



Housing Reform



General Principles:

- 1.) Provision of Housing should, to the extent practicable, be left to the private sector. It is more efficient and has more resources for housing development than the Government.
- 2.) The Government bureaucracy must be streamlined to conserve resources.



General Principles:

3.) The National Government should instead focus on the following:

- ✓ developing special mass housing projects
- ✓ guarding against abuse
- ✓ promoting market mechanisms

4.) The burden of providing resettlement to informal settlers should be left to the LGUs.



Elements of Housing Reform Plan

- 1.) Re-structuring and re-orientation of HDMF
 - ✓ Re-structure HDMF into wholesale lending
 - ✓ Auction of funds to banks to bring down costs

- 2.) Streamline HDMF
 - ✓ Right-size the organizational units related to lending and loan servicing
 - ✓ Focus the organization to Provident Fund operations and investments.



Elements of Housing Reform Plan

- 3.) Pattern the “new” HDMF into a structure similar to the CPF and HDB of Singapore
 - ✓ provide liquidity and cheap funds for housing finance



Elements of Housing Reform Plan

4.) Merge NHMFC and HGC and create the NHFGC

- ✓ NHFGC will have the combined mandates of NHMFC and HGC.
- ✓ Their assets and operations will be combined as well.
- ✓ NHFGC will be patterned after the CMHC
- ✓ Their combined liabilities will be resolved through negotiation and legislation
- ✓ Equity infusion by HDMF needed for initial funding



Elements of Housing Reform Plan

- 5.) Merge *Abot-Kaya*, SHFC and NHA (mandates only)
- 6.) Fold-in HLURB into HUDCC
- 7.) Encourage private Specialist Service Providers (collection, backroom account, securitization, foreclosure, and others)



Elements of Housing Reform Plan

- 8.) In the long run, merge *Abot-Kaya*, SHFC, NHA, HUDCC, HLURB into the Department of Housing
- 9.) Eventually, fold-in NHFGC into HDMF
- 10.) The “enlarged” HDMF will demutualize and privatize



Timetable:

1.) Re-orientation of HDMF

- ✓ wholesale lending by the fund
- ✓ re-structuring should start immediately
- ✓ begin to outsource investment and eventually focus on benefits administration
- ✓ no need of a Charter Change yet*

* Long-term:

Work on demutualization that would require Charter Change.



Timetable:

2.) HGC and NHMFC

- ✓ start planning about merger
- ✓ begin joint securitization w/o new law
- ✓ prepare legal environment and charter change to effect merging and to allow equity infusion by HDMF



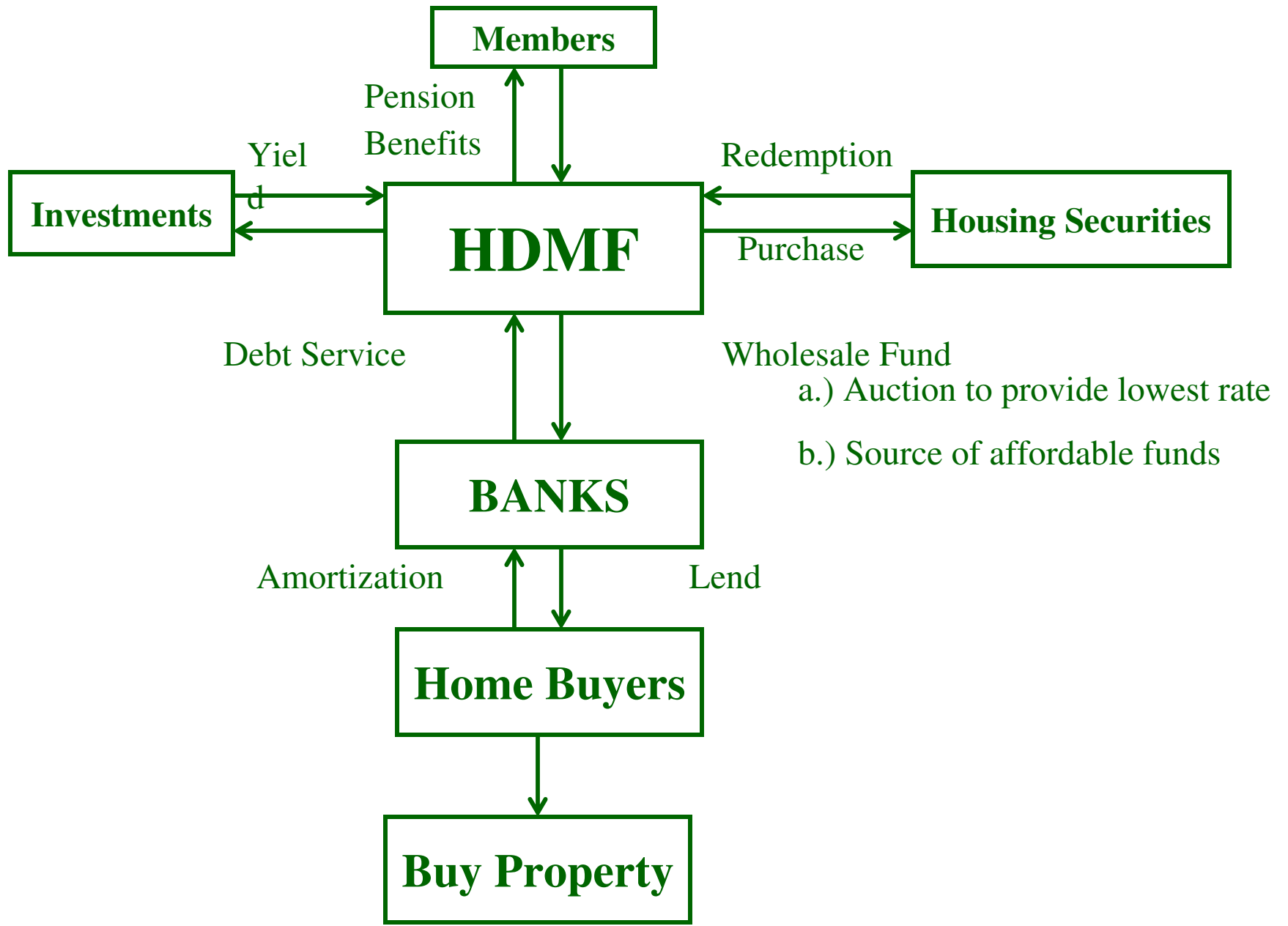
Timetable:

