



The Community Mortgage Program: the Gulod Experience

A case study of a community mortgage project of the Foundation for the Development of the Urban Poor (FDUP) in Gulod, Novaliches, Quezon City, Philippines



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Introduction

Housing and land tenure security are among the primary concerns of urban poor families. (Cacnio, 2001:1) The urban poor, in particular, are confronted with these problems due to the high price of land. This problem is further reinforced by rural migration to the urban areas. Rural folks are continually being displaced due to land conversion, making them seek alternative occupations in the urban areas. (Cacnio, 2001:1) Unfortunately, jobs are also difficult to find in the cities, causing population implosion in the urban areas, hence the increase of homeless urban poor families.

The National Government responded to the need for housing among the urban poor by developing the Urban Development Housing Act of 1992, and the Comprehensive and Integrated Shelter Financing Act of 1994. These two policies mandated the Philippine governance structures to assist the urban poor in building a home of their own. Thus, the Philippines Government, in partnership with Non-Government Organizations (NGOs) and People's Organizations (PO), has developed various land acquisition schemes to respond to the housing problem among the urban poor. In particular, The National Home Mortgage Finance Corporation (NHMFC) launched the 'land acquisition scheme' termed as the community mortgage program or the CMP in 1988.

CMP is an approach to community housing 'designed as a low-income home financing that allows an undivided tract of land to be acquired by several beneficiaries through community mortgage'. (Cacnio, 2001:4) CMP is a much popular approach among other land-acquisition schemes, since it responds to the most 'pressing problem of legal land tenure'. (Katigbak, ND:2) CMP also directly involves the community members in the process of land acquisition. CMP is not dole-out, as it requires community members to pay for the land that they shall have. More importantly, CMP allows for the urban poor to own the land from where their sources of income, schooling, family, and friends are nearby.

CMP involves community organizing. The NHMFC requires the urban poor to form community housing associations (CHA) first before availing of loans originated by any qualified entity such as LGUs, national agencies, NGOs, and banking associations. (Rebullida, 1998:6) Thus, CMP may be evaluated by



looking at its organizing work and assessing how ‘community organizing’ has helped the community members to respond to their need.

This paper is a case study of a community mortgage program implemented at Gulod, Novaliches, Quezon City, as originated by the Foundation for the Development of the Urban Poor (FDUP), an NGO.

Significance of the Study

We social development workers claim that ‘we help others to help themselves’. We claim that we help the marginalized sector through principles of community participation, capacity-building, and empowerment. Studying the community mortgage program in Gulod is one case to study for us to check just how ‘helpful’ social development workers are at the level of the community. Studying the CMP at Gulod will shed light, not only on what we have done, but also on what we can do more, and on how we can improve our practice in helping communities. The case study may also be helpful for those social development workers who wish to implement a similar program among communities.

Problem Statement

The study asks the following questions:

1. What is the community mortgage program?
2. How was the CMP practiced in Gulod?
3. Using the perspective of community organizing, including its adherence to laws and community participation, how well did CMP perform at Gulod?
4. How is CMP in Gulod related to community-based social work practice?

Objectives of the study

The study aims to:



1. Describe the community mortgage program and its practice in Gulod, including its origins and the process of implementing it.
2. Evaluate the community mortgage program from the perspective of community organizing, including its adherence to community organizing principles, values, and methodologies.
3. Relate the community mortgage program to social development work, particularly to the community-based social work practice.

Variable Specification

The independent variable is the Community Mortgage Program implemented at the community. The activities and tasks performed by the originators (training, land assessment, networking), the CHAs (lobbying at the Funding agency, participation in training, payment of mortgages), and the funding agency (release of funds, processing of documents) are included as part of the independent variable.

The dependent variable is the benefits gained by the community members. That is, the reduction of the housing gap at Gulod.

Approach and Methodology

This paper is divided into five parts. The first part provides a situationer of the Philippine societies, particularly the need for housing among the urban poor.

The second part explains the community mortgage program. The processes, history, legal basis, and the responsible agencies on CMP are discussed. The conceptual framework of the study is also provided.

The third part of the study delves into the CMP work at Gulod. Community interviews, focus group discussions, and organizer interviews are used as methods for data collection. Review of available documents was also practiced.

The fourth part evaluates the CMP implemented at Gulod. Its sustainability, responsiveness to community needs, and adherence to its vision and principles shall be assessed.



The fifth and final part relates the CMP in Gulod to community-based social work practice. The implications of CMP to social work shall be discussed.

The students are planning on interviewing 10 to 15 members of the Community Housing Association at Gulod. Key informant interview will be practiced. Secondary data analysis will also be practiced. Minutes of the meeting, training proceedings, and other related documents will be reviewed. FDUP organizers will also be interviewed. FDUP organizers may be able to provide information on the role of FDUP during the CMP implementation, such as technicalities and legalities involved. They shall also be part of the FGD, together with CHA members. The FGD will be conducted after the survey results have been analyzed. FGD will be for data validation.

Scope and Limitations

There are only 10 to 15 members to interview because: (1) the students are limited by time, (2) not all members will be available for interview by the students, and (3) the CHA members are only limited in number. Some of the documents of the CHA were burned due to an accident; thus, only the more recent documents may be cited. The availability of the organizers and schedule conflicts serve as limitations to the conduction of the FGD.

Data analysis

Data collected from the interviews shall be analyzed through triangulation method. Similarities and differences among the answers of the key informants interviewed shall be reviewed. Answers to the questions posed by the students, such as questions on training, shall be evidenced by the secondary data available, such as training proceedings and minutes of the meetings. The FGD shall be conducted to enrich the results from the key informant interviews and from the secondary data analysis.



Poverty of Access to Housing Among the Urban Poor



Figure 1. Sons and daughters of the member-beneficiaries of the CMP at the Manuel Gatmaitan Estate in Gulod.

The urban poor today are being called in different names, being used interchangeably. Rebullida, Endriga, Santos (1999) provides the following distinctions of the urban poor: Squatters is a legal term referring to those who occupy land without the consent of the owner. Slum dwellers

emphasize the blighted physical conditions of urban poor communities

while make shift dweller refers to those staying in dwelling units that are made of scrap materials and are usually in a state of disrepair.

Anna Tibaijuka, in the Philippine Urban Forum, stated that the Philippines has one of the highest population growth rates in the world at an average of 2.36% observed in the last eight years. Of the total population of 76 million, 40 million (52%) live in urban areas (52%). By 2010, urban population is projected to increase to 56 million (60%). In addition, the National Shelter Program estimates the backlog of housing need in urban areas at 2.5 million in 2004, of which 44% of the need will be in the NCR. Other data that include slum housing in the backlog, estimates the need at 4.5 million. In Metro Manila, more than 50% of its 11 million population live in slums or depressed areas. These facts point to one conclusion: that there are many urban poor families and that there is a need for urban housing.

Rural population continues to migrate to urban areas, primarily to search for better economic opportunities. (Tibaijuka, 2005) This is because there are more job opportunities in the urban areas



compared to the rural areas. Furthermore, the rural folks are driven to migrate to the urban areas, as they themselves are being evicted from the rural lands due to land conversion.

Yet the need for housing remains pervasive. The Eilerinc Organization, citing the Medium Term Philippine Development Plan-Housing, stated that for the years 2005-2010, around 3.75 million families in the whole country need housing. Though the poor may express their interest in buying their own house, they experience discrimination among loaning institutions, as they are viewed as unable to pay for amortizations.

The government has responded to the housing problem by developing various land acquisition schemes. Cacnio (2001) states that the government 'recognizes the fact that having a decent shelter contributes to a healthier and more educated population.... housing has an implication on the poor's access to basic services, as well as on their ability to invest on human capital.' Among the land acquisition schemes that the government has developed are: the Community Mortgage Program (CMP), the Group Land



Figure 3. Map of Quezon City.



Figure 2. Map of the Philippines.

Acquisition and Development (GLAD), the Community Land Acquisition Support Program (CLASP), and the Land Tenure Acquisition



Program (LTAP). These programs are implemented in partnership with Non-Government Organizations.

The case study focuses on the community of Gulod in Novaliches, Quezon City. Barangay Gulod is located within jurisdiction II, Novaliches, Quezon City. The barangay has an estimated number population of 89,600 and 22, 565 registered voters as of April 2007. It has a total land area of 98.6073 hectares, and is divided into seven areas. Barangay Gulod is a developing community, while 75% of its population is within the poverty line.

The seven (7) areas of Barangay Gulod are as follows:

- | | |
|--|--|
| AREA I- Quirino Highway, Sta. Barbara Street, Forest Hills Subdivision, Tagumpay Street, T. Gonzales Street, and London Drive Area | AREA IV- Villaflor Village, Bayabasan Street, and San Nicasio Street |
| AREA II- Nitang Avenue Area | AREA V- Senading Street and Int. Masaya |
| AREA III- Villareal Street Area | AREA VI- R.P. Area |
| | AREA VII- JOA Area |

There are 11 identified depressed areas at the Barangay, and they are:

- | | |
|------------------------|-----------------------|
| 1. JOA Area | 7. Villareal Street |
| 2. Nitang Street Area | 8. Genoveva Street |
| 3. Don Crispulo Street | 9. Sta. Maxima Street |
| 4. San Nicasio Street | 10. San Martin Street |
| 5. Bayabasan Street | 11. Margarita Street |
| 6. Sta. Barbara Street | |

The population included in the study resides in Area IV, at Villaflor Village, particularly at San Martin Street Area. As was mentioned, the San Martin Area is a depressed area, wherein, as of August 25, 2003,



in a study conducted by the Urban Poor Affairs Office, an approximated number of 97 families reside. However, this paper focuses only on the Manuel Gatmaitan Estate, from where a total of 30 families reside. Each family's head availed of the CMP, and they are namely:

Table 1. List of members of the MGE Association.

Ruben J.	Angelito M.	Yolanda H.
Carmelita V.	Crispin S.	Luzviminda B.
Rosemarie J.	Camilo N.	Ronnie E.
Theresa A.	Josefina V.	Daniel E.
Arsenia B.	Jose Esmeraldo V.	Oscarito P.
Pablo B.	Rizza Q.	Rodolfo V.
Luis G.	Alejo B.	Andres S.
Josefina V.	Ermanita B.	Maribeth N.
Dominador V.	Editha H.	Mervin J.
Florencio S.	Elsa M.	Carmelita R.

