



Republic of the Philippines
Tanggapan ng Sangguniang Panlungsod
City of Naga



ORDINANCE NO. 2003-049

AN ORDINANCE REVISING SECTION 22, ARTICLE VII OF ORDINANCE NO. 98-033, OTHERWISE KNOWN AS THE KAANTABAY SA KAUSWAGAN PROGRAM BY ADDING NEW SECTIONS THERETO AND IMPOSING GRAVER PENALTIES FOR VIOLATIONS THEREOF:

Author: Hon. City Councilor Mila S.D Raquid-Arroyo

Be it ordained by the Sangguniang Panlungsod of the City of Naga that:

SECTION 1. - PURPOSE. - This Ordinance is enacted as an additional measure to ensure that the Kaantabay sa Kauswagan Program of the City of Naga effectively serves and benefits those who are truly qualified as beneficiaries of the housing program for the poor. Specifically, this Ordinance seeks to achieve the following purposes:

1. to provide stronger deterrence against the illegal practice of selling/transferring rights over lots which are under the Urban Poor Housing and Resettlement Program of the Kaantabay sa Kauswagan Ordinance of the City of Naga;
2. to correct the disparity in terms of the penalties imposed upon the transferor and the transferee of rights over lots which are under the Urban Poor Housing and Resettlement Program of the Kaantabay sa Kauswagan Ordinance of the City of Naga;
3. to provide certain measures that will make Ordinance No. 98-033 more responsive to the present realities and experiences in the implementation of the Kaantabay sa Kauswagan Program mandated therein.

SECTION 2. - REVISION OF ARTICLE VII, SECTION 22 OF ORDINANCE NO. 98-033. - To achieve the purpose declared under Section 1 above, the title of Article VII of Ordinance No. 98-033, otherwise known as the "Kaantabay sa Kauswagan Ordinance of 1997" and Section 22 thereof are hereby revised, now to read as follow:

ARTICLE VII - "PROHIBITIONS, PENALTIES AND SUBROGATION RIGHTS"

"SECTION 22. - PROHIBITION AGAINST CONVEYANCES OR ENCUMBRANCES. - Any beneficiary-awardee of lot/house & lot under the urban poor housing and resettlement program of the City Government of Naga who has ceased to be interested thereto shall surrender the same back to the City Government. No Homelot/House & lot acquired under the City Government of Naga's housing and resettlement program for the urban poor, whether off-site or on-site, including the rights thereto including the improvements thereon, shall be sold, donated, assigned, transferred, conveyed, leased, encumbered or mortgaged by the beneficiary, except to the City Government of Naga or to other qualified beneficiaries as approved by the

Urban Poor Development and Housing Board (UDHB) based on such terms and conditions as the latter may determine in accordance with the guidelines and policies set for the purpose; provided, that any transfer made after a period of ten (10) years from full payment of the homelot/house & lot shall be allowed upon determination of the Urban Development and Housing Board that the beneficiary has a legitimate home to transfer to; provided, further, that the foregoing prohibition shall not apply in the following circumstances:

- a. when the encumbrance or mortgage is made for the purpose of raising funds needed for the improvement of the property; and
- b. when the transferee is a relative of the beneficiary within the third degree of consanguinity or affinity and upon the determination of the Urban Development and Housing Board that the beneficiary has a legitimate home to transfer to.

“Any such sale, donation, assignment, transfer, conveyance, lease, encumbrance or mortgage made in violation of this provision shall be null and void.

“Any homelot/house & lot occupied by person/s who is/are not the awarded beneficiary thereof are presumed to have been transferred in violation of the provisions of this section.

“SECTION 22-A. - CONSEQUENCES. - The homelot/house & lot award made by the City Government of Naga in favor of the beneficiary found guilty to have violated the provisions of the foregoing section shall automatically be deemed cancelled and abrogated and all payments or any amortization paid on the homelot/house & lot shall be deemed forfeited in favor of the City Government of Naga.

“SECTION 22-C. - PENALTIES. - The parties to the illegal transaction contemplated under Section 22 above shall suffer the following penalties:

- a. Penalty upon the Transferor:
 - a.1. Perpetual forfeiture of any right to avail of the housing program of the City Government of Naga;
 - a.2. Imprisonment for a period ranging from ten (10) months to one (10) year and payment of fine in the amount of not less than three thousand pesos (P5,000.00).
- b. Penalty upon the Transferee:
 - b.1. Ejectment from the subject premises;
 - b.2. Imprisonment for a period ranging from six (6) months to one (1) year and payment of fine in the amount of not less than two thousand pesos (P2,000.00) but not more than four thousand pesos (P4,000.00);

provided, however, that for transfers made before the effectivity of this Ordinance upon persons who are otherwise qualified beneficiaries of the Kaantabay sa Kauswagan Program, the Urban Development and Housing Board may adjudicate the property in favor of the transferee under the following conditions:

- i. the transferee is willing to pay for the property at a revalued rate in accordance with the prevailing fair market value at the time of adjudication, plus fifty percent (50%) premium;
- ii. the transferee is willing to pay the fine imposed under Section 22-C, subsection b.2 hereof; and
- iii. the transferee is willing to comply with all the other obligations imposed upon the beneficiaries of the Kaantabay sa Kauswagan Program;

provided, further, that the aforementioned option shall be availed of by the transferee within six months from the effectivity of this Ordinance.

“SECTION 22-D. - MONITORING MECHANISM. - The Urban Poor Affairs Office (UPAO) or urban poor organizations duly accredited with the Sangguniang Panlungsod of the City of Naga may initiate investigation and/or action on the unlawful or unauthorized transfer or encumbrance of lot/house & lot acquired under the urban poor housing and resettlement program of the City of Naga in accordance with the guidelines and policies formulated by the UDHB.

“For effective and regular monitoring on the ground, the homeowners’ associations or organizations of the beneficiaries of the program are hereby mandated to make periodic report to the UDHB for the enforcement of this provision.

“SECTION 22-E. - RIGHT OF SUBROGATION. - In the event that the lot/house & lot subject of this Ordinance was surrendered to the City Government, or if the beneficiary dies before the property is fully paid by him or her, and the obligation is not covered by sufficient mortgage redemption insurance, his or her nearest of kin who is qualified beneficiary shall be subrogated to his or her rights upon assumption of the outstanding obligations. In case of failure of the said nearest of kin to assume such obligations, ownership over the property shall revert to the City Government of Naga for disposition in favor of a qualified beneficiary who shall reimburse the surrenderee or his or her next of kin the paid amortization and assume the outstanding obligation.

“The mortgage redemption insurance (MRI) coverage which is for the protection of the heirs of the beneficiary in case of death before full payment thereof, is an option available to the beneficiary.

SECTION 3. - SEPARABILITY. - Should any portion of this Ordinance be declared unconstitutional or illegal by any court of competent jurisdiction, the portions not so declared shall remain in full force and effect.

SECTION 4. - REPEALING CLAUSE. - All ordinances, executive orders, administrative issuances or parts thereof which are inconsistent with this Ordinance are hereby repealed or modified accordingly.

SECTION 5. - EFFECTIVITY. - This Ordinance shall take effect fifteen days from date of its publication or posting.

ENACTED: April 30, 2003

WE HEREBY CERTIFY to the correctness of the foregoing ordinance.

ESTEBAN R. ABONAL
City Vice Mayor & Presiding Officer

GIL A. DE LA TORRE
Board Secretary II
& Secretary Designate

APPROVED:

JESSE M. ROBREDO
City Mayor