



Republic of the Philippines  
**HOUSE OF REPRESENTATIVES**  
Quezon City, Metro Manila



Seventeenth Congress  
First Regular Session

**3738**  
HOUSE BILL NO. \_\_\_\_\_

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**Introduced by Honorable Rodante D. Marcoleta**

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#### **EXPLANATORY NOTE**

Section 9, Article XIII of the 1987 Constitution provides, "The State shall, by law, and for the common good, undertake, in cooperation with the private sector, a continuing program of urban land reform and housing which will make available at affordable cost decent housing and basic services to underprivileged and homeless citizens in urban centers and resettlement area. x x x."

For the underprivileged, housing is variously a place on a city pavement, a part of a room in a dilapidated tenement, a hut in a slum, or a small illegal structure on land suited to squatter resettlement and encroachment.

As an option for eradicating homelessness, this bill seeks to establish a self-help homebuilding mechanism to be known as the "*Bayanihan* Homebuilding Program". Under this program, qualified beneficiaries and volunteers will be directly involved in the construction of their homes. Like the *bayanihan* concept, beneficiaries and volunteers will render hours of labor as part of their investment. Since the construction of houses will cost less to build, the savings will go to monthly amortization of payments.

Another feature of the proposed measure is to give eligible beneficiaries an option to avail of the Graduated Amortization Payment (GAP) Scheme subject to the guidelines of the financial institutions concerned. Under the GAP Scheme, principal payments of the principal obligation are deferred on the first few years of the loan to help beneficiaries. This is to ease the predicament of homebuyers who are unable to cope with meager financial resources when availing of a housing loan.

In view of the foregoing, the passage of this bill is earnestly sought.

  
**RODANTE D. MARCOLETA**



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**AN ACT**  
**ESTABLISHING A BAYANIHAN HOMEBUILDING PROGRAM FOR**  
**LOW INCOME GROUPS THROUGH GRADUATED AMORTIZATION**  
**PAYMENT (GAP) SCHEME AND FOR OTHER PURPOSES**

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

SECTION 1. **Title.** – This Act shall be known as the “*Bayanihan Homebuilding Program Act of 2016.*”

SEC. 2. **Declaration of Policy.** – It is hereby declared the policy of the State to promote the national shelter program and to implement a continuing program of socialized housing which will make available, at affordable cost, decent housing and basic services to low-income families in urban centers and rural areas. Towards this end, a self-help homebuilding mechanism, the Bayanihan Homebuilding Program, shall be established.

SEC.3. **Objectives.** – The objectives of this Act shall be as follows:

- a) Enhance the capability of low-income groups to acquire decent and low-cost housing units through the introduction of self-help homebuilding mechanisms and facilities which will render affordable such acquisitions;
- b) Eradicate homelessness and poverty housing by means of constructing simple, decent and affordable housing for low-income families;
- c) Enjoin the active participation of local government units and encourage people's effective participation in the development process of socialized housing programs through adequate measures for house construction in their respective areas;
- d) Serve the housing requirement of the underprivileged and those gainfully employed, and the members of the funding agencies such as the Government Service Insurance System (GSIS), Social Security System (SSS), and Home Development Mutual Fund (HDMF/PAG-IBIG).

SEC.4.        ***Definition of Terms.*** – As used in this Act, the following terms shall mean:

- a) “Affordable cost” refers to the most reasonable price of land and shelter based on the needs and financial capability of Bayanihan Homebuilding Program beneficiaries and appropriate financing scheme.

- b) “Graduated Amortization Payment” refers to the mode of payment wherein principal payments are deferred on the first few years of the term of the loan and designed to enhance the affordability to the beneficiary through a mechanism of increasing monthly amortization over term of the loan.
- c) “Socialized housing” refers to housing program and projects covering houses and lots or home lots only undertaken by the government or the private sector for the underprivileged and homeless citizens which shall include sites and services development, long term financing, liberalized terms on interest payments and such other benefits in accordance with the provisions of this Act.
- d) “Slum or blighted area” refers to any area where dwellings predominate which, by reason of dilapidation, overcrowding, faulty arrangement or design, lack of ventilation, light or sanitation facilities, or any combination of these factors, are detrimental to safety, health or morals.
- e) “Bayanihan Homebuilding” refers to the cooperative endeavor of volunteers and qualified beneficiaries of this Act to invest time and labor for the construction of their simple, decent and affordable homes.

- f) "Underprivileged and homeless citizens" refers to beneficiaries of this Act and to individuals or families in urban and urbanizable areas whose income or combined household income falls within the poverty threshold as defined by the National Economic and Development Authority, and who do not own their homes. This shall include those who live in makeshift dwelling units and do not enjoy security of tenure.

