



REPUBLIC OF THE PHILIPPINES
Department of Human Settlements and Urban Development
Kagawaran ng Pananahanang Pantao at Pagpapaunlad ng Kalunsuran

Department Order No. 2021-003
Series of 2021

**DEFERMENT OF SUBMISSION OF PROOF OF COMPLIANCE
TO THE BALANCED HOUSING DEVELOPMENT PROGRAM**

Pursuant to Section 7 (c) of Republic Act No. 11201, otherwise known as the "Department of Human Settlements and Urban Development Act", in relation to Section 36 of Presidential Decree No. 957, otherwise known as the "Subdivision and Condominium Buyers" and Section 18 of Republic Act No. 7279, otherwise known as the "Urban Development and Housing Act of 1992 (UDHA)" (or R.A. No. 7279), as amended by Republic Act No. 10884, otherwise known as the "Balanced Housing Development Program Amendments" (or R.A. No. 10884), the following Rules and Regulations (hereinafter "Rules") is hereby issued:

Section 1. Title. This Rules shall be referred to as the "Deferment of Compliance in Light of the Covid-19 Pandemic".

Section 2. Objective. This Rules aims not only to expedite the issuance of the project's license to sell but more importantly to ease the financial impact of the COVID-19 Pandemic on the real estate business, stimulate construction activity, and promote employment as added impetus to our Country's economic recovery.

Section 3. Scope of Application. This Rules shall apply to all subdivision and condominium projects required to comply with the Balanced Housing Development Program (or "Balanced Housing") under Section 18 of R.A. No. 7279, as amended by R.A. No. 10884, and as implemented by Section 4 (Other Manners of Compliance) of B.R. No. 965, s. 2017, in particular, under the following subsections thereof, to quote:

"4.1. Development of socialized housing in a new settlement;

4.2. Joint-venture projects for socialized housing with any of the following:

4.2.1 The local government units for:

4.2.1.1. The development of socialized housing program or socialized housing project;



4.2.2. Any of the housing agencies for:

4.2.2.1 The development of socialized housing programs or socialized housing projects under the BALAI program of the HUDCC;

4.2.3 Another private socialized housing developer for:

4.2.3.1. The development of socialized housing program or socialized housing project by its subsidiary of the main developer, Provided, that the mother company owns at least fifty one (51 %) percent of the subsidiary.

4.2.3.2 The development of socialized housing program or socialized housing project by an accredited socialized housing developer;

4.2.4 A non-government organization (NGO) engaged in the provision of socialized housing for:

4.2.4.1. The development of socialized housing program or socialized housing project;

4.3. Participation in a new project under the community mortgage program thru land development in a CMP project;

x x x

4.5. Purchase of Asset-Backed Securities (ABS) - the purchase of ABS as may be issued by the National Home Mortgage Finance Corporation or its subsidiary, the Social Housing Finance Corporation, or issued by a special purpose entity backed by assets conveyed to it by NHMFC or SHFC (as amended by Department Order No. 11, Series of 2020).

Subdivision and condominium projects complying under Sections 4.4 (Percentage of Investment) and 4.11 (Incentivized Compliance) of B.R. No. 965, s. of 2017 are not covered by this Rules and are required to submit proof of compliance as a requirement for the issuance of the main project's Certificate of Registration and / or

License to Sell (CR/LS) in accordance with (HLURB) Resolution No. 699, Series of 2001 (as amended).

Section 4. Deferment of Submission of Proof of Compliance. All subdivision and condominium projects complying under the modes provided in Section 3 hereof shall be required to secure and submit the CR/LS of the socialized housing project and apply for its accreditation as compliance project within the first half of the period or time of completion granted and provided in the license to sell of the main project.

In accordance with the Notarized Undertaking as required in the succeeding section, it shall be the responsibility of the owner or developer (O/D) to comply with the foregoing requirement of submission and accreditation of compliance without need of notice from the Regional Office (RO) where the main project is registered. Otherwise, appropriate sanctions shall be imposed in accordance with Sections 7 and 8 hereof.

Section 5. Submission of Sworn Undertaking. The O/D applying for the Certificate of Registration and License to Sell (CR/LS) of the main project shall submit a Notarized Undertaking, stating therein:

- 5.1 The proposed mode of compliance of the main project;
- 5.2 That the O/D undertakes to secure its CR/LS and apply for its accreditation as compliance project within the first half of the time of completion of the main project;
- 5.3 That the O/D shall comply with the requirement of submission and accreditation without need of notice or demand from the RO where the main project is registered; and
- 5.4 That failure on the part of the developer to comply therewith shall be a ground for the suspension of the license to sell of the main project and issuance of a cease-and-desist order (CDO) as well as for the imposition of applicable fines and penalties in accordance with existing rules and regulations.

