

AN ACT AUTHORIZING THE GOVERNMENT OF THE REPUBLIC OF THE PHILIPPINES, THROUGH THE PEOPLE'S HOMESITE AND HOUSING CORPORATION, TO GUARANTEE NOT MORE THAN FIFTY PER CENT OF THE LOS...

REPUBLIC ACT NO. 222, June 15, 1948

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/aabf8c307250/>

Be enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

SECTION 1. The Government of the Republic of the Philippines thru the People's Homesite and Housing Corporation is hereby authorized to guarantee losses which any bank, banking institution, trust corporation, building and loan association, or insurance company, duly incorporated under the laws of the Philippines or licensed to do business in the Philippines, may suffer on account of any loan which may be granted after the approval of this Act specifically and exclusively for the repair, improvement, construction and/or purchase of residential homes under the following terms and conditions:

- Each individual loan to be so guaranteed shall not exceed the sum of ten thousand pesos. The term of payment shall be not less than five nor more than fifteen years; the rate of interest shall not be more than eight per cent per annum; the amount of the loan shall be not less than sixty per cent nor more than eighty per cent of the fair market value of the real estate given as security; and to prove ownership of the real estate given as security, it shall be sufficient for the borrower to show that it is assessed for taxation purposes in his name or that of his predecessors in interest for not less than ten years and that he has paid the taxes thereon and has been open, uninterrupted, and adverse possession thereof for a similar length of time: Provided, however, That not more than one loan shall be granted to any borrowing homebuilder;

- The amount of the loss which the Government may assume and guarantee on any one loan shall not be more than fifty per cent of the amount of the uncollectible portion of the loan; If the appraised value of the land or the amount already paid for the purchase of the land on which the building is to be constructed is not less than twenty per cent of the loan required to finance the construction, the full amount of the loan so needed may be granted by the lending institution.

SEC. 2. The liability of the Government for the guarantee provided herein shall attach only to such loans as the People's Homesite and Housing Corporation may certify to be in accordance with the provisions of this Act, and which bear the written guarantee of the said Corporation. To prevent connivance or fraud in violation of the provisions of this Act, the Corporation shall have access to the records and shall have authority to examine any of the officers and/or employees of the lending institution involved in any loan presented to the said Corporation for certification under the provisions of this Act.

SEC. 3. There is hereby appropriated out of any funds in the Treasury of the Republic of the Philippines not otherwise appropriated, the amount of live million pesos to constitute a Loan Guarantee Fund which, together with the portion of the interest that will accrue to the Fund as provided in section four of this Act, shall be used by the People's Homesite and Housing Corporation as a trust fund for the settlement of such obligations as may arise from the guarantee assumed by the Government as provided in this Act. The sum appropriated under this section

may be released by the President from time to time, in such amounts as may be determined by him.

SEC. 4. In consideration of the guarantee hereby assumed by the Government a portion of the interest earned or to be earned on the loans which may be granted under the provisions of this Act by the credit institutions herein mentioned shall accrue and be paid, as specified in the following schedule, to the Loan Guarantee Fund provided in section three hereof:

One per cent, if the interest charged is eight per cent;

Three fourth per cent, if the interest charged is six per cent or more but less than eight per cent; and

One fourth per cent, if the interest charged is less than six per cent.

Provided, however, That the above prescribed premiums shall be assumed by the lending institution concerned and shall not be shifted to the borrowing homebuilder.

SEC. 5. Moneys in the Loan Guarantee Fund not needed to meet any liability properly chargeable to and payable out of the Fund may be invested in bonds or other obligations of, or in bonds or other obligations guaranteed as to principal and interest by, the Republic of the Philippines.

SEC. 6. The People's Homesite and Housing Corporation is hereby authorized and directed to make, with the approval of the President of the Philippines, such rules and regulations as may be necessary for the proper administration and enforcement of this Act.

SEC. 7. Any person who knowingly contracts a loan guaranteed under the provisions of this Act which shall turn out to be fictitious or fraudulent in any respect, and any officer and/or employee of a lending institution and/or of the People's Homesite and Housing Corporation responsible for the contracting of said loan shall be punished by a fine of not more than five thousand pesos, or imprisonment for not more than two years, or both in the discretion of the court. The same penalty shall be imposed for any violation of the provisions of this Act, or the rules promulgated in accordance with the said provisions.

SEC. 8. The provisions of this Act shall apply only to loans contracted after its approval.

SEC. 9. All acts or parts of acts inconsistent with the provisions of this Act are modified accordingly.

SEC. 10. This Act shall take effect upon its approval.

Approved, June 15, 1948.

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.