All these family heads identified did not originally own the land that they lived in. They were all affected when the landowner named Manuel Gatmaitan claimed the land, and was about to sell the land to land developers. Hence, the identified family heads were able to form MGE and seek the help of FDUP as their originator in their application for CMP. Attached is a spot mapping of the San Martin Area.



Conceptual Framework

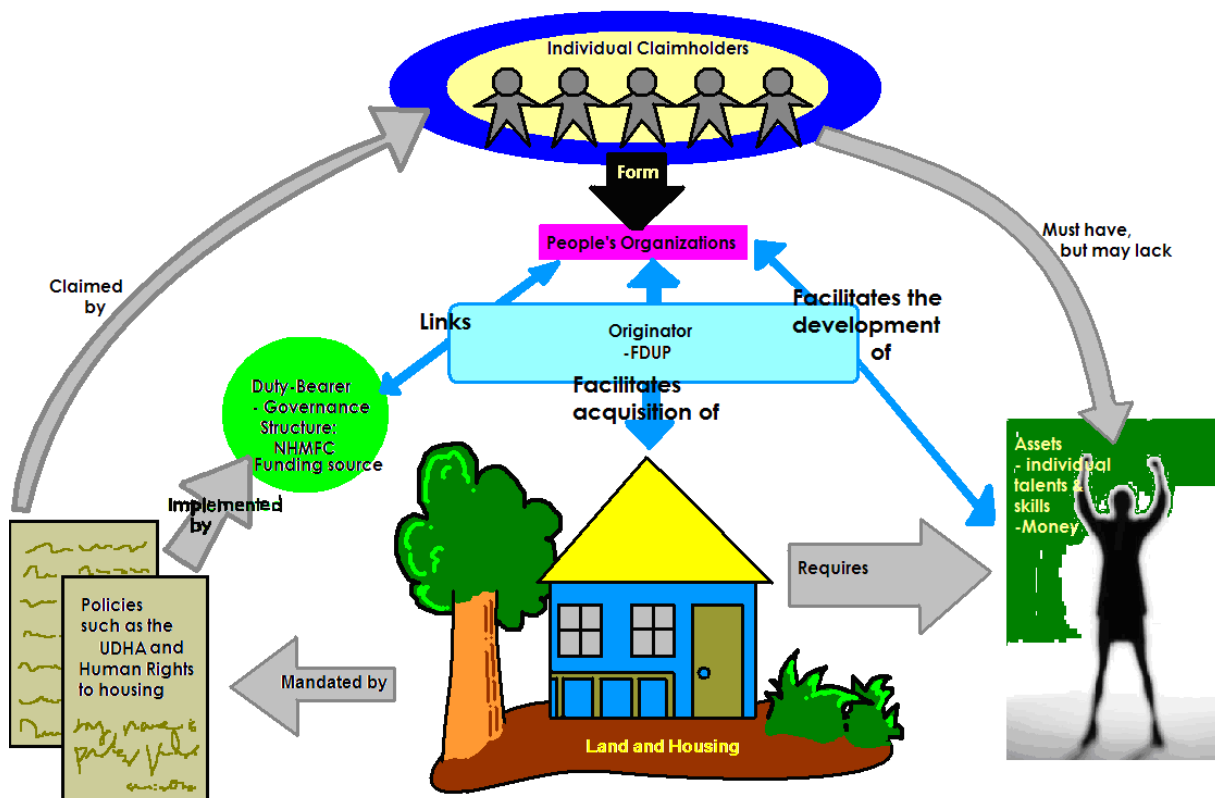


Figure 3. Conceptual framework for the paper.

The study views land and housing as a human right. Philippine policies on urban housing exist to support our view. As a right, the state has the responsibility to implement the policies for urban housing and land tenure. We claim that the National Home Mortgage Finance Corporation is one governance structure responsible to uphold the said right. This right to housing and land tenure is claimed by individuals, who are to form people's organizations or community associations to facilitate their claim to the mentioned right. Thus, we are coming from the rights-based approach to poverty-reduction.



However, we recognize that rights are insufficient for individuals to own land. We recognize that a claim to housing and land ownership must come with skills and obligations. This is because land ownership is limited by financial constraints, as the government cannot provide for every housing need without exhausting the already limited resources. The maintenance of land and housing requires assets from community members, such as money, employment, and financial management skills. Urban poor communities have sources of income, and are thus capable of paying small loans to pay for their land. Also, their organizations into community associations help regulate the collection of payments and build on community relations to acquire land. Thus, we are also coming from the perspective of asset-based community development.

Finally, we are introducing the originator as a mediator between community associations and funding agencies. Originators are also community organizers, since they engage in capacity-building among community members through training. Originators also serve as a link between community members and the funding agency. Also, originators provide the necessary technical assistance in the acquisition and division of land.



The Community Mortgage Program



Figure 4. A concrete street road in MGE.

According to Aberia (2001), the community mortgage program was launched by the National Home Mortgage and Finance Corporation (NHMFC) in August 1988. CMP is a financing scheme enabling the residents of blighted areas to own the lots they presently occupy or will relocate to. CMP seeks to reduce development costs by providing mechanisms for greater affordability for lower-income borrowers, such as the urban poor. Cacnio (2001) stated that the CMP was ‘designed as a low-income home financing that allows an undivided tract of land to be acquired

by several beneficiaries through community mortgage’. Given such definition, the willingness of legal landowners to sell their land to the urban poor is a crucial factor for the success of CMP.

There are two kinds of project under CMP: off-site and on-site. (Cacnio, 2001:4) ‘Off-site projects’ refer to relocation schemes, in which the land that the urban poor are to be relocated to is to be bought by the community members. ‘On-site projects’ refer to the buying of lands that the urban poor presently occupy.

CMP involves three main actors: the Community Housing Association or the CHA, the funding agency, and the originator. The CHA is composed of the community members who are to be the land-owners after a successful CMP work. They are the urban poor who have a need for housing and legal land tenure. The formation of community associations is a requirement of the NHMFC before community members can avail of loans. The funding agency provides loaning services that CHAs may avail of. These loans are to



be used for CMP work. The originator may be a local government unit, a banking association, or an NGO which acts as a mediator between the CMP funding agency and the CHAs. Funding agencies for CMP include: the Social Security System, Pag-Ibig, World Bank, and National Government appropriations (Aberia, 1997:22) such as those specified by the Comprehensive and Integrated Shelter Financing Act of 1994. The main task of originators is ‘to provide the community association with the necessary technical and legal assistance as it goes through the stages of the CMP processes’. (Cacnio, 2001:5) Originators may be government units such as the National Housing Authority (NHA), the Home Insurance Guarantee Corporation (HIGC), NGOs, or local government units. (Cacnio, 2001:5) Aberia (1997) points out that originators get a fee of 500php per household.

The Community Mortgage Program

Historical Background of Community Mortgage Program

The historical development of CMP as a strategy to answer the problem of housing and land tenure could be traced in the division provided (Rebullida, L.G., Endriga, D.A., Santos, G.M.1999: 36-38).

Prewar years to 1972

The prevailing problem during this is how to get rid of the increasing number of illegal squatting. To solve the problem, government cleared the slum areas, evicted the squatters from their homes, and relocated them to resettlement areas that are far from their source of income and lacks basic facilities, such as no source of water for the residents transferred to their relocation sites. These government responses to the need for housing for the poor failed, mainly because the efforts were said to be “piecemeal and uncoordinated” (Rebullida, L.G., Endriga, D.A., Santos, G.M.1999: 36). This approach was not successful since it focuses on “displacing” the residents; they are relocated to areas in which basic facilities such as electricity and water are not available, thus the residents abandon their resettlement sites and go back to illegal squatting. This approach did not solve the housing problem of the urban poor.



Marcos Years (1972-1986)

Policies and projects directing the housing problems were formulated. The National Shelter Program of 1978 initiated financing schemes for low-income groups and encouraged private financial institutions to provide housing loans (Rebullida, L.G., Endriga, D.A., Santos, G.M.1999: 36). On site development was given focus wherein slum upgrading or zonal improvements were made, decreasing household displacement and transfer of residents to hard to reach areas.

The government focused on economic housing which is based on demand which assumes income levels capable of repaying housing loans at market interest rates. Housing loans under economic housing reached only families with the capacity to pay and not those who are in poverty or citizens under the bracket of the poorest of the poor. Creation of agencies such as the National Housing Authority (1975) and Ministry of Human Settlements (1975) focused on issues regarding housing as well as formulation of policies and program implementation. Important lesson learned in the approach used under the Marcos era is the possibility of families to avail of housing loans that is suitable to their capacity to pay, slum areas could be improved without displacing/ evicting urban poor settlers.

Aquino (1986-1992) and Ramos Years (1992-1998)

Government recognized the role of NGO-PO in addressing housing problems. New approaches were utilized; the government took the view that shelter solutions must be affordable to the lowest income groups. The role of the government, under the National Shelter Program shifted from that of provider to enabler and facilitator. The Aquino government issued Executive Order 90, which identified the key actors involved in the implementation of the National Shelter Program, these agencies are: The Housing and Urban Development Coordinating Council (HUDCC) – serves as the policy-making body and provide overall direction regarding shelter (Rebullida, L.G., Endriga, D.A., Santos, G.M.1999: 38).

The National Shelter Program aimed to grant affordable housing units, it sought greater participation of private sectors regarding housing finance. One of the major components of the National



Shelter Program is the Community Mortgage Program (CMP) which assists slum dwellers/ illegal occupants in acquiring tenurial security (Rebullida, L.G., Endriga, D.A., Santos, G.M.1999: 38). The CMP was started in 1988 with the objective of providing assistance to both the landowner and the illegal settlers (Cacnio, F.C.Q. 2001:1).

Socialized housing through CMP recognizes that in order to address housing problems, land security must first be worked out and given importance so that problems regarding illegal occupants would be lessened. The government, NGO's and PO's work hand in hand in order to address their housing problems, residents are not merely recipients, they organize and actively participate in the process of working out land acquisition and zonal improvement aided by the NGO's and LGU's.

Loan Terms of CMP

Cacnio (2001) discusses the loan terms of CMP. Loans are not only for land acquisition, but also for home improvement and construction. The loanable amounts are:

- P30,000 per undeveloped lot at 6 percent interest
- P45,000 per developed lot at 6 percent interest and
- P80, 000 per house and lot at 6 percent interest.

Loans are payable monthly with a maximum term of 25 years.