SEC.5. *Eligibility Criteria for Bayanihan Homebuilding Program*

**Beneficiaries.** – To qualify for the Bayanihan Homebuilding Program, a beneficiary:

- a) Must be a Filipino citizen;
- b) Must be an underprivileged and homeless citizen, as defined in Section 4 (f) of this Act, or if gainfully employed, must be a member of the SSS, GSIS, or HDMF/PAG-IBIG, who applies for a socialized housing loan not exceeding One Hundred Eighty Thousand pesos (P180,000.00);
- c) Must not own any real property, whether in the urban or rural areas;
- d) Must not be a professional squatter or a member of a squatting syndicate; and
- e) Must render at least 400 hours of volunteer labor for the construction of his own house.

SEC.6.        ***Registration of Bayanihan Homebuilding Program Beneficiaries.*** – The Housing and Urban Development Coordinating Council (HUDCC), in coordination with the local government units, shall design a system for the registration of qualified Bayanihan Homebuilding Program beneficiaries.

The local government units, within one (1) year from the effectivity of this Act, shall identify and register all beneficiaries within their respective localities.

SEC.7.        ***Participation of Volunteers.*** – Volunteers who are willing to render community service in the construction of homes for beneficiaries under this Act may participate and register in the Bayanihan Homebuilding Program subject to the requirements set by the local government units concerned within their respective localities.

SEC.8.        ***Graduated Amortization Payment (GAP) Scheme.*** –All duly accredited government financial institutions granting socialized housing loans to eligible Bayanihan Homebuilding Program beneficiaries shall adopt and implement the graduated amortization payment as the mode of payment for such loans.

The graduated increase in the amortization payment over the term of the loan shall be computed in accordance with the following conditions subject to the guidelines of duly accredited government financial institutions:

- 1) The initial payment of amortizations shall be made within thirty  
(3) days upon occupancy of the home unit;

- 2) The monthly amortization payments for the first ten (10) years shall be fixed at a minimum of Five hundred pesos (P500.00);
- 3) The graduated increase in the amortization payment not exceeding Two hundred fifty pesos (P250.00) shall commence on the eleventh year and every three (3) years thereafter;
- 4) The amortization payments shall not exceed forty percent (40%) of the borrower's net disposable income. For this purpose, the net disposable income shall be defined as the gross verifiable monthly income less statutory deductions and amortizations of outstanding loan obligations. The monthly income shall be based on the income tax return(s) (ITR) with W-2 Form(s) duly received by the Bureau of Internal Revenue (BIR) or other documents acceptable to duly accredited government financial institutions.

SEC.9.        ***Loan Period.*** – The loan period shall not be more than thirty-five (35) years and shall be shortened correspondingly to the difference between the age of the borrower at the time of loan approval and retirement age.

SEC.10.      ***Interest Rate.*** – The government financial institutions (GFIs) shall charge the borrowers a fixed rate of nine percent (9%) per annum for the term of the loan.

SEC. 11. *Agency Responsibilities.* – Anent the implementation of the Bayanihan Homebuilding Program, and subject to the limitations and requirements of their respective charters and other existing laws, and without impairing their financial or required reserve positions, the following agencies are directed as follows:

- a) National Housing Authority (NHA). – The NHA shall be the government agency engaged in direct shelter production. It shall focus its efforts in providing housing assistance to the lowest 30% of urban income-earners through slum upgrading, squatter relocation, development of sites and services, and construction of core-housing units. In addition, it shall formulate the mechanism for the participation of the registered Bayanihan Homebuilding Program beneficiaries and volunteers in the construction and building of their home units. Further, it shall promote the use of indigenous, alternative and low cost construction materials and technologies for socialized housing.
- b) Home Development Mutual Funds (HDMF/PAG-IBIG). – The HDMF/PAG-IBIG shall administer provident fund contributions collected from member employees and employers, utilizing funds not required for provident benefits for housing loans for members, and, in addition, will be charged with the development of saving schemes for home acquisition.



c) Department of Interior and Local Government (DILG). – The DILG shall facilitate coordination and ensure smooth implementation of the Bayanihan Homebuilding Program at the local government level.

SEC.12.        ***Implementing Rules and Regulations.*** – The Chairman of the HUDCC in coordination with the NHA, HDMF/PAG-IBIG and DILG shall promulgate rules and regulations necessary for the implementation of this Act.

SEC.13.        ***Separability Clause.*** – If any part or provision of this Act shall be held invalid or unconstitutional, other parts or provisions hereof which are not affected thereby shall continue in full force and effect

SEC.14.        ***Repealing Cause.*** – Any law, decree, rule and regulation, executive order or part thereof inconsistent with this Act is hereby repealed or modified accordingly.

SEC.15.        ***Effectivity Clause.*** – This Act shall take effect fifteen (15) days after its publication in at least two (2) newspapers of general circulation in the Philippines.

Approved,