

ORDINANCE NO. 2009-085

AN ORDINANCE PROMULGATING THE GUIDELINES GOVERNING THE QUALIFICATIONS AND PROCEDURES FOR ACCREDITATION OF NON-GOVERNMENT ORGANIZATIONS (NGOs) AS ORIGINATORS OF PROJECTS UNDER THE LOCALIZED COMMUNITY MORTGAGE PROGRAM (LCMP) OF THE CITY GOVERNMENT OF NAGA:-

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EXPLANATORY NOTE

The City Government of Naga is one of the very few local government units in the Country with clear and strong program on urban poor housing and resettlement. Just like most of local governments' social amelioration programs, however, the urban poor housing and resettlement program of the City of Naga is hampered and constantly threatened by chronic lack of funds.

In the hope of making resources available at the national government level more accessible to local governments, the Social Housing Finance Corporation (SHFC) created a program called Localized Community Mortgage Program (LCMP). As its name suggests, the LCMP is essentially CMP, which is the Socialized Housing Program of the national government, but implemented by local government units. The LCMP therefore is a mechanism wherein funds of the SHFC are made available and accessible to local government units to fund the LGUs' housing program for the poor.

In the implementation of the LCMP, the local government unit and the community associations desirous of participating in the program shall be assisted by a non-government organization who shall act as the originator of the mortgage of the community association. As an originator, the function of the originating NGO is to assist both the LGU and the community association in the preparation of documents required under the program.

In order to standardize the qualifications and clearly prescribe the duties and functions of the NGO LCMP Originator, there is a need to establish the LCMP Originator Accreditation Process for the purpose.

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

SECTION 1. Title. This Ordinance shall be known as the "NGO LCMP Originator Accreditation Ordinance of Naga City".

SECTION 2. Purpose. This Ordinance is enacted for the purpose of standardizing the qualifications and procedures by which a non-government organization may be qualified to originate projects under the Localized Community Mortgage Program (LCMP);

SECTION 3. Definitions. For the purpose of this Ordinance, the following terms shall mean as herein defined:

- a. Localized Community Mortgage Program (LCMP) - the innovative scheme whereby qualified LGUs may apply for an Omnibus Commitment Line (OCL) extended by SHFC to accommodate priority social housing projects identified by the LGU;
- b. Purchase Commitment Line (PCL) - the fund allocation to be extended by SHFC to the Project of the LGU;
- c. Project - the land, including the site development thereof, which shall be submitted by the City Government of Naga under the LCMP;
- d. LGU-CA/HOA MOA - the Memorandum of Agreement entered into between the Naga City Government and the Community Association (CA)/Homeowners Association (HOA) defining their relationship under the LCMP;
- e. NGO-CA/HOA MOA - the Memorandum of Agreement entered into between the NGO Originator and the Community Association (CA)/Homeowners Association (HOA) defining their relationship in the origination of projects under the LCMP;
- f. Non-Government Organizations (NGOs) - as defined under Section 3 of Ordinance No. 95-092, otherwise known as the "Empowerment Ordinance of Naga City", NGOs are "any aggrupation of individuals, not subsidized by government funds or organized for religious purposes or partisan politics, and whose primary ends are advocacy of issues or the realization of specific developmental objectives for the community or a sector thereof";
- g. Community Association (CA) or Homeowners Association (HOA) - the organization duly registered with Housing and Land Use Regulatory Board (HLURB) composed of residents of the Project;
- h. Project Beneficiaries - those persons belonging to the CA/HOA to whom specific areas of the Project is developed, completed and sold, as identified/selected and qualified by the LGU and the CA/HOA;
- i. Accredited NGO Originator - are those NGOs who have applied for and qualified to originate projects under the LCMP through the process established under this Ordinance;
- j. Naga City Urban Development and Housing Board (NCUDHB) - the Board created under Article IV, Sections 8 of Ordinance No. 98-033 to oversee the implementation of the Kaantabay sa Kauswagan Program of the City of Naga;
- k. Urban Poor Affairs Office (UPAO) - the implementing arm of the City Government's Kaantabay sa Kauswagan Program and the Secretariat of the NCUDHB.

SECTION 4. Qualifications. A NGO desiring to act as originator of projects under the LCMP shall file with the Naga City Urban Development and Housing Board (NCUDHB) an application for accreditation as LCMP Originator. An Applicant for Accreditation as LCMP Originator shall possess the following qualifications:

1. Duly registered with either the Securities and Exchange Commission (SEC) or the Cooperative Development Authority (CDA);
2. The purpose of the NGO's creation/existence relates to the provision/delivery of housing or community organizing--related services to the marginalized sector of the society, as shown by its Constitution and By-laws,
3. The organization, or at least a majority of its officers, has at least three (3) years of track record in the delivery of socialized housing-related services or community organizing;
4. Has expressed, through a Board Resolution, its intention to originate a project under the LCMP;
5. Has technical capability and with sufficient manpower to handle and assist the community association's application under LCMP;
6. The NGO must be able to show an existing partnership with a CA/HOA for purposes of origination under the LCMP; provided, however, that the NGO-CA/HOA MOA will be entered into only after the NGO shall have been accredited;
7. Have demonstrated financial stability as shown by financial reports submitted to the BIR for the last two (2) years prior to the filing of application for accreditation;
8. No officer or member of the applicant NGO have been convicted of crime involving moral turpitude;

SECTION 5. Required Documents/Information. For purposes of establishing the qualifications required under Section 4 above, applicants for accreditation as LCMP Originator shall submit the following documents/information to the NCUDHB:

- a. Certificate of Registration together with the Constitution and By-Laws, and SEC/CDA Certification stating current and active status of the NGO;
- b. Names of its Officers and Board Members
- c. Staff Organizational and Functional Chart
- d. Date and Place of its last General Assembly

- e. Board Resolution expressing the NGO's intent to originate projects under the LCMP;
- f. List of Programs/Projects/Activities undertaken in the last three (3) years;
- g. Copy of financial reports filed/submitted to the BIR in the last two (2) years prior to the filing of the application
- h. Board Resolution of the CA/HOA expressing intention to partner with the applicant for purposes of LCMP.