Loans may be released for land acquisition, site development, or for housing improvements and construction. However, most urban poor families avail of loans mostly for land acquisition.

The Foundation for the Development of the Urban Poor provided the following loan terms as specified by the National Home Mortgage Finance Corporation.



Table 2. Loan terms of the CMP.

Loanable Amount	On-site highly urbanized	On-site not highly urbanized	Off-site highly urbanized	Off-site not highly urbanized
Land acquisition	80, 000 Php	60, 000 Php	80, 000 Php	45, 000 Php
Site development			15, 000 Php	15, 000 Php
House materials	40, 000 Php	40, 000 Php	40, 000 Php	40, 000 Php

The Community Mortgage Program

CMP Process



Figure 5. Houses in MGE.

Cacnio (2001) further provides the following processes of the CMP.

- a. Tenants/beneficiaries organize into a community association, cooperative or condominium corporation which entity shall borrow and own initially the mortgage of the land.
- b. CA registers with the appropriate government agencies such as the Home Insurance and Guaranty Corporation (HIGC), or the Cooperative Development Authority (CDA), National Housing Authority and as such accredited by the Presidential Commission for the Urban Poor (PCUP).
- c. Landowner and CA negotiate for the purchase of the site; project originator often facilitates the transaction between the two parties.
- d. Originator applies to the NHMFC for the processing of a Purchase Commitment Line (PCL) once agreement is reached between landowner and CA



- e. NHMFC processes and issues the Letter of Guaranty (LOG) to the landowner for payment of the land. With the LOG, the landowner executes a Deed of Absolute Sale of the land to the CA and transfers the title in their name.
- f. NHMFC releases payment of land to landowner.
- g. CA can further avail of site development loans if desired.
- h. CA begins collection of monthly amortizations and association fees; enforcement of sanctions and substitution in case of defaulting members.
- i. Depending on the community's collection efficiency rate, CA can apply for the individualization of the land title within one year from the date of land acquisition.
- j. Community loan is individualized with the transfer of ownership of plots to the individual beneficiaries through a Deed of Sale.

The Community Mortgage Program

The Community Mortgage Program and its Legal Basis

The Philippine Constitution

The Philippine Constitution of 1987 upholds the right of the urban poor for housing. Article 8, section 9 of the constitution states:

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 under-privileged and homeless citizens in urban centers and resettlement areas. It shall also promote adequate employment opportunities to such citizens. In the implementation of such program the State shall respect the rights of small property owners.



Thus, the Philippine Constitution is related to the Community Mortgage Program. It provides the legal basis of the CMP work.

Republic Act 7279: Urban Development Housing Act of 1992 (UDHA)

The Urban Development and Housing Act also known as Republic Act (RA) 7279 declared that urban housing and development is a state policy that shall be accomplished in partnership with the help of the private sector, local government and the urban poor who also serves as beneficiaries of the said RA. Socialized housing and on-site development is the strategy that is advocated by the law in addressing “squatting issues”. Resettlement issues is also recognized as a strategy to address the specified issue but availability of basic services and facilities, accessibility and proximity to job sites and other economic activities should be considered in resettlement site selection.

Significant provisions of UDHA include the following: uplift the conditions of the underprivileged and the homeless citizens in the urban areas and resettlement areas by making available to them decent housing at affordable cost, provide for the rational use and development of urban land for: equitable utilization of residential lands with particular attention to the needs and requirements of the underprivileged and the homeless and not on the basis of market forces. The law even requires subdivision developers to use at least twenty percent of their land for socialized housing (Rebullida, L.G., Endriga, D.A., Santos, G.M.1999: 8).

The law emphasizes on the participation of Local Government Units, Non Government Organizations as well as the urban poor who would be the beneficiaries of the socialized housing espoused by UDHA. NGO’s are critical stakeholders in the processes of organizing and empowering the people’s organizations formed by the urban poor (Rebullida, L.G., Endriga, D.A., Santos, G.M.1999: 9). UDHA remains as one of the important legal basis regarding CMP and other socialized housing.

Republic Act 7835: The Comprehensive and Integrated Shelter Financing Act (CISFA) of 1994



The CISFA was mainly as a budgetary allocation mandate. It provides for an increase in the budgetary allocation for the NHMFC. Accordingly, from an original budget allocation amounting to Php 500, 000, the budget allocation was raised to Php 5,500,000,000. This was in direct connection to the Government's movement of ensuring urban settlement and development. This mandate is also in accordance to the Government's National Shelter Program.

Executive Order number 272

The EO 272 mandates the creation of the Social Housing Finance Corporation or SHFC, a body under the National Home Mortgage Finance Corporation (NHMFC). Under the SHFC, the CMP receives regular budgetary allocations from the SHFC. The Abot Kaya Pabahay Fund is also transferred to the SHFC. The main reason as to why the SHFC was created was to make sure that the budget for CMP is used for CMP, as the previous system often led to budgetary misallocation, that is, the budget for CMP is used for something else, such as the NHMFC's administrative costs, and other land acquisition schemes such as the United Home Lending Program. The SHFC was created also in recognition of CMP's catering to the lower-income strata who avail of social housing services.

The Community Mortgage Program

CMP Status

The Community Mortgage Program (CMP) is seen as the ideal solution to the housing problem of the urban poor. There are two ways in which CMP is practiced in the Philippines, Local Government Units (LGUs) and Non Government Organizations (NGOs) acting out as originators that serves as mediators between the urban poor and landowners, negotiating in order to gain eventual ownership of the land. The difference on how these two originators practice CMP is as follows.

LGUs as Originators

The LGUs purchases the land directly from the landowner and transfers to the urban poor Community Housing Association (CHA), who will manage the payments of amortization by the occupant-beneficiary,



until full payment of the loan and the land is utilized, signifying the transfer of individual title to the occupant-beneficiary. (Rebullida, L.G., 1998:7). The major task of the LGU as an originator focuses on the acquisition of land; negotiate with the land owner for a price that is affordable for the urban poor. The major activities of the LGU include the following: (Rebullida, L.G., 1998:11).

1. Personally meet the urban poor community and discuss the housing needs.
2. Personally convince the landowner to sell land to the urban poor community.
3. Personally negotiate for the selling price affordable to the urban poor.
4. Personally close the transaction with the landowner in favor of the urban poor community.

Alternative financing schemes developed by LGUs are as follows: (Rebullida, L.G., 1998:13).

1. Direct Purchase for CMP- the city government is the one that pays for the land, the beneficiaries remitted payments through their CHA officers.
2. Land Sharing Scheme – the local government and private owner agree to divide the private property into portions to be retained by the private owner and the portion to be bought by the LGU in behalf of the urban poor.
3. Land Swapping Scheme – the property occupied by the urban poor is retained and another property is given to the private owner in exchange.

NGOs as Originators

As originators, NGO focuses not only on the acquisition of land; they also assist the community in finding innovative ways so that they can pay for the land they have acquired, they serve as consultants of the urban poor organizations, assisting them in fulfilling all the requirements that they need to accomplish as applicants of CMP. They also assist the urban poor organizations in on-site development/ zonal improvement of their acquired land. The point of entry of NGOs is through community organizing in order to address the need of the community which is land tenure and housing.



NGO's have forged partnership and collaboration with community- based urban poor organizations in order to address the problems on urban poor housing. NGOs key roles are: (Rebullida, L.G., Endriga, D.A., Santos, G.M.1999: 55).

1. Community Empowerment
2. Resource generation
3. Advocacy
4. Networking and linkaging
5. Service Delivery

NGOs are also able to tap varied sources of funds coming from the local and international agencies, business- corporate donors, private individuals, internal funds derived from its services and fund raising activities, community savings and government resources. NGOs are able to practice mix financing, combining grants they receive from their various funders (Rebullida, L.G., Endriga, D.A., Santos, G.M.1999: 55).

LGU's depends on the budget that is allocated by the national government that is why they are limited in facilitating land acquisition, once individualization of titles is achieved and the land is already paid, the role of the local government ends. As opposed to NGOs, wherein they assist the urban poor organizations up to their on-site development since they are able to tap other source of funds. In order fully address the housing problem the NGOs and LGUs work together so that CMP could reach the identified poorest of the poor.

Teodoro Katigbak, Chairperson of the Urban Poor Associates and the Foundation for the Development of the Urban Poor, provides the following reasons as to why CMP has responded well in helping the urban poor with their need for housing:

- a. CMP addresses only the most pressing problem- legal land tenure.



- b. CMP is undertaken directly by the beneficiaries.
- c. Both landowners and informal settlers benefit, as the landowner gets paid, and the informal settlers legally own their land.
- d. CMP has the best cost-benefit ratio of any government social program, as CMP has the highest Collection Efficiency Rate or CER (i.e. collection of mortgage payments) among other land acquisition schemes. According to Eilerinc Organization, ts CER is placed at 75.6% from 1993 to 2003.
- e. CMP beneficiaries are not uprooted away from their places of employment, schooling, family, and friends.

Despite these strengths, the CMP has been criticized for various reasons. Foremost is the issue of putting the responsibility of housing on the poor. Eilerinc Organization states that the CMP is only a method of the government to escape its responsibilities. It has also pointed out that CMP is also a mechanism of the Government to derive income from housing. Furthermore, the CMP's slow processing of documents, such as the Purchase Line Commitment and Letter of Guarantee, was criticized.

The Agency on Focus: The Foundation for the Development of the Urban Poor

The Foundation for the Development of the Urban Poor: FDUP as an NGO originator (Rebullida, L.G., Endriga, D.A., Santos, G.M.1999: 57-59).

Concept of Housing Need. Housing need of the urban poor population includes land tenure and affordable, competitive materials for decent housing, and better communities through self-reliance and empowerment.

Housing Program Strategies. Selects community based on criteria; identifies and develops manageable low-cost housing projects; links with LGUs, NGOs and other private groups; provides housing technology.



