



HUDCC RESOLUTION NO. 2
Series of 2015

ECONOMIC HOUSING LOAN AND PRICE CEILING ADJUSTMENT

WHEREAS, Section 15 (b) of Republic Act No. 8763, otherwise known as the Home Guaranty Corporation Act of 2000, states that the respective ceilings for socialized, low-cost, medium-cost, and open housing shall be jointly determined by the Housing and Urban Development Coordinating Council (HUDCC) and the National Economic and Development Authority (NEDA); provided that at any time, but not more often than once every two (2) years, such ceilings may be reviewed or revised to conform to prevailing economic conditions;

WHEREAS, the HUDCC approved the last loan ceiling adjustment for economic housing on 27 September 2006 through HUDCC Memorandum Circular No. 4, series of 2006, defining the Low Cost Housing (Level 1-Economic Housing) ceiling/package and increasing it from Php500,000 to Php1,250,000. Subsequently, HUDCC Memorandum Circular No. 5, series of 2007 redefined the low-cost housing packages and loan ceilings;

WHEREAS, in view of the increased prices in raw land, land development, construction materials and labor costs, the private sector proposed to adjust the Economic Housing Price Ceiling from Php1,250,000 to Php1,700,000, representing an increase of 36%;

WHEREAS, the Council considered the rising cost of production and analyzed the Consumer Price Index as well as the Construction Materials Wholesale Price Index which showed an increase from September 2006 to April 2015 of 40.32% and 34.75%, respectively;

WHEREAS, the Council likewise determined the affordability level of the target market for Economic Housing based on the average income of families from the fourth to the eighth deciles using the 2012 Family, Income and Expenditure Survey data from the Philippine Statistics Authority;

WHEREAS, having considered the foregoing, the proposed increase is found to be reasonable based on the evaluation of the present cost of production and is also within the affordability levels of the target market;

THEREFORE, BE IT RESOLVED, AS IT IS HEREBY RESOLVED, that the Economic Housing Loan Ceiling be adjusted from Php1,250,000 to Php1,700,000 subject to existing financing guidelines of the Key Shelter Agencies (KSAs) and other financial institutions involved in housing.

BE IT RESOLVED, FURTHER, that NEDA and the Housing and Land Use Regulatory Board (HLURB), pursuant to the foregoing adjustment of the Economic Housing Loan Ceiling, hereby set the price ceiling of Php1,700,000.00 for economic housing, under Batas Pambansa 220.

RESOLVED, FINALLY, THAT the KSAs shall monitor the availments/selling price of housing units developed as Economic Housing and submit the same to the HUDCC and NEDA.

APPROVED this 8th day of June 2015, at Pasay City, Philippines.