3.) SHFC and NHA

- ✓ start merger; requires no law



KSAs' NEW STRUCTURE & FUNCTIONS





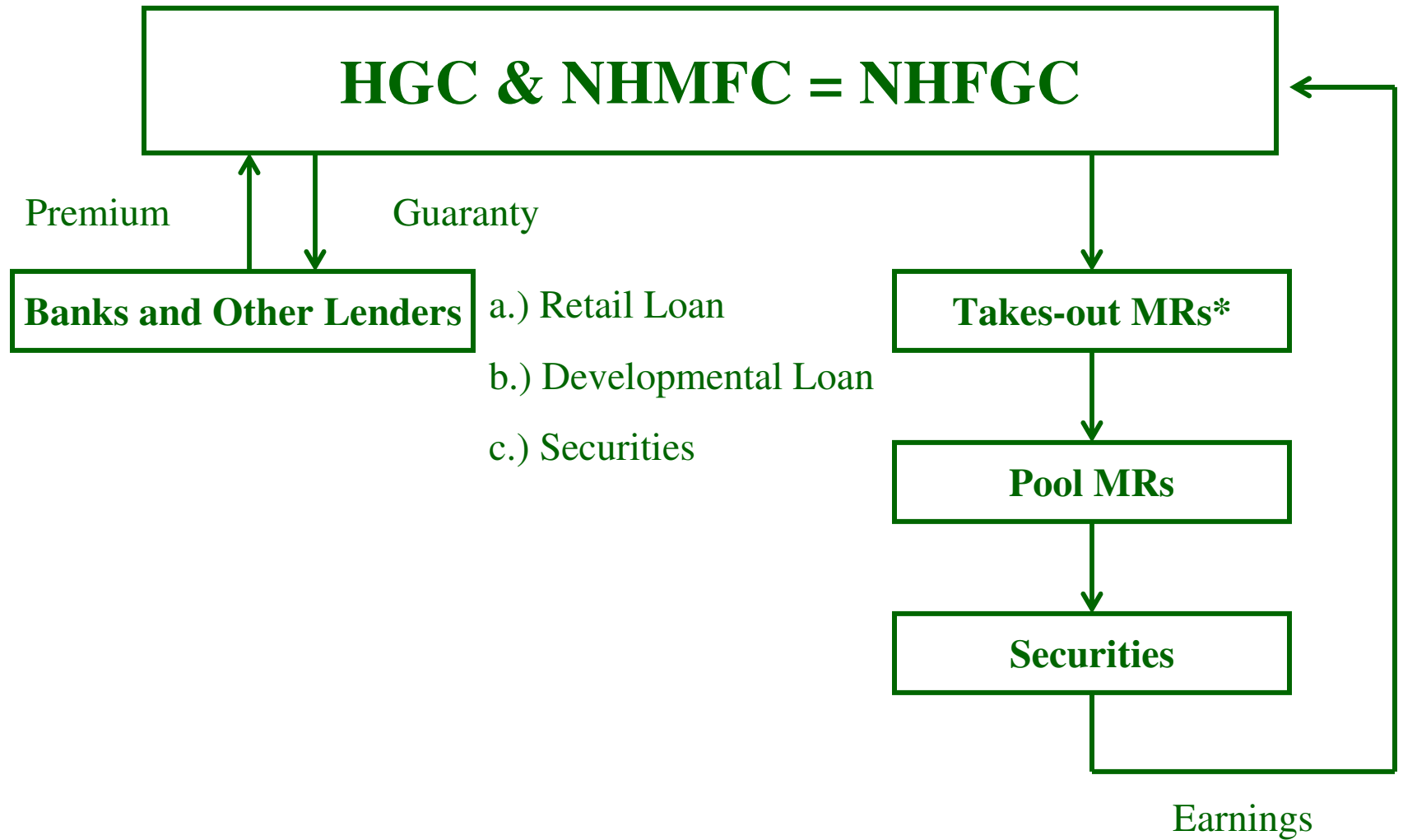
SHFC & NHA

- 1.) Manage the Community Mortgage Program
- 2.) Manage the Amortization Support & Develop Financing component of Abot Kaya
- 3.) Eventually, fold in all AKPF components into merged entity.
- 4.) Develop Special Relocation & Resettlement
- 5.) Promote New Housing Technologies



HLURB + HUDCC

- 1.) Provide Policy Direction
- 2.) Monitor/supervise Key Shelter Agencies
- 3.) Issue LTS
- 4.) Facilitate registration of Home Owners Assoc. (HOAs)
- 5.) Adjudicate cases involving HOA's and Developers
- 6.) Review/approve of Comprehensive Land Use Plan
- 7.) Serve as Secretariat to the Council/Department



* Mortgages/Receivables

> Resolve Debts of HGC and NHMFC by legislation or absorption or both.

Long, long run:

Department of Housing

Merge:

- ❖ SHFC
- ❖ NHA
- ❖ HUDCC
- ❖ HLURB