HISTORICAL DEVELOPMENT

The Foundation for the Development of the Urban Poor started in 1988, at the end of the Marcos Administration. The pioneers of FDUP were Bimbo Fernandez and Teodoro Katigbak, who were then working under the Presidential Council for the Urban Poor, and were the first main actors of the community mortgage program after its conceptualization. It literally started as an underground organization, as FDUP began among Church basements. Then, FDUP got a boost after gaining the support of two funding organizations: the Selafit and the Misereol. Both funding organizations were influenced by religious and Church movements. With the added support, FDUP was concretized, under the direction of its first executive director named Manny Sarez, a priest. At present, the FDUP are one of the more active non-government organizations that approach the poor for CMP assistance through (1) education and capacity-building, and (2) legal and technical (engineering and land assessment) assistance. Foundation for the Development of the Urban Poor (FDUP) has the following vision, mission and core values:

THE FDUP VISION

We, the FDUP community, are committed to building self-propelling, self-actualizing urban poor communities that are secure in their land and homes. A significant number of our urban poor families have become dignified homeowners living in well-planned and environmentally designed communities with adequate basic services. We are organizing urban poor communities with sustainable savings program and livelihood projects.

We accept the challenge to be highly competent and committed advocates for housing as a human right. We recognize the importance of partnering with local and international organizations as well as critically collaborating with the government.



THE FDUP MISSION

We are dedicated to the cause of providing shelter security to the urban poor. We make available to the urban poor affordable and decent housing, facilitate access to government loans and private sector resources, assist them in training and offer technical support.

We commit ourselves to empowering them as a community, organizing them, mobilizing them around housing needs and issues and assisting them in savings mobilization.

In support of their cause, we promote alternative building technology, extend housing loans and undertake research, sustain advocacy and engage in networking.

To realize this mission, we will continuously develop human resources and ensure institutional sustainability.

FDUP CORE VALUES

1. Integrity. We commit our total personhood to the task of building homes and people.
2. Solidarity. We work as partners and energize one another as one team.
3. Truth. We deal with one another in the spirit of honesty, openness and mutual respect
4. Justice. We give every person his/her rightful due.
5. Stewardship. Everything we hold in trust: to cherish and to care for. We are accountable.
6. Faith. We work with GOD at all times.



THE FDUP ORGANIZATIONAL STRUCTURE

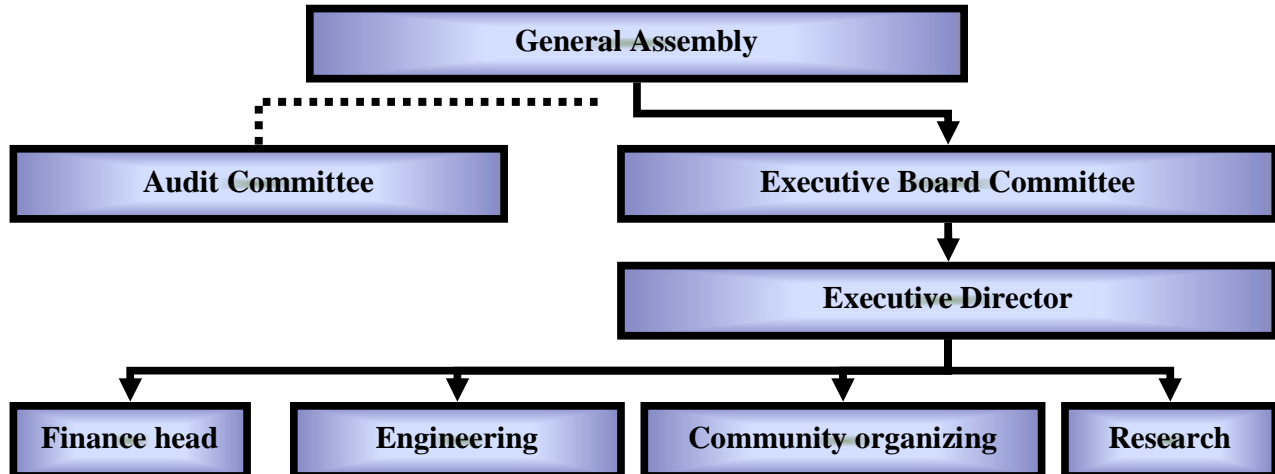


Figure 6. Organizational structure of FDUP.

Presented above, is the organizational structure of FDUP wherein the highest decision making body in the organization is the general assembly, which is composed of the Executive Board Committee and the audit committee. The sub-committees that reports to the executive director are the heads of the following departments: finance, engineering, community organizing and research. This is the structure that forms the Foundation for the Development of the Urban Poor (FDUP).



The Community Mortgage Program: The Gulod Experience

Provided below is an overview of the whole process of the Community Mortgage Program in relation to the stages of Community Organizing and in relation to the paper's framework.

Table 3. Overview of the CMP in Gulod at the Manuel Gatmaitan Estate.

CMP Stages	CO Process	Relation to Framework presented
Pre-PCL - orientation to the Community mortgage program and other land acquisition schemes	Social preparation stage - activities - Seminars on capability building, savings scheme and site development plan. - introduce CMP and other land acquisition schemes to the community.	RBA Introduce policies, legal rights, claimholders to be tapped ABCD - The community home owners association formed by the community members. (MGE)
PCL	Social Preparation Stage - The necessary documents needed by the organization in order for their CMP application to be approved. - The community members are the ones who attend to the completion of the said documents, usually visit different government offices.	ABCD - The organization officers and other members are the ones who work out in the completion of the documents needed in their application. - They demonstrate what they have learned in the training provided to them by transacting in the different government offices. RBA - The members/officers of the organization exercise their rights by transacting to the different government offices regarding their CMP application.
LOG stage - NHMFC issues a letter to the legal landowner, guaranteeing him that his land will be paid by the MGE association - MGE association member-officers negotiate with both the legal landowner and the NHMFC	Core group and leadership development - MGE association leaders demonstrate what they have learned from the trainings conducted by the FDUP - Trainings on communication skills, conflict management, and savings mobilization are conducted	ABCD - Leaders of the association demonstrate their abilities to dialogue with the landowner and the NHMFC - MGE association are trained towards self-dependence by letting them drive their own development after harnessing their potentials RBA - MGE Association members assert their rights to land acquisition through the UDHA (policy) to the NHMFC, the duty bearer
Take-out stage - NHMFC releases the funds	Sustainability-building and phase-out stage	ABCD - Developed capacity and assets of the



<p>to pay for the fees owed by the MGE association to the landowner</p> <ul style="list-style-type: none"> - High CER (Collection Efficiency Rate) required before proceeding to the next stage 	<ul style="list-style-type: none"> - networking with the LGU (Local Government Unit) was practiced - savings scheme was strictly implemented - FDUP announced that they shall work in a less directive manner among the MGE members 	<p>MGE association members and individual officers were recognized by the FDUP, leading to their less directive work with the association</p> <ul style="list-style-type: none"> - MGE presidents were very pronounced in their implementation of collection rules agreed upon by every member of the MGE association, their capability to think of mechanisms to raise funds, and their ability to dialogue with the LGU for networking purposes <p>RBA</p> <ul style="list-style-type: none"> - MGE association's claim to the LGU for assistance
<p>Individualization stage</p> <ul style="list-style-type: none"> - MGE association's individual members earned their individual land titles - Continuation of payments of amortizations 	<p>Sustainability-building and phase-out stage</p> <ul style="list-style-type: none"> - MGE association leaders pursue the implementation of the CMP - FDUP serves as an adviser to the MGE leaders 	<p>ABCD</p> <ul style="list-style-type: none"> - Assets of each individual members are mobilized to pay for their own amortizations - Smooth interpersonal and coordinative relations among the MGE members are maintained despite issues about money - 5 members have already fully paid for their lands

Manuel Gatmaitan Estate Association



Figure 7. MGE officers and former presidents.

MGE is a home owners association in Gulod Novaliches, established in 1991. The following are the list of officers and members of the community Association.

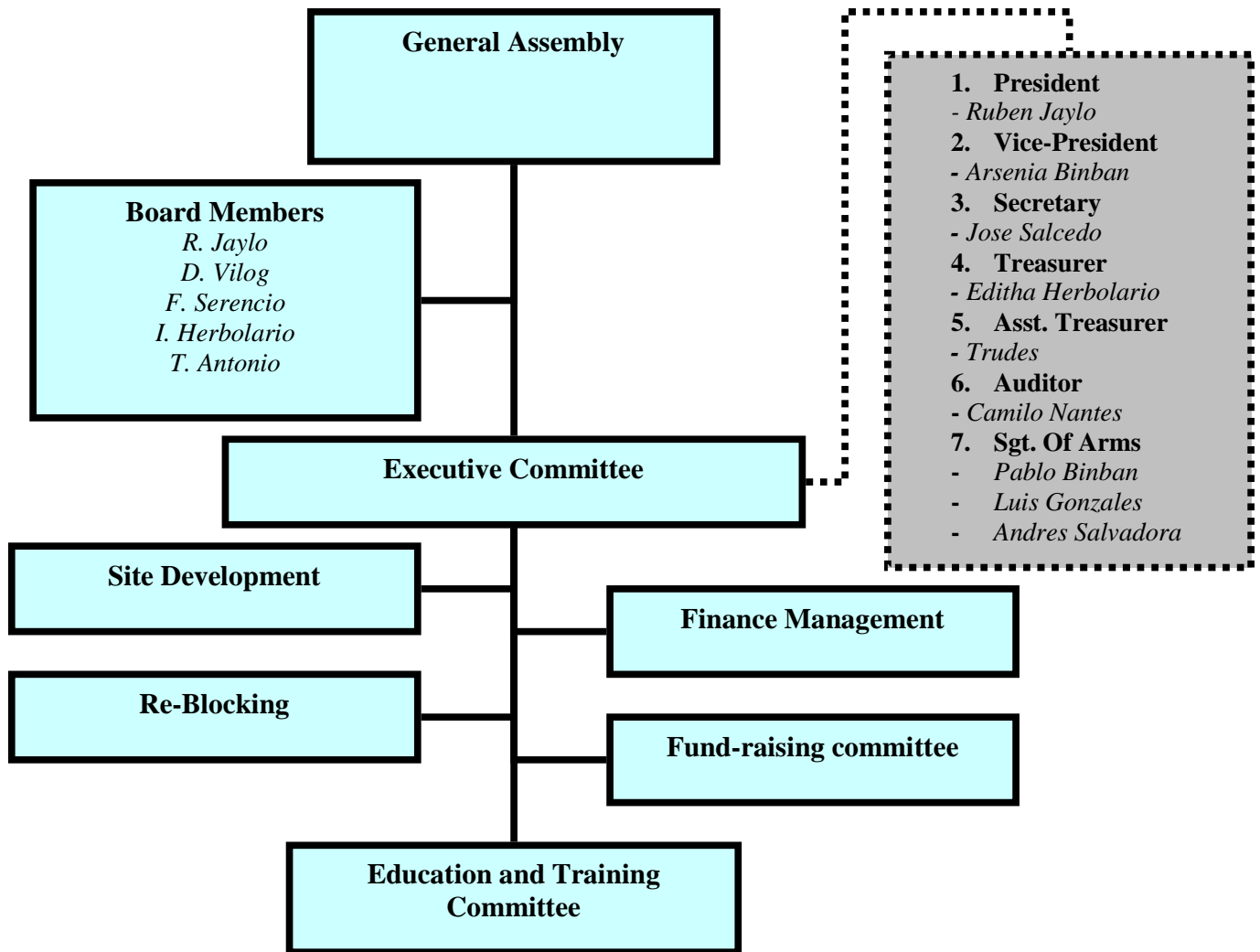


Figure 8. Organizational structure of the MGE association.



