

[MEMORANDUM ORDER NO. 342, February 21, 1996]

DIRECTING THE DEPARTMENT OF FINANCE TO CAUSE THE IMMEDIATE STUDY AND APPROVAL OF THE BOND FLOTATION AND DETERMINE THE FEASIBILITY OF BORROWING FOREIGN FUNDS TO FINANCE THE PARADIGM SHIFT OF THE UNIFIED HOME LENDING PROGRAM OF THE NATIONAL HOME MORTGAGE FINANCE CORPORATION

WHEREAS, Presidential Decree No. 1267 mandated the National Home Mortgage Finance Corporation to increase the availability of affordable housing loans to finance the Filipino homebuyer's acquisition of housing units through the development and operation of a Secondary Mortgage Market for home mortgages;

WHEREAS, Resolution No. 2339 of the National Home Mortgage Finance Corporation approved in principle the intended flotation, securitization and issuance of mortgage backed-securities in order to develop the Secondary Mortgage Market for home mortgages;

WHEREAS, Resolution No. 2557 of the National Home Mortgage Finance Corporation authorized NHMFC's management to borrow foreign funds that will serve as the initial seed money to purchase the investment grade mortgages which can be securitized to pave the way for the operationalization of the Secondary Mortgage Market System;

WHEREAS, to ensure the sustainability of the National Shelter Program, there is a need to tap stable sources of funds for the program;

NOW, THEREFORE, I, FIDEL V. RAMOS, President of the Philippines, by virtue of the powers vested in me, do hereby order the Department of Finance to:

1. Cause the immediate study and approval of the bond flotation of the National Home Mortgage Finance Corporation;
2. Submit final report and recommendation on the results of the study within fifteen (15) days from receipt of this order; and
3. Study the feasibility of borrowing funds from foreign sources to finance the paradigm shift of the United Home Lending Program of the National Home Mortgage Finance Corporation.

This Memorandum Order shall take effect immediately.

Adopted: 21 Jan. 1996