



**Department Order No. 2020-004
Series of 2020 (April 03, 2020)**

Providing a Grace Period for Payment of Buyers Under Installment or In-House Financing Plans for the Purchase of Lots / Units in Subdivision and Condominium Projects and Other Similar Real Estate Development Projects Required to be Registered With the Department of Human Settlements and Urban Development During the Period of the Declared State of National Emergency in Light of the COVID 19 Pandemic

WHEREAS, Republic Act No. 11469, otherwise known as the "Bayanihan To Heal As One Act" was passed by Congress on March 24, 2020 which declared a state of national emergency and authorized the President of the Republic of the Philippines to exercise powers that are necessary and proper to carry out the declared national policy in the law and to adopt temporary emergency measures in light of the continuing rise of confirmed cases of Corona Virus Disease 19 (COVID 19) seriously threatening the health, safety, security and lives of our Countrymen;

WHEREAS, under Section 4 (Authorized Powers) of R.A. No. 11469, among the temporary emergency measures granted to the President by Congress is to direct banks, quasi-banks, financing companies, lending companies and other financial institutions, public and private to implement a minimum of thirty (30)-day grace period for the payment of all loans, including but not limited to salary, personal ,housing, and motor vehicle loans falling within the period of the enhance community quarantine (ECQ) without incurring interests, penalties, fees or other charges;

WHEREAS, the sale or purchase in installments or in-house financing of lots only, house and lots, or condominium units (or units) in subdivision and condominium projects required to be registered with the Department of Human Settlements and Urban Development (DHSUD) between buyers and developers is a form of financing or credit intermediation activity by which the payment for such purchases is amortized under a prescribed plan and period;

WHEREAS, for the duration covered and affected by the ECQ period, buyers of such units under installment payment plans or in-house financing are adversely affected in terms of loss of job, earning or paying capacity, as well

as by the extreme difficulty in effecting payments brought about by the requirement of having to stay at home and the temporary closure of most business enterprises;

WHEREAS, Presidential Decree No 957, otherwise known as the "Subdivision and Condominium Buyer Protective Decree" mandates the DHSUD, as the implementing agency, not only to regulate such real estate development but more importantly to protect the interest of buyers of units in subdivision and condominium projects;

WHEREFORE, pursuant to the foregoing, the following are hereby issued and ordered:

Section 1. Grace Period. During the period of ECQ as may be declared by the President of the Republic of the Philippines or by any competent authority, and one month thereafter, a grace period is hereby declared and granted in favor of any buyer of unit or housing unit in a subdivision or condominium project or any other similar real estate development required to be registered with the Department of Human Settlements and Urban Development, under which, in the event of failure on the part of any buyer of such unit to pay any installment payment becoming due and demandable during aforementioned entire affected period, no interests, penalties, fees or other charges arising therefrom shall be incurred or be charged to or for the account of the buyer.

Section 2. Payment Period. Upon the lifting of the enhanced community quarantine period and thirty (30) days thereafter, the accumulated installment payment or payments shall be payable within the succeeding six (6)-month period, without prejudice to any other period or option that may be agreed upon between or mutually acceptable to the buyer and the developer;

Section 3. Liberal Construction of This Order. This Department Order shall be liberally construed and interpreted in favor of the buyer.

Section 4. Penalties. Violation of any provision of this Order shall be subject to the appropriate criminal or administrative penalties and sanctions as may be warranted under existing laws and regulations.

Section 5. Separability. Should any provision of this Order be declared unconstitutional or contrary to law, the same shall not affect the validity of the other provisions of this Order.

Section 6. Effectivity. This Department Order shall immediately take effect upon publication in a newspaper of general circulation.



EDUARDO D. DEL ROSARIO
Secretary