Pre-PCL Stage

The Pre-PCL or pre purchase commitment line involves the capability building, savings scheme and site development plan. The organizer/ originator involves the home owners association in trainings such leadership and capability building of the organization in order to strengthen them and prepare them in the long and tedious process in the application of CMP. This stage is characterized as the organizing stage or social preparation stage.

According to Ermanita Blanquisco, the Home Owner's Association in Gulod, Novaliches is already active during the 1970-1980's, their formed organization named Samahan ng mga Magkakapitbahay, responded to the immediate needs that the community members identified such as lack of potable water and their access to electricity, they were able to respond to these needs by tapping their local officials for provision of deep well as well as their access to electricity. This served as the prototype of the organization that emerged during the 1990's, called the Manuel Gatmaitan Estate Association. The home owner's association was formed around the issue of security of land tenure. The residents of Gulod would like to ensure that they would not be asked to leave the place where their house is built and where their livelihood is found. They heard of CMP through Ernesto Herbolario, the father of Ermanita who is a land dealer. Ruben Jaylo, the current president of MGE stated that their organization's goal or why they were formed is for them to own the land and would not be considered as squatters. They were able to seek the help of an Urban Poor President Ka Hernani "Nani" Panganiban who then referred them to the

Foundation for the Development of the Urban Poor (FDUP) to help them in their need for security of land tenure.

Manuel Gatmaitan Estate Association, the home



Figure 9. Ruben Jaylo's house.



owner's association in Gulod, Novaliches are the ones that approached FDUP. The process according to Jason Miranda, a community organizer in FDUP, once the organization approaches FDUP, their respective organizers would go to the area to conduct orientation regarding CMP as well as other land acquisition schemes. The officers of the organization would as well as the FDUP organizer would decide what land acquisition scheme is appropriate for the community, once they opted to continue their application in CMP, The housing Development Unit of FDUP will conduct site inspection, they will make sure that the area is not in a danger zone, check if they passed the required site development as well as the boundaries of the land owners as plotted in their lot plan, if there are problems it would be reported to the Registry of Deeds to take action in the problems. Simultaneously done is the conducting of census wherein information regarding the organization and officers are gathered. To prepare the organization in



Figure10. Madame Luz Herbolario as she walks the roads of the community.

the process of CMP, trainings are also provided by FDUP. There are two types of trainings, the Organizational Training aims to provide leadership and capability trainings and the Project Training which involves teaching the organization how to handle their finances, savings schemes for the organization, government agencies where they could avail loan documentations as well as teaching the organization skills on how to negotiate with different people especially to the land owner. The trainings provided are not only exclusively given to the officers of the organization but to the members

as well. Trainings regarding legal assistance are also identified by the members of the organization as one of the trainings provided to them by FDUP. Along with the different trainings provided by FDUP, the



registration of the community association to appropriate government agencies such as the Home Insurance and Guaranty Corporation or the Cooperative Development Authority, National Housing Authority, as required in the CMP process.

After providing the organization with knowledge and skills, the community members are now ready to answer their need which is to gain security of land tenure, thus negotiation between the organization and the land owner would begin. FDUP, the project originator serves as a facilitator for the said transaction. According to Theresa Antonio and Ermanita Blanquisco the land owner was very supportive to them; instead of selling the land to a developer he agreed to sell it to the people who already live in the area. Although she identified that negotiation with the land owner regarding the selling price is one of their difficulties in the CMP process. The former officers of MGE namely Maria Luz Herbolario, Theresa Antonio, Ermanita Blanquisco are the ones who negotiated with the land owner regarding the selling price of the land, until both parties are able to reach an agreement regarding the selling price of the land. The members are updated through the organization meetings, members who are available are also asked to join in the process of negotiation.

PCL Stage

The Purchase Commitment Line or PCL is one longest process in the CMP application. It involves preparing necessary documents needed for the approval of the CMP application. The documents that are needed by the organization to prepare are as follows (FDUP, 2008):

- Application Letter (CMG-AID-001)
- Project Basic Information Sheet (PBIS) (CMG-AID-002)
- Landowner Intent to Sell / Memorandum of Agreement
- HLURB Zoning Classification Certificate / DAR Conversion (If classification is other than residential)



- Road Right of Way Certification from Engineering Office if RROW is a public road / Grant of Road Right of Way if the RROW is a private property
- Memorandum of Agreement between Originator and Community Association
- Preliminary Approval & Locational Clearance (PALC) w/supporting documents:
 - a. Subdivision Plan
 - b. Lot Plan
 - c. Vicinity Map
 - d. Topographic Map
- Present Title(s) and Three (3) back titles
- Masterlist of Beneficiaries with Loan Apportionment



- HLURB Registration and Articles of Incorporation/Code of By-Laws with list of Members and Certification from LGU (for offsite project)
- CA's Board Res./Sec. Cert. to contain:
 - authorize signatory
 - to purchase property (description & owner/s)



- to obtain loan from CMP to finance the acquisition of property
- to mortgage the property as security for the loan to be obtained

Figure 11. An eskinita at MGE.

These are the documents that the organization needs to gather and completely in order for their application to move on to the next stage, if one of these documents could not be submitted, their application would not be honored, their application would only be put to waste. In the case of MGE, the PCL stage took place during the presidency of Maria Luz Herbolario, one of the reasons why Luz was the president of the organization from 1991-1996, so that the organization would not encounter any problems in terms of the signatures in the documents that they pass to the different government agencies. According to Oscarito Pasahol and Ermanita Blanquisco, one of the difficulties they encountered in the PCL stage is that it has no approved lot plan; the organization would have to go back to the process, hire an engineer and work on an approved lot plan and problems regarding the land title which is are required documents in the said stage, thus further lengthening the process of CMP application. The leaders of MGE are the ones who actively process these papers such as Ermanita Blanquisco and Theresa Antonio. This is supported by the interviewed members of MGE who are: Herminhilda Gonzales, Josephina Domingo and Nelda Serencio. These members claim that their contribution on this stage is compliance in organization meetings, paying of “butaw” so that the one who would process the papers would have source of funds that they would need for their transportation. Completion of the documents required for the PCL is one of the reasons why the CMP application process is lengthened.

The role of FDUP in this stage is that of consultant as well as linking the organization to other NGOs and government offices where they need to approach to gain access to the different documents that they need. The members of the organization are the ones that actively work in this stage since they are the ones who work for the completion of the different documents needed for the approval of CMP in their community.



LOG Stage

During the letter of guarantee (LOG) stage, the National Home Mortgage Finance Corporation sent an LOG to the legal landowner. This LOG, from the name itself, guarantees to the landowner that his/her land will be paid



Figure 12. A street road at the community.

according to the negotiated price of his/her land. The landowner also issues a deed of absolute sale to the community association, formally declaring the community association as the owner of the land. LOG takes place from one to two months. This stage is also similar to community organizing's stage of leadership development, as the MGE association members, especially the officers, had to showcase their abilities to drive the implementation of the CMP and the development of their community after the trainings that they underwent during the pre-PCL stage. Thus, this is a stage in which the abilities of the MGE association officers are tested and proven. The stress in leadership development also illustrates the application of the community development model of Community Organizing.



Figure13. A street road at the community.

processing of the papers.

As this stage is characterized by interface with the NHMFC and the landowner, the members and officers of the Manuel Gatmaitan Estate Association (MGE association) agree that the officers are usually the ones at work to actualize the land acquisition. For the MGE association, it was during the presidential period (1991-1997) of Madame Luz Herbolario that this stage was passed. Upon interview with Madame Luz, she mentioned that her daughter Ermanita Blanquisco, who was younger and more energetic, was the one who pursued the

Upon review of the documents prepared by the MGE association members, the landowner and the MGE association have agreed that the price of the land is Php 1,064,000. The approved loan amount that shall be issued by the National Home Mortgage Finance Corporation is php 981,400, while the equity amounted to Php 82,000. The monthly amortization among the member-beneficiaries was Php 6,725.92. The payment, in accordance to the NHMFC's policies, will be in 25 years with 6% interest per annum. The price per square meter was Php 700. The total lot area for CMP was 1,402 square meters out of the total lot area of 1,520 square meters. This was because the remaining balance (112 sq. m.) was to be managed by the local barangay unit, as a result of the MGE association's linkage with the local barangay unit.



The contribution of the members was mostly through the *pasampu-sampu* method, in which the members donated ten pesos (php 10) to contribute to the MGE association budget or treasury. This is according to Felicia Morales, 66 years old, who, together with Ernesto

Figure 14. A Road at the community.

Herbolario, Ermanita's father, was one of the first members of the MGE association. The association's treasure chest was then Ermanita's source of funding for transport expenses. This is also supported by Rosemarie Jasmin, 52 years old, another interviewee who has already paid for her land. Nevertheless, the mobilization of the financial assets of each member for the pursuance of the CMP is a positive aspect of the CMP implementation. Also, this is in relation to the community development approach of CO, in which the tapping of the community's internal resources is practiced.

Members and officers alike also agree that it is better for the officers to be the ones to regularly process the LOG and the deed of sale, as the NHMFC and the landowner may only feel confused if there are different people, officers or members, with whom they transact with, and if there are many people who barrage the landowners and the NHMFC examiners with questions and documents. Thus, to avoid confusion, only a few officers, namely Ermanita and Madame Luz, processed the LOG and the deed of absolute sale. Felicia Morales, on the other hand, disclosed that the officers are the ones who process the documents and the negotiations, as they are the ones who have the 'responsibility' to do so (*kasi sila naman ang may katungkulan*).



