

[**HIGC, December 21, 1989**]

REVISED RULES ON REGISTRATION OF HOMEOWNERS ASSOCIATIONS

To implement the provisions of Executive order No. 535 transferring to the Home Insurance and Guaranty Corporation (HIGC), formerly the Home Financing Corporation, the powers, authorities and responsibilities of the Securities and Exchange Commission (SEC) with respect to the registration and regulation of homeowners associations, the following rules relative thereto are hereby promulgated:

Rule I
Definition of Terms and
Interpretation of Rules

SECTION 1. Meaning — Unless otherwise clearly indicated, the following shall mean:

a. **HIGC** — the Home Insurance and Guaranty Corporation, formerly Home Financing Commission and thereafter, Home Financing Corporation, a government owned and controlled corporation created under R.A. 580, as amended by Executive Order No. 535 and renamed under Executive Order No. 90.

b. **Homeowners Association (HOA)** is any housing or community association composed primarily of present or future homeowners/awardees/occupants of private or government housing project, subdivision and urban estates organized for the purpose of facilitating the delivery of adequate housing, social and other related services to improve the quality of life of its members.

c. **Homeowners/Awardees** refers to: (i) the legal owners or present or future awardees or actual occupants of the housing units in a private or government housing project, subdivision or urban estate, or

(ii) beneficiaries of the Community Mortgage Program (CMP), or

(iii) members of any association organized for the primary purpose of home ownership, who have met all the qualifications and none of the disqualifications set forth by the Articles of Incorporation, By-Laws or rules and regulations of such housing projects, subdivisions housing estate, or associations.

d. **Order** — any directive of HIGC or such other officer, body, or committee created or designated by HIGC to act in its steads.

e. **Rules on Registration of Homeowners** — the foregoing Rules issued by HIGC governing the organization, registration and supervision of homeowners associations.

f. **Certificate** — Certificate of Incorporation issued or to be issued to a homeowners association which has completed all the requirements for registration.

SECTION 2. Interpretation — The Rules shall be liberally construed to carry out the objectives of R.A. 580 and Executive Orders No. 535 and 90 in relation to the Corporation Code of the Philippines and other related laws.

Rule II Requisite Documents for Registration

SECTION 1. Registration Documents — For purposes of registration, the following documents shall be submitted:

a. **Articles of Incorporation** signed by all incorporators consisting of not less than five (5) nor more than fifteen (15) natural persons, together with the filing fee.

b. **By-Laws** signed by all the incorporators appearing in the Articles of Incorporation, together with the filing fee. The By-Laws must be submitted together with the Articles of Incorporation.

c. **Written undertaking** to: (1) Change corporate name in the event that another person, firm or entity has acquired a prior right to the use of said name or one similar to it.

2) Comply with the rules and regulations issued by HIGC, specifically with all its reportorial requirements.

d. **Information Sheet.**

e. **Certification** as to the existence of an association within the subdivision, community, etc.

Rule III Registration

SECTION 1. Place of Registration — The homeowners association shall submit its incorporation papers for registration referred to in the foregoing rule, at the principal office of HIGC or at the office designated by it.

SECTION 2. Filing Fee and Entries in the Registry Book — The HIGC or the office designated by it shall require the payment of filing fees for the articles of incorporation and the by-laws and shall record in the registry the docket number, corporate name, and principal office of the association, and the date of submission of the incorporation papers.

SECTION 3. Certificate of Incorporation — After examination, and finding that the documents presented are in accordance with the law, rules and regulations governing establishment of homeowners associations, HIGC or the office designated by it shall cause to be prepared a Certificate of Incorporation for the signature of the Head of HIGC or any of its duly authorized signatories.

SECTION 4. Release of Certificate — After the certificate is signed, it shall be referred back to the office where the incorporation papers were originally received for the release of said certificate. That office shall record in the registry book the following additional entries:

- a. The number appearing in the certificate;
- b. Date of release of certificate; and
- c. The name of person to whom it was released.

SECTION 5. Certificate of Filing of By-Laws — A certificate evidencing submission of the by-laws in accordance with the prescribed form shall be issued at the same time that the Certificate of Incorporation is issued. The date of submission of the by-laws shall likewise be recorded, as an additional entry in the appropriate registry.

SECTION 6. Refusal and Denial of Application for Registration — The application for registration or incorporation may be denied or refused for failure of the registrant association to comply with the requirements of these Rules and of the Corporation Code or for any of the grounds enumerated on paragraph (b) of *Section 1, Rule VIII.*

SECTION 7. Effect of Registration — Upon registration, the homeowners association shall become a body corporate with a personality separate and distinct from that of its individual members.

Rule IV **Amendment/s of Articles of** **Incorporation and By-Laws**

SECTION 1. Amendment of Articles or By-Laws — At any time after incorporation, the Articles of incorporation and By-laws of Homeowners Associations may be amended upon submission to HIGC of the following:

- a. Amended Articles of Incorporation together with Directors' Certificate under oath and filing fee.
- b. Amended/new By-laws together with directors' certificate under oath and filing fee.
- c. In case the amendment refers to change in corporate name of the association, a written undertaking to change corporate name in the event that another person, firm, or entity has acquired a prior right to the said name or one similar to it.

Rule V **Submission of Reports and Penalties**

SECTION 1. Required Reports — The Home-owners Association is required to submit the following reports:

- a. Annual Report containing its financial statement within 120 days from the end of the fiscal year as specified in the by-laws of the association.

b. Association Books —

Membership Book Cash Book
Minutes Book Ledger and Journal

Date of Submission: Within 30 days from the date of the issuance of Certificate of Incorporation.

c. Information Sheet (as of the date of annual meeting) within 30 days from the date of annual meeting.

d. Minutes of the annual meeting of the members for the election of the Board of Directors/Trustees within 30 days from the date of annual meeting.

f. Minutes of the meeting of the Board for the election of officers of the association within 30 days from the date of meeting.

g. Notice of Postponement of annual meeting within 30 days prior to the date of annual meeting.

h. Affidavit of non-holding of annual meeting, together with the general information sheet within 30 days from the date of annual meeting.

i. Board Resolution of non-operation to be submitted within 30 days from the date of annual meeting.

j. Such other reportorial requirements as may be imposed by HIGC.

SECTION 2. Penalties — The HIGC shall have the power to assess and collect penalties for late filing of any of the aforementioned reportorial requirements.

**Rule VI
Association Funds**

SECTION 1. Contributions and Fees — Resolutions requiring contributions or fees from members other than those provided in the by-laws must state the purpose for which the funds are to be used, the necessity therefor, and the manner in which the same shall be spent. The association shall issue official receipts duly registered with the BIR for all funds received by it.

SECTION 2. Treasurer's Bond — The treasurer must be adequately bonded in such amount as the Board of Directors/Trustees may determine.

**Rule VII
Grounds for Dissolution of Homeowners
Associations and for Suspension or
Revocation of Certificate of Registration**

SECTION 1. Grounds for Dissolution — Homeowners Associations may be dissolved under any of the following grounds, circumstances and conditions: