stated in the current tax declaration of more than three hundred thousand pesos (P300,000.00) shall be exempt from the payment of the prescribed legal fees.

The legal fees shall be a lien on any judgment rendered in the case favorably to the pauper litigant, unless the Board otherwise provides. To be entitled to the exemption herein provided, the pauper litigant shall execute an affidavit that his gross income does not exceed the income ceiling above-mentioned, and he does not own any real property with the assessed value aforementioned.

Any falsity in the affidavit of a party purporting to be a pauper litigant shall be sufficient cause to strike out the pleading of the party claiming to be a pauper litigant, without prejudice to whatever criminal liability may have incurred.

SECTION 3. Government Exemption from Fees. – The Republic of the Philippines, its agencies and instrumentalities, are exempt from paying the legal fees provided herein. Local governments and government-owned or controlled corporations with or without independent charters are not exempt from paying such fees.

RULE XXIV
Miscellaneous Provisions

SECTION 1. Repealing Clause. – These Rules repeal the 2004 HLURB Rules of Procedures, as amended, and all other resolution and administrative issuances or such parts thereof as are inconsistent herewith.

SECTION 2. Effectivity. – These rules shall take effect after fifteen (15) days from publication in the Official

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Gazette or in a newspaper of general circulation. Proceedings of cases then pending shall be governed by these Rules, except when in the opinion of the Board their application would be impractical or would work injustice, in which event the former rules of procedure shall apply.

APPROVED this 16th day of December 2009, Pasay City.

Adopted: 27 April 2010

(SGD.) HON. NOLI L. DE CASTRO

Vice-President of the Philippines and HUDCC Chairman

(SGD.) LINDA L. MALENAB-HORNILLA

(SGD.) ROMULO Q. FABUL

Undersecretary, DOJ

Chief Executive Officer and Commissioner

(SGD.) AUGUSTO B. SANTOS

(SGD.) TERESITA A. DESIERTO

Deputy Director-General, NEDA

Commissioner

(SGD.) AUSTERE A. PANADERO

(SGD.) ARTURO M. DUBLADO

Undersecretary, DILG

Commissioner

(SGD.) JOEL I. JACOB

(SGD.) RIA CORAZON A. GOLEZ-CABRERA

DPWH

Commissioner

Attested by:

(SGD.) CHARITO B. LANSANG

Board Secretary

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