The members are also informed of the development on this stage through meetings. According to Rosemarie Jasmin, 52 years old, it was mostly through meetings that the members know of the development of their land acquisition. Members are required to attend, and if they do not, they will have to pay fines. These meetings at this stage, according to all the officers and members interviewed, were conducted regularly for at least once a month. According to Oscarito Pasahol, one of the presidents of the MGE association, there were periods when the meetings were conducted weekly or every after two weeks. Oscarito also mentioned that all the members at this stage were very enthusiastic regarding the CMP. This ‘enthusiasm’ of the community members are assets of the community members, for this attitude is instrumental to the success of the CMP.

At this stage, the organizer acted more as a consultant. As a consultant, the FDUP organizers give advice to the MGE association regarding the negotiations that must occur among the NHMFC, the landowner, and the community association. Updating on processing of documents and the sequencing of events (steps to take) are reminded to the association. As Ermanita Herbolario has said, the FDUP organizers have already trained the MGE association in terms of document processing, and so at this stage the member will have to show their capability and self-reliance to work for their own development. Thus, the harnessed ability of the MGE association officers to negotiate with the landowner and the NHMFC was very important in this stage. The people’s confidence and determination to pursue their lands were also very important, for without these, they would have been overwhelmed upon facing the NHMFC and the landowner. Accordingly, the MGE association has, at this point, claimed their housing rights to the dutybearer, which is the NHMFC. This part also illustrates the role of FDUP in the development of the community, which, from the community development model, is very important.

Nevertheless, there are still trainings that the FDUP conducted. Trainings for organization development such as savings mobilization program (SMP), self-awareness, and conflict management and communication skills were conducted. Technical skills on accounting systems and control, basic accounting ledgering, and site development were also built. As for legal skills, trainings on



documentation (i.e. preparing legal documents required by the NHMFC) and education on laws related to CMP were conducted.

Take-out Stage



Figure15. A community socialization area.

During the take-out stage, the NHMFC releases the funds to pay for the land to the original landowner. The MGE association members and officers, on the other hand, were compelled to perform well upon paying their

amortization, as a high collection efficiency rate (CER) is a requirement of the NHMFC before proceeding to the next stage (individualization stage) of the CMP process. Oscarito Pasahol (1997, for only 6 months) and Theresa Antonio (1998-2001) were the presidents at this point, as Madame Luz's presidency has ended at this stage. Oscarito conducted and networked for various trainings, and also networked with the local barangay to help augment the building of street passageways and other public utility roads and infrastructures. Theresa prepared for the partialization of land titles, identifying how large the land each member got, and how much each member had to pay.

The MGE association, at this stage, often underwent training for financial management. According to Oscarito and Ermanita, this stage is characterized by various trainings that the MGE association underwent. The MGE association is educated on strategies for budgeting and collection of amortizations. Organizational trainings on estate management, local governance participation, and savings mobilization



program were conducted. Trainings on house construction and site development were also conducted to build the members' technical skills. Finally, Trainings on land transfer and land partialization and individualization were conducted to build on legal skills of the members. Forced savings were also practiced to ensure that the members save money to pay for their loans. These trainings for leadership and capability-building are all in recognition of the people's capability to manage their own lives and their own development.

Usually, the officers are the ones who undergo training, as they are the ones who conduct amortization collections. Oscarito has also disclosed that during his term, he networked the association to various trainings conducted by other organizations. He also tapped the youth sector, conducting fundraising by asking the youth to prepare for a mini-concert, in which the youth are the performers. Oscarito also implored for the LGUs to help the MGE association in paying for the building of street roads and other public utility infrastructures. Oscarito's actions demonstrate that he is an asset of the community, as he is capable of networking and developing fund-raising projects which ultimately yield positive results for the community.

Organizers and the MGE association alike disclosed that trainings are conducted if a need for training has been identified. The 'need' may be identified by the organizers, or may be identified by the MGE association members. Nevertheless, in both instances, the MGE association is the one to implement the training, while the FDUP organizer may act as a resource person. FDUP organizers may network the association to trainings conducted by other organizations, such as the Harnessing Self-Reliant Initiatives and Knowledge (HASIK) organization. Although the officers and the organizers expressed their preference that officers and non-officers alike join the training, the non-officers usually only join the trainings if they find time to attend to it, that is, if their schedule permits them to do so. One member named Rosemarie Jasmin disclosed that often, members fail to join trainings because the officers do not announce the implementation of such trainings.

At this stage, the officers disclosed that they had to be strict in collecting amortizations. These collections are part of the association's constitutions and by-laws which were decided by the general assembly



through voting. Thus, members are compelled to follow what they themselves decided, specifically when it comes to collections and amortizations. Members who fail to pay are often compelled to pay, first through one-on-one dialogue with the delinquent member, then through association meetings. Letters of warnings issued by the NHMFC, as requested by MGE association officers, are also issued. These warnings may be first, then second, then third warnings. If the member still does not pay, a letter of substitution will be sent, declaring to the member that he/she may be substituted by another person as a beneficiary. Officers and members alike disclosed that these mechanisms are very effective. The MGE association once again proves to be a community-asset, mobilizing the community members to develop strategies for the successful acquisition of their lands.

Monthly meetings were conducted to update each member regarding the development of the CMP work. This is done to update each member regarding the payments from the members of the association. Nevertheless, this did not prevent controversies from arising, such as when the Herbolario family was questioned for using the funds for their own ends. One member, as Theresa Antonio disclosed, quit the association under the suspicion that the budget is only being used by the Herbolario family. It was proven, however, that the collections are not being misused, as the collections turned-out to still be complete. Honesty and transparency among the association officers is thus an asset that the members initially failed to recognize.

Individualization Stage



This stage is characterized by partialization and individualization of land titles. At this stage, Ermanita Herbolario (2001-2004) and Ruben Jaylo (2004-present) were the ones who acted as presidents. Ermanita worked for the individualization of

Figure 16. A bakery at the community.



land titles, while Ruben, the current president, continues with the collection of amortizations.

At this stage, the MGE association members work for their individual land titles, as partialized by Madame Theresa Antonio. At this stage, Ermanita disclosed that she was the one who worked for the processing of documents. During the LOG stage, she got her transportation funding from the association treasure chest. The members contributed to the treasure chest. This demonstrated a mutual relationship among the MGE association members. Their maintenance of smooth and coordinative relations is a relationship asset of the community.

Ermanita disclosed problems regarding the documents that the NHMFC required. Often, the NHMFC looked for documents that were not really required. This was also mentioned by the other presidents of the MGE association. Ermanita disclosed that the examiners at the NHMFC seemed to deliberately make individualization difficult. For her part, she approached the higher ranking officials at the NHMFC just so they will approve of the documents. As Ermanita has said: 'I had to try harder, as I think to myself that the association depend on me' (*iniisip mo na ang samahan mo, umaasa sa iyo*).

Trainings on estate management, networking, advocacy, and on second line leadership were conducted. During the focus group discussions, according to the non-officer members and the officers, the rotation of leadership professions is one strategy to avoid monopolization of leadership positions. Thus, the MGE association members show their capability to think of their own strategies to avoid hegemony among a select few. This is another asset of the community members.

At present, amortizations are being collected from the members under the presidency of Ruben Jaylo. 9 members have also paid fully for their lots. At this point, according to Oscarito Pasahol, since 2001, FDUP has already mentioned that they wouldn't be working too hard with the MGE association anymore, as the association has already developed, especially its officers. FDUP will focus on weaker and beginning associations in other CMP sites. Even some of its officers, such as Oscarito have already been organizers, and Theresa Antonio was already beginning to engage in organizing herself. The role of FDUP is that of consultation and networking. This proves that even the FDUP has seen how well the assets of the community have been mobilized and harnessed. Some of these individual assets who have



been mobilized were the aforementioned Theresa Antonio, Oscarito Pasahol who is currently an FDUP organizer, and Ermanita Blaquisco who is still actively participating in the CMP implementation at Gulod. This also illustrates the community development model of CO, in which the community development activities are thought of in long-range terms, that is, even with less assistance from the FDUP, the community can stand on its own,

As of now, there are difficulties in collecting payments. Some members are delinquent in paying. Officers have identified troubles with payments nowadays, as the prices of goods are becoming higher than ever. Members disclose that their salaries, instead of being saved, are depleted on food and utilities (i.e. water and electricity). The president himself has disclosed that he is finding it difficult to perform his role as president, as he is often busy with his work on sewing. Meetings are also not regularly conducted compared to how it was during the PCL to the take-out stage.

Funding and Budget Allocations

For the community mortgage program conducted at the Manuel Gatmaitan Estate, the funding source was the National Home Mortgage Finance Corporation or the NHMFC. The NHMFC is a governance body which was created under the Urban Development Housing Act of 1992. The NHMFC also received benefits from the implementation of the Republic Act 7835, or the Comprehensive and Integrated Shelter Financing Act (CISFA) of 1994. Through the CISFA, the budgetary



Figure17. Picture taken during the FGD.

allocation for CMP was increased.



For the MGE association, the total lot area was 1,520 square meters. 1,402 square meters will be for the community mortgage program, as the remaining 112 square meters were requested to be developed by the local barangay. The negotiated amount was Php 1,064,000. The loaned amount from the NHMFC was Php 981,400. The remaining Php 82,000 was paid directly to the owner as the MGE association's equity. At present, MGE member-beneficiaries are paying for the loaned amount from the NHMFC.

While the whole loan specified above was used as payment to the original landowner, the member beneficiaries within the organization decided to still form some a treasure chest the association owns. This was because they still had to pay for the following expenses:

- 12 months advance of monthly amortization (MA) for Express Lane
- 6 months advance of monthly amortization (MA) for Regular Lane
- 12 months advance of monthly amortization (directly paid to the NHMFC)
- 12 months advance of mortgage redemption insurance (MRI),
- Commitment fee
- Survey fee
- Taxes:
 - documentary stamp tax on sale
 - transfer tax
 - registration of title fee
 - registration of mortgage fee
 - documentary stamp tax on mortgage
 - annotation mortgage fee
 - miscellaneous fee



- drainage construction/contribution fee

Finances within the organization are managed by the elected treasurer of the organization. The treasurer is also the one who aids the president in collecting the monthly amortization fees of the other household beneficiaries. The treasurer is required to provide a monthly report to update the members regarding the financial status of the organization and where their contributions or “butaw” are being used to practice transparency of records to the members and in order to avoid allegations of corruption within the organization.

