

[PRESIDENTIAL DECREE NO. 1752, December 14, 1980]

AMENDING THE ACT CREATING THE HOME DEVELOPMENT MUTUAL FUND

WHEREAS, the Government, in pursuit of the Constitutional mandates on the promotion of public welfare through ample social services, as well as its humanist commitment to the interests of the working groups, in relation particularly to their need for decent shelter, has established the Home Development Mutual Fund, under Presidential Decree No. 1530, a system of employee-employer contributions for housing purposes; and

WHEREAS, there is need to strengthen the Home Development Mutual Fund and make it more effective both as a savings generation and home-building program for the gainfully-employed members of the Philippine society;

NOW, THEREFORE, I, FERDINAND E. MARCOS, President of the Republic of the Philippines, by virtue of the powers vested in me by the Constitution, do hereby order and decree the following:

SECTION 1. Title. â€œ This Act shall be known as the "Home Development Mutual Fund Law of 1980".

SEC. 2. Policy. â€œ It is the policy of the Republic of the Philippines to motivate the employed and other earning groups to better plan and provide for their housing needs by membership in an integrated, nationwide savings system established for the said purposes, with contributory support of the employers, in the spirit of social Justice and the pursuit of national development.

SEC. 3. Fund System. â€œ To carry out the purposes of this Act, there is hereby created the Home Development Mutual Fund of 1980, also referred to herein as the Fund, a provident savings system for employees, private and public, who shall be the members, supported by matching contributions of their respective employers, with housing as the primary investment. The system may cover self-employed and other working groups, as herein *provided*.

The Fund shall be a body corporate, with principal office in Metro-Manila, and shall replace the Home Development Mutual Fund established under Presidential Decree No. 1530.

SEC. 4. Fund Coverage. â€œ Coverage of the Fund shall be mandatory upon all employees covered by the Social Security System and the Government Service Insurance System, and their respective employers.

Such coverage may be extended to other working groups, with or without employer contributions, as may be determined by the Board of Trustees.

SEC. 5. Fund Generation. â€œ The Fund shall be generated by the savings that the covered employees shall contribute for the purpose every month, and the equal amounts that the employers shall contribute, based on the following graduated percentages of basic monthly pay, to wit:

One per cent (1%) 1981;
Two per cent (2%) in 1982; and
Three per cent (3%) in 1983 onward;

provided, however, that for the purpose of this Act, "basic monthly pay" shall mean not more than P3,000.00.

SEC. 6. *Membership Term.* "€ Membership in the Fund shall be for a period of twenty (20) years, except when earlier terminated by reason of retirement, disability, insanity, death, departure from the country or other, causes as may be *provided* for by the Board of Trustees. Resignation, lay-off or suspension from employment may not necessarily constitute a ground for membership termination, except for suspension of contributions.,

SEC. 7. *Waiver or Suspension of Coverage.*"€

Coverage of the Fund and/or the payment of monthly contribution to the same may by rules or resolutions of the Board of Trustees be waived or suspended by reasons of nature of employment, condition of business, ability to in a ice contributions and other reasonable considerations.

SEC. 8. *Provident Character.* "€ The Fund shall be private in character, owned wholly by the members, administered in trust and applied exclusively for their benefit. All the personal and employer contributions shall be fully credited to each member, accounted for individually and transferable in case of change of employment. They shall earn dividends as may be *provided* for in the implementing rules. The said amounts shall constitute the provident fund of each member, to be paid to him, his estate beneficiaries upon termination of membership, or from which peripheral benefits for the member may be drawn.

SEC. 9. *Housing Features.* "€ A member of good standing shall be eligible to apply for a housing loan, with such terms as may be authorized by the Board of Trustees, taking into account ability to pay.

SEC. 10. *Corporate Powers.* "€ The Fund shall have the powers and functions specified in this Act and the usual corporate powers:

- a. To make policies and guidelines, as well as adopt, amend and rescind such rules and regulations as may "be necessary to carry out the provisions and purposes of this Act;
- b. To submit annually to the President of the Philippines not later than March 15, and make available to the members of public report covering its activities in the implementation of this Act,, as well as the state of the Fund during the preceding year, including information and recommendations for the development and improvement of the Fund;
- c. To invest its fund, directly or indirectly, in accordance with this Act;
- d. To acquire, utilize, or dispose of, in any manner recognized by law, real or personal properties to carry out the purposes of this Act;
- e. To set up its own accounting and computer systems; to conduct continuing actuarial and statistical studies and valuations to determine the financial viability of the Fund and its projects; to require reports, compilations and analysis of statistical and economic data, as well as make such other studies and surveys as may be needed for the proper administration and development of the Fund;

- f. To have the power of succession; to sue and be sued; to adopt and use a corporate seal;
- g. To enter into and carry out contracts of every kind and description with any person, firm or association or corporation, domestic or foreign;
- h. To borrow funds from any source, private or government, foreign or domestic;
- i. To invest, own or otherwise participate in equity in any establishment, firm or entity; to form, organize, invest in or establish and maintain a subsidiary or subsidiaries in relation to any of its purposes;
- j. To exercise such powers and perform such, acts as may be necessary, useful, incidental or auxiliary to carry out the provisions of this Act.

SEC. 11. Board of Trustees. â€œ The power and functions of the Fund shall be exercised by a Sorted of Trustees composed of the Minister of Hunan Settlements as Chairman, the Minister of Finance as Vice-Chairman, the Minister of the Budget, the Minister of Labor, the Minister of industry, the Chief Executive Officer of the Fund, two representatives of private employees, two representatives of private employers, and one representative of government employees, as members.

The four private sector representatives shall each be appointed by the President of the Philippines for a term of two years, *provided, however*, that of the first set to be appointed, one representative of the employees and one representative of the employers shall have a term of only one year. The representative of the government employees shall be approved by the President of the Philippines for a term of two years.

The members of the Board shall receive a per diem and reasonable transportation and representation allowances, at par with other government financial institutions, as may be provided for by the Board of Trustees and approved by the President of the Philippines.

Until the appointment of another person by the President of the Philippines upon the recommendation of the Board of Trustees, the President of the National Home Mortgage Finance Corporation shall be the Chief Executive Officer of the Fund.

SEC. 12. Powers of the Board. â€œ The Board shall have the following powers:

- a. To formulate policies, rules and regulations to carry out effectively the functions of the Fund under this Act;
- b. To direct the operations and administration of the Fund;
- c. To authorize expenditures of the fund in the interest of effective administration and operations; to adopt from time to time the budgets for said purposes;
- d. To approve appointments of personnel; and
- e. To exorcise such other powers as may be necessary to carry into effect the powers and accomplish, the purposes for which the Fund is established.

SEC. 13. Rule-Making Power . â€œ The Board of Trustees is hereby authorized to make and change needful rules and regulations, which shall be published in accordance with law or at least once in a newspaper of general circulation in the Philippines, to provide for, but not limited to, the following matters:

- a. The effective administration, custody, development, utilization and disposition of the Fund or parts thereof, including payment of amounts credited to members or to their beneficiaries or estates;