SECTION 6. Procedure for Accreditation. The following process shall govern the accreditation of NGO LCMP Originators:

- a. Submission of Application for Accreditation. The sworn application for accreditation shall be filed with the Urban Poor Affairs Office as the Secretariat of the NCUDHB. For this purpose, the pro-forma application form is hereto attached as ANNEX "A". The documentary requirements as prescribed under Section 5 above shall accompany the aforementioned application and contained in a folder submitted in two (2) copies;
- b. Upon receipt of the application, the UPAO shall inform the applicant of the date of the next meeting of the NCUDHB where the applicant shall appear to respond to possible questions/clarifications from the Board;
- c. The UPAO shall submit the application to the NCUDHB for inclusion in the agenda of the NCUDHB in its next regular meeting;
- d. The NCUDHB shall examine the completeness of the documents submitted and assess whether or not the applicant possess the qualifications prescribed under Section 4 hereof. For this purpose, the NCUDHB may adopt a process or mechanism it may deem fit or necessary to assess the qualification of the applicant.
- e. When the NCUDHB is satisfied that the applicant possesses the qualifications prescribed under Section 4 hereof, it shall, by Resolution, approve the application and declare the applicant as being a duly Accredited LCMP Originator.

SECTION 7. Withdrawal of Accreditation. The Accreditation under this Ordinance, once granted, shall continue to subsist until withdrawn or revoked by the City Government of Naga on the following grounds:

- a. False or misrepresentation in any of the data required in the application for accreditation;
- b. Commission of any act detrimental/inimical to the interest, purposes, and objectives of the LCMP;
- c. Failure to comply with any of its obligations as LCMP Originator.

The withdrawal of accreditation shall be made by Resolution of the NCUDHB after compliance with both substantive and procedural due process requirement of law. The NCUDHB shall promulgate the necessary rules and regulations for this purpose.

SECTION 8. LCMP Originators Network in Naga City. To facilitate cooperation and collaboration between and among all accredited LCMP Originators in the City of Naga, all Accredited LCMP Originators in this City are hereby required to meet together at least once per quarter for purposes of review/evaluation and feedback on LCMP implementation. The Meeting shall be convened by the NCUDHB and shall tackle recommendations from the field for the improvement of the implementation of the LCMP.

SECTION 9. Duties and Obligations of the Originator. The LCMP Originator shall perform the following obligations:

- a. Assist the CA/HOA in the development and management of the LCMP project which will include among others: the negotiations with the landowner; setting up of appropriate project management structures, systems and policies for the CMP project; and preparation of loan documents required under the LCMP;
- b. Assist the CA/HOA in ensuring the up-to-date payment of amortization by the beneficiaries up to the maximum holding period required by the LCMP guidelines;
- c. Facilitate the provision of training and other capability building needs of the CA/HOA and the beneficiaries of the LCMP necessary for the accomplishment of the objectives and purposes of the Program;
- d. Actively and religiously attend and participate in the LCMP Originators Network Meeting convened by the NCUDHB.

SECTION 10. Fees for LCMP Origination:

- a. **LCMP Origination Fee** - The originator of a LCMP Project approved by the City Government of Naga and accepted by the SHFC shall be paid an Origination Fee, the amount of which shall be in accordance with the LCMP Guidelines of One-Half Percent ($\frac{1}{2}\%$) of the Mortgage/Loan Amount. This Fee, which shall be paid by the City Government, shall be taken from the 1% - 2% share of the LGU in the interest earnings of the Project. The Fee shall be paid to the Originator within ten (10) days of every month based on the amount of collections made in the preceding month;
- b. **CA/HOA Assistance Fee.** Subject to the agreement between the CA/HOA and the LCMP Originator, each qualified beneficiary of the LCMP shall pay the originator a CA/HOA Assistance Fee in an amount which shall not be more than Three Hundred Pesos (P300.00). The term of payment shall be agreed upon between the originator and the HOA but subject to the progress of the LCMP project.

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Other than the LCMP Origination Fee and the CA/HOA Assistance Fee, the LCMP originator shall not be entitled, nor allowed, to charge any other fees for the services rendered by it as mortgage originator of the LGU and the CA/HOA.

SECTION 11. Security of the Originator. Once the respective Memorandum of Agreement (NGO CA/HOA MOA and LGU-NGO Originator MOA) shall have been signed by the parties thereto, the same shall subsist until after five (5) years from the date of the signing thereof, except upon mutual agreement of the parties therein.

SECTION 12. Separability. If any provision of this Ordinance is held invalid, all the other provisions not affected thereby shall remain valid and in full force and effect.

SECTION 13. Repealing Clause. All Ordinances, executive orders, rules and regulations, or parts thereof, inconsistent herewith are hereby repealed and or modified accordingly.

SECTION 14. Effectivity. This Ordinance shall take effect immediately upon its approval.

ENACTED: November 17, 2009.

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WE HEREBY CERTIFY to the correctness of the foregoing ordinance.

GIL A. DE LA TORRE
Secretary to the
Sangguniang Panlungsod

GABRIEL H. BORDADO, JR.
City Vice Mayor &
Presiding Officer

APPROVED:

JESSE M. ROBREDO
City Mayor