Monitoring and Evaluation Scheme

Decision making within MGE is achieved by means of General Assembly wherein almost all the members are present. The voting population must reach its quorum in order for the organization to reach its decision. Meetings are usually done monthly or when the need arises, the president calls for an emergency meeting. The community members actively participate in the meetings, given that there are 30 household beneficiaries and members of MGE, these members attend the meetings that are called upon by the president in order for them to take part in the decision making in their community.

Manuel Gatmaitan Estate Association’s sole monitoring and evaluation scheme is through monthly meetings which is called for by the president of the association. The meeting serves the venue for the officers to update their members regarding the status of the collection of funds for CMP. The meetings would focus on monitoring of the members of their payment of monthly amortization, update of members regarding the community association’s financial condition. During meetings members who have delinquent status regarding their payment of monthly amortizations are reminded of their obligation to pay such dues, through monthly members are reminded of their responsibility towards the community association and to themselves for if they will be delinquent in paying their fees there is a chance that they would lose the property that they worked hard for during their CMP application.

The meeting also serves as a venue for the members to tackle other issues within their community such as the peace and order situation in their community, fund raising activities for the community association



such as launching of bingo social and other activities that could contribute for the financial stability of the organization. Update regarding the members status regarding CMP is also provided, members who are already fully paid and members who still need to fix their individualization documents, they are reminded that they should attend to these things in order to accomplish their application of CMP. Community improvement is also tackled during their meetings such as improving the community path walks and their day care center. Organization leaders also report to the members the status of their CMP application as well as the financial condition of the organization, the amount of money collected and the amount needed to accomplish a certain community project. This is done to practice transparency of records of the organization to their members and to avoid speculations regarding the usage of the organization funds.

Given that the community association only has 30 members, they consider the monthly meetings as an effective means of monitoring and evaluation of their members. The members of MGE actively participate in the meetings as proved by the minutes of the meeting documents of the organization that were supplied to the researchers. Through their monthly meetings, they are given the chance to openly discuss their concerns; officers could personally talk to their members regarding the payment of their monthly amortization which is the immediate concern of the community association at present.

Perceptions, Strengths, and Problems



Figure18. Picture taken during the FGD.

Member-beneficiaries generally agree that the community mortgage program helped them gain ownership over their lands. Interviewees claim that the CMP provided them the opportunity to buy the land that they have long since lived on. CMP did not take them away from their families. The



CMP, as the interviewees disclosed, allowed the urban poor to buy their land at a small price. The exemptions, such as exemption from land transfer tax and capital gains tax, provided by the government as an incentive also serve as CMPs competitive edge compared with other land acquisition schemes.

Also, CMP reaches-out to the urban poor more. According to one interviewee named Angelito Morales, age 53, the CMP reaches out to the urban poor, who may or may not be a Pag-Ibig member. According to the interviewee, the Pag-Ibig fund, compared with the CMP, requires that the housing applicant be a member of the Pag-Ibig first. As not all people are Pag-Ibig members, Angelito claims that the CMP is more reachable.

According to the FDUP organizers, compared with Gawak Kalinga's housing scheme, the CMP is more empowering. Jason Miranda, an FDUP organizer, commented that the CMP requires that the community members process their own papers and engage in training to manage their own land acquisition work. For Jason, the CMP process allows for the community members' growth, as they learn how to handle conflicts with other member-beneficiaries, they learn how to face even government officials, and they also learn how to manage their finances. Jason Miranda also claimed that in the process of going through hardships to acquire land, the urban poor get a sense of ownership to their homes, making them feel prouder of themselves, and letting them give importance to their homes. Still according to Jason Miranda, simply awarding houses to people does not allow for a person's development of attachment to the house, making it more probable for them to simply sell the house or leave it neglect.

Also, the CMP provides the member-beneficiaries an opportunity for them to identify the quality of their own house, as they themselves choose the material that they shall use for their houses. This was expounded upon by Ruben Jaylo, the current president of the MGE association. According to Mr. Jaylo, the CMP allows for the owner to discriminate among the materials used to build his house. With the CMP, housing materials do not remain a mystery.

Upon interview among member-beneficiaries and FDUP organizers at Gulod, slow and complex processing of documents, re-blocking, payment and meeting irregularities, and current political movements were identified as difficulties with the implementation of the community mortgage program.



There were a number of documents that the National Home Mortgage Finance Corporation (NHMFC) required. These documents, as identified above, were difficult to process, especially in Gulod. It was mentioned by the association members that originally, the land served as a form of payment to Mister Manuel Gatmaitan after winning a case. However, the land subdivision plans and lot plans, documents required by the NHMFC, were not available. These missing documents served as impediments to the implementation of the CMP at Gulod. Also, the bureaucratic processing of documents, in which the approval of the NHMFC for the proper implementation of the CMP is needed, often takes a long time. Member-beneficiaries agree that even after completing all the required documents, the processing of these documents for approval would still take months of waiting.

Re-blocking is also a difficult undertaking with the CMP. In instances in which a member's house and lot size must be moved and reduced, members have to face the trouble of disassembling their homes and then altering their house designs so that their house 'fits' what is identified at the lot plans. The effort of disassembling the house only to set it up again is exhausting. Jason Miranda of the FDUP also disclosed that ideally, the FDUP wants the lot plans to be the 'people's plans', in that the community members determine how the land is to be divided. However, the technicalities required by the process of re-blocking require knowledge and interventions from engineers, resulting into determination of land division by professionals, and not in actuality by the people. Nevertheless, member-beneficiaries agree that though they would prefer to be staying at the place where their house stands, the fact that they committed themselves to CMP is reason for them to proceed with re-blocking. This is because, as the member-beneficiaries disclosed, upon engagement with CMP work, they are oriented by the FDUP regarding what processes are involved in CMP, including re-blocking and document processing.

Often, there are members who pay their dues irregularly. Member-beneficiaries generally perceive that the standard of living at the Philippines has increased over time, making it difficult for them to save money, as their money often goes to more immediate needs, such as food and water supply. These irregularities in payments, in turn, affect the relations of the community to the NHMFC and the more current social housing finance corporation (SHFC). This is because the community association is required



to comply with collection efficiency rate (CER) limits, which ranges circa 85%. Too low CER pushes the NHMFC to take action against the MGE association, either through warnings sent to the association, to more heavy penalties of demolitions of houses of recalcitrant members.

In connection to irregular payment of dues are the irregularities of meetings among the MGE association members. Officers agree that meetings come seldom, as the president (Jaylo) himself admitted that he becomes too busy with sewing that he sometimes fails to manage the association. Member non-officers have identified that the meetings have come seldom as well. Officers believe that such missing-out in meetings have a direct negative impact on the community's collection efficiency rate.

Presently, the community mortgage program practitioners face difficulties upon dealing with supposed 'political movements' among government officials. According to Theresa Antonio, a former president of the MGE association, there are certain government officials who, upon adopting Pag-Ibig Housing to their campaigns, deliberately impose unfavorable policies to CMP practitioners to 'kill' the rival land acquisition scheme. Policies on member limits (20 members minimally) and site development limits impede the implementation of the CMP.

Community Organizing (CO) Model Applied

The CMP at Gulod applied the community development model of CO. This is evidenced by the CMP's focus on one issue of the community (land acquisition), and approaching and involving the whole affected community members as part of the resolution, which is the Community Mortgage Program. The aspects of the community were also assessed, including the physical aspects (land plans), the social aspects (leadership capacities and MGE member involvement), and the economic aspects (capacity of members to pay for the amortizations). Also, the importance of leadership development was stressed in the implementation of the CMP at Gulod. Also, both the FDUP and the MGE association each had its own roles to play towards the development of the community.



Evaluation of the Community Mortgage Program at Gulod

Achievement of Goals



The Community Mortgage Program in Gulod, Novaliches is categorized by FDUP as one of their successful communities who has undergone the CMP process under FDUP as their originators. It was in the year 1996 when the community

Figure19. The community Day Care Center.

has achieved the take out stage, at present the household beneficiaries are paying for their monthly amortization to their President who then remits the money to SHFC to pay for their loan. According to the documents of MGE there are nine household beneficiaries who are already fully paid. Also, all of the 30 members of the MGE association already hold individual land titles. This is a significant change among the MGE association members who were originally non-owners of land, and were illegally residing at a parcel of land that they do not own.

The members of MGE were able to identify the effects and impacts of CMP in their community, they were able to identify the effects during the one on one interviews as well as during the focused group discussions conducted by the students in the community. The community members identified the outcome of CMP in their community and in their lives were that they were able to gain security in their land tenure. The community members were able to gain ownership in their homes; they were able to legally own the land where their houses stand. CMP was able to address the need of the community members



which is for them to have security in land tenure. Originally, the MGE association members did not own even one parcel of land of the total 1,520 square meters of land. At present, 1,402 square meters have been processed for CMP, of which each member was able to gain a parcel of land (about 47 square meters for each member). 9 members have already fully paid for their lots. The remaining 21 members are still paying for their lands.

In the long process of the CMP application, the community members were able to see through the results of each stage in the CMP process. For the *Pre-PCL stage*, the community members were able to attend orientations and trainings, they were educated on the different land acquisition schemes, and they were equipped with knowledge and skills that would aid them in their decision if they would continue their application for CMP. In the *Purchase Line Agreement (PCL) stage*, it is devoted in completing the

documents necessary for the approval of the organization's CMP application. It is characterized as one of the longest stage in the CMP process, the results in this stage is felt in terms of completion of the necessary documents and being able to find solutions in the problems that may arise such as problems in lot plans. Completion of the said documents is necessary in order for the community organization to move on to the next stage in the CMP process. During the *Letter of Guarantee or LOG Stage* the community members were able to apply what they



Figure20. The community open area.



have learned in the trainings, they are also the once who negotiate with the land owner and agree upon the selling price of the land wherein the owner and community members would both benefit. The community members are also the ones who transact to the different government offices; they are the ones who make sure that all the necessary papers in their application are accomplished and passed to the respective government offices. During the *Take- out stage* NHMFC releases the amount of the loan granted for the community organization to be paid to the land owner. The community members also implement a strict savings scheme for them to be able to attain a high collection efficiency rate and to proceed to the next stage in their CMP application. In the individualization stage, the household beneficiaries are able to obtain their individual land titles, a concrete result of the long process that they have undergone in their CMP application. The individual land titles of the household beneficiaries is one of the results that was identified by the community members since it is through the said land titles wherein they could claim that they legally own the land where their houses could be found. The community organization is also capable enough to monitor and continue the payments of amortization of the household beneficiaries who are not yet fully paid.