A copy of the pro-forma Notarized Undertaking is hereto attached as ANNEX A.

Section 6. Prohibition Against Substitution of the Deferred Compliance. After the issuance of the LS of the main project, the proposed deferred mode of compliance cannot be substituted with either Percentage of Investment or Incentivized Compliance under Sections 4.4 and 4.11 of B.R. No. 965, s. of 2017.

Substitution may however be allowed with any of the other modes covered under Section 2 hereof, provided that the licensing and accreditation of the substituting compliance project shall have been completed during the same period as provided under Section 5 hereof. Otherwise, appropriate sanctions shall be similarly imposed in accordance with Sections 7 and 8 hereof.

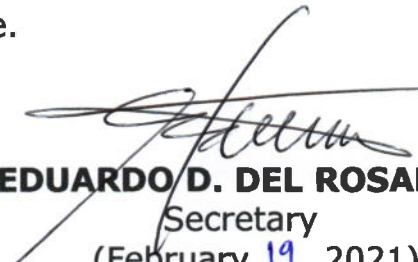
Section 7. Suspension of the License to Sell. Upon failure of the O/D to comply with the requirements of securing the license to sell of the socialized housing project and applying for its accreditation as compliance project within the period herein prescribed, the license to sell of the main project shall be suspended and a corresponding CDO shall be issued enjoining the O/D from further selling any lot, including any building or improvement thereon, or any unit in the project, and from advertising the project until such time such suspension has been lifted.

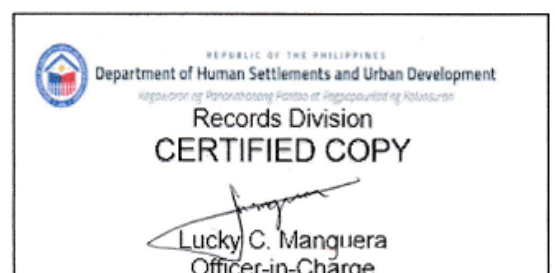
Section 8. Administrative Fines, Sanctions and Other Penalties. Applicable administrative fines, sanctions, and other penalties shall likewise be imposed in accordance with existing rules and regulation upon failure of the O/D to comply with the requirements herein set forth.

Section 9. Separability Clause. The provisions of this Circular are separable, and in the event that any provision herein is declared null and void, the validity of all other provisions shall not be affected thereby.

Section 10. Effectivity. This Department Order shall take effect immediately.

For strict compliance.


EDUARDO D. DEL ROSARIO
Secretary
(February 19, 2021)





REPUBLIC OF THE PHILIPPINES
Department of Human Settlements and Urban Development
Kagawaran ng Pananahanang Pantao at Pagpapaunlad ng Kalunsuran
Regional Field Office ____

Republic of the Philippines)
_____) s.s.

AFFIDAVIT OF UNDERTAKING TO SUBMIT ACCREDITED SOCIALIZED HOUSING COMPLIANCE

I, _____, Filipino, of legal age with postal address at _____ after being sworn to in accordance with law do hereby depose and say the following:

- 1) That I am the _____ (Position) of _____ (Name of Firm) duly authorized for the purpose of executing this undertaking;
- 2) That the said Firm is the owner/developer of _____ (Name of Main Project) located at _____ (Location of Main Project) which is the subject of an application for Certificate of Registration and License to Sell (CR/LS) before the Department of Human Settlements and Urban Development (DHSUD) Region _____ Regional Office;
- 3) That in accordance with Department Order No. _____ Series of 2021, the proposed socialized housing compliance project of the abovementioned main project shall be _____ (Name of the Socialized Housing Project), (to be developed by / or in joint venture with) at _____ (Socialized Housing Project Location);
- 4) That I and/or Firm do hereby undertake to secure the socialized housing project's CR/LS and accreditation as compliance project within the first half of the time of completion of the main project without need of notice or demand from DHSUD Regional Office; and
- 5) That failure on the part of the Firm to comply with the foregoing shall be a ground for the suspension of license to sell of the main project and issuance of a cease-and-desist order (CDO), as well as for the imposition of applicable fines and penalties in accordance with existing rules and regulations.

IN WITNESS WHEREOF, I hereunto affix my signature this ____ day of _____
in _____.

Affiant

SUBSCRIBED AND SWORN to before me this _____ day of _____ 20____,
affiant exhibiting his/her _____ valid until _____.

NOTARY PUBLIC

Doc. No. :
Page No. :
Book No. :
Series of 20 ____