The community members stated in the focus group discussion conducted by the students that the impact of CMP in their community

could be seen in terms of the physical condition of their community. They stated that before their community is comparable to the typical squatters' area, they narrated that their area has no organization, the materials of their houses are made of wood



Figure21. Another picture of the community Day Care Center.



(ply wood and lawanit) since their land tenure is not yet secured. Through the success of CMP in their area, they were able to improve the physical conditions of their community, they were able to have a concrete house, and the community was able tap the assistance of the Local Government Unit to assist them in their construction of the day care center in their community as well as improve the pathways in their community, making sure that their path walks are concrete.

Overall, the CMP was able to improve the lives of the household beneficiaries particularly the members of MGE. The program was able to answer the need of the community which is the security of land tenure as well as improve the physical appearance of their community. The community members were able to identify CMP as the main reason why their community and their lives improved. Nevertheless, the CMP remains a difficult undertaking among some MGE association members. At the present pricing of goods, there are members who believe that the CMP is becoming more costly than beneficial, especially since at the end of the day, the income of the family may not even suffice to provide for the basic necessities of life such as food and water. Thus, land acquisition at the community still remains to be a goal only partially attained.

Evaluation: Adherence to Community Organizing Principles, the Rights-based Approach, and the

Asset-based Approach to

Poverty Alleviation

CMP as a Community Organizing Work. The Community Mortgage Program (CMP) at the Manuel Gatmaitan Estate is organizing work, in that the Foundation for the Development of the Urban



Figure22. Community children playing along the road.



Poor (FDUP) aimed to develop the association through capability-building and knowledge improvement. Although the MGE association was already formed when they approached the FDUP, the Foundation still engaged the association in various trainings and core group development schemes. These activities include leadership trainings, FDUP's facilitation of the association's committee formation, and communication skills training, and even conflict-management training. Also, the association was formed not simply for the purpose of organizing, but for the purpose of land acquisition and community development. Thus, the FDUP oriented the MGE association to become an association that caters to each member by serving as a medium for the fulfillment of the members' need for land ownership.

However, there were problems with community participation, a crucial theme among community organizers. Usually, the officers of the MGE association were the ones who were more active during the process of CMP. Also, there were identified problems with community participation in terms of re-blocking, wherein the professional engineers are usually the ones who decide how the land is to be decided, in contrast to the 'people's plans' endorsed by the FDUP. At present, the association's purpose of facilitating the acquisition of land for each member has waned. There were problems identified with the waning of collection of amortizations among the members. Members and former presidents who were interviewed disclosed that there

seems to be less effort among the association to manage the collection of payments, particularly after each member acquired their individual land titles.

The Rights-based Approach. The CMP at Gulod was based on the recognition of the rights of the



Figure23. Picture taken during the FGD.



people for land. It was based on existing policies such as the Republic Act 7279 or the Urban Development and Housing Act of 1992, in which it was specified that the government shall venture into 'urban development and housing program.' It was able to tap the National Home Mortgage Finance Corporation (NHMFC), the Housing and Urban Development Coordinating Council (HUDCC) and the National Housing Authority (NHA), the existing legally mandated government bodies or duty bearers to facilitate land acquisition among the urban poor. The community members were also viewed as claimholders, maintaining the stand that as such, they have rights to receive services provided by the government bodies listed above. Community members, particularly the officers of the MGE association, were also the ones who dialogued with the NHMFC for the approval of the loan, despite perceived attempts from the NHMFC to delay the process of the CMP at MGE.

The Asset-based Approach. The CMP work at MGE focused on mobilizing the strengths of the community members. The ability of the members to pay for the land that they are to own was much focused on, leading to the implementation of savings mobilization trainings and schemes. The abilities of certain individuals such as the MGE association presidents to manage the CMP at their community were crucial to the success of the program at the community. These abilities include: communication skills, especially in dialogue with the landowner and the NHMFC, conflict-management skills, particularly among the community members, networking skills, particularly in relation to the local government units and other sectors such as the youth, and management skills, especially in relation to collection of payments. As was mentioned earlier, the local government unit of the barangay was also tapped as an asset, leading to their involvement in the development of the land of the MGE, particularly the sewage lines and the water system. Even Hernani Panganiban, a part of the social network of the MGE association, was approached as an asset who eventually led the association to the FDUP.

However, the CMP at MGE also faces difficulties. This is because the MGE members find it harder to save from their income, given the increasing price of goods. It appears, then, that the community's assets hardly suffice for the land that they want to acquire for themselves.



Sustainability of CMP Work



Figure24. Community road.

main actors and actresses in the decision making since they are the ones who would decide for their community.

Sustainability of CMP work depends on the community organization since they are the ones who maintain the success of the CMP program in their community through monitoring of the payment of the members monthly amortizations as well as the “butaw” or savings for the funds of the organization. Once the organization was not able to monitor the payment of amortizations, there is a chance that they would lose the CMP application which they have worked so hard for them to attain, since strict compliance in the payment of monthly amortizations is a guideline of NHMFC. In sum, the sustainability of CMP is in

The FDUP was not able to identify a concrete exit strategy for them in the community, as mentioned by Mr. Jesus Jason Miranda, a community organizer of FDUP. He stated that right after take out the active role of FDUP in the organization is already lessened. Once they were able to categorize the organization as strong enough to survive on their own, FDUP would cease to actively participate in the decision making of the organization, they would act as consultants, the community members that are part of the organization are the



the hands of the community organization. This is presently a major flaw among the MGE association members. During the interview, it was revealed that the present officers are often too pre-occupied with their own work, and that this results to less performance of their role in activating the MGE association. There was also a noted decline in the action of the MGE association to oversee the strict compliance to payment collection schemes. This was noted to have happened right after the individualization of lot titles. This indicates that the effectiveness of the MGE association has waned after it was able to fulfill the felt need of the MGE association members: the need for land 'ownership'. However, the MGE association seems to have failed in reminding the MGE association members that an 'individualized title' to a lot does not mean that the title holder is the 'owner' of the land, for he/she still owes money (that paid for the land) to the NHMFC. Maintaining such misperception on the part of the MGE association members will eventually lead to the increase in recalcitrant members, low collection efficiency rate, may further lead to repossession of the land, and ultimately mark the failure of the CMP at the Manuel Gatmaitan Estate.



Conclusions and Recommendations

Relation to Community-Based Social Work Practice

Implications of findings. Based on the findings, the community mortgage program in Gulod, particularly at MGE, was partially successful. In terms of community organizing, the FDUP was able to organize the MGE association by strengthening the said association through skills training and educative work. The association's members, particularly the officers, were able to process all the documents needed, and was even able to individualize the land to all the 30 members. The yielded results, in which 9 members have already fully paid for their lots, are indicators that the CMP has done the community members well. Interviews regarding the improvements at the community since the start of the CMP on 1992 reveal that the community members think that the changes are immense, and that from a state of being 'squatters', the MGE members are now 'landowners'. This also has an impact on how the community members view themselves, that is, their self-esteem is also improved.

Nevertheless, there are still problems with the CMP at MGE. The association's members express their difficulties with paying their amortizations. They attribute this to the ever-increasing prices of goods in the Philippines. Often, they are left with less savings from their income. This sheds doubts on the effectiveness of CMP as a land acquisition scheme, especially during times of crisis wherein prices inflate and savings are depleted.

Social workers are then faced with the question of assessing the effectiveness of their interventions on the level of communities. While the CMP relates well to social work's concepts of client determination, strengths perspective, community organizing, and resource mobilization, the abilities of the clients' concerned must be duly assessed in proportion to the costs that they might incur upon involvement with the CMP. The relative stability of the environment and the income of the clients are also very crucial for the success of CMP as a form of community-based social work intervention. For the CMP among MGE members, it is pertinent that a meeting be conducted among them so that they may finally discuss why there are many lapses in amortization payments. The association must be re-activated as a medium for



each individual member to voice out his/her reasons for being unable to pay for his/her amortization. This meeting should remind to each member what the conditions of the loans are, so that each member remembers the implications (i.e. substitution) of being a recalcitrant member. The FDUP may once again be approached so that the organization may give advice as to how the MGE association will resolve the problem with irregular payments.

This brings us to the question of community-based monitoring schemes. While it is true that the FDUP has done a good job on improving the association's abilities and skills, the responsibility of the community organizers as originators and guarantors to the NHMFC must not be forgotten. Even community organizing agencies such as the FDUP are subject to criticisms, particularly to their adherence to their Agency mandates. Thus, while the FDUP's practice is to let a strong association be left to drive its own way to development, the role of FDUP as a guide and as an agency operating under strict rules of operation must not be overlooked. Thus, the FDUP organizers must maintain contact with the MGE association, even for at least once a month, to check if the payments are coming regularly. If, after about 3 months of testing the community's ability to resolve its problems with payments on its own, yet the problems with payment remains, then it is better for the FDUP to approach the association and pursue a meeting regarding the problem and the possible courses of action to resolve it.

Policy recommendations. Upon studying the CMP at the Manuel Gatmaitan Estate, it was identified that the processing of the documents for the implementation of CMP among communities is slow. Thus, it is recommended that the processing of documents be less centralized, as the only office of the Socialized Housing Finance Corporation may be found at Makati City. The current movement for the localized community mortgage program is viewed positively by the students. This will greatly increase the processing rate of the documents required for the CMP. A localized CMP will also aid in information dissemination about the CMP on the local level. Collaboration among community associations, local barangay unit, and the originator will also become easier.

There were also noted difficulties when it comes to community assessment before the actual venture into CMP. It is possible that the SHFC, as part of its policy, require that a community research be performed



first before the community enters into CMP. This will prevent the occurrence of 'failed community mortgage programs', in which the community that availed of CMP was not able to pay for its dues. With research, such event is avoided because the capability of the community members to pay is duly assessed. Thus, this research must include the average income of the community members in a month (since amortizations are paid monthly). Also, the current and projected pricing rate of goods must be included as a variable in the research. The resultant gaps or savings upon the subtraction of expenses from the income will be a determining factor on whether to avail of the CMP or not. Incidentally, research work is ultimately related to social work practice, in which baseline data is collected as part of the initial assessment, even in the level of communities.

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