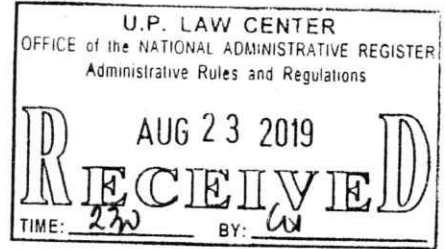




# COOPERATIVE DEVELOPMENT AUTHORITY

827 Aurora Blvd., Service Road, Brgy. Immaculate Conception, 1111 Cubao, Quezon City, Philippines  
http://www.cda.gov.ph helpdesk@cda.gov.ph CDA @CDAPhils PH Cooperatives



MEMORANDUM CIRCULAR NO. 2019-07  
Series of 2019

TO : ALL CONCERNED

SUBJECT : GUIDELINES FOR COOPERATIVE HOUSING PROGRAM

## Section 1. Title

This Memorandum Circular shall be known as the “Guidelines for Cooperative Housing Program.”

## Section 2. Legal Bases

The legal bases are the following:

1. Article II, Section 9 of the 1987 Philippine Constitution, states that:

“The State shall promote a just and dynamic social order that will ensure the prosperity and independence of the nation and free the people from poverty through policies adequate social services, promote full employment, a rising standard of living and an improved quality of life for all.”

2. Section 1 of the Republic Act 6939, an act creating the Cooperative Development Authority, states that:

“It is hereby the declared policy of the State to promote the viability and growth of cooperatives, as instrument of equity, social justice and economic development xxx”.

3. Article 62, number (13) paragraph 2 Chapter V of Republic Act 9520, otherwise known as the Philippine Cooperative Code of 2008, states that:

“The Authority, in consultation with appropriate government agencies and concerned cooperative sector, shall issue rules and regulations on all matters concerning housing cooperatives.”

4. Section 13, Rule I, Part II of the Revised Rules and Regulations Implementing Certain and Special Provisions of the Philippine Cooperative Code of 2008, states that:

“A Joint Monitoring and Evaluation Committee shall be composed of CDA, as the lead agency, NHA, HDMF, DHSUD, SSS, LBP, DBP, SHFC, NHMFC, HGC,

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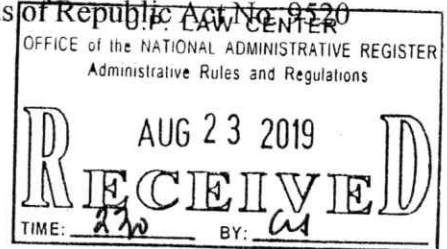


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DILG, DENR, concerned cooperative sector and other appropriate government agencies and financial institutions”.

#### Section 4. Scope

This guideline shall cover housing cooperatives and any other types of cooperatives with housing projects and programs, subject to applicable provisions of Republic Act No. 9520 and its Revised Implementing Rules and Regulations (RIRR).



#### Section 3. Purposes

This Guidelines shall provide for the following:

1. To serve as guidance for Housing Cooperatives to facilitate access to safe, adequate, decent, and affordable housing for its members.
2. To serve as standard policies and procedures in the organization, management and monitoring of Housing Cooperatives.

#### Section 4. Definition of Terms

For purposes of this Guidelines, the following terms or words, shall mean or be understood as follows:

- a. **Housing Cooperative** – refers to a type of cooperative organized to assist or provide access to housing for the benefit of its regular members who actively participate in the savings program for housing. It is co-owned and controlled by its members.
- b. **Cooperative Housing Program** - refers to an alternative housing approach, in partnership with government/non-government agencies involved in a housing program, undertaken by a financially and organizationally stable cooperative to address the housing problems of its regular members primarily the low-income earners, through its own cooperative efforts in planning and direct production of adequate, decent and affordable, housing units.
- c. **Cooperative Housing Project** - refers to the project of a Housing Cooperative or any other types of cooperatives.
- d. **Certificate of Occupancy** – refers to a certificate issued by the Housing Cooperative to entitle a member beneficiary to occupy a specified housing unit on a specified period as stipulated in the cooperative bylaws.
- e. **Members' Equity** – refers to ownership interest of members in the cooperative.
- f. **Original/Transfer Certificate of Title/Condominium Certificate of Title**– refers to a certificate issued by the government of the Philippines under the “Torrens” system of land registration which assures a land owner that the land he or she owns is covered by

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an Original Certificate of Title (OCT) or the Transfer Certificate of Title (TCT) issued by the Registry of Deeds. Said title is absolute, indefeasible and imprescriptible.

- g. **Contract of Usufruct** –refers to an agreement that gives a member the right to enjoy the property of the cooperative with the obligation of preserving its form and substance, unless the title constituting it or the law otherwise provides.
- h. **Estate Management** - refers to a set of functions for the purpose of preserving the material, economic, social and other benefits derived from living in this type of housing.

### Section 5. Tenurial Arrangement.

The Housing Cooperative is owned and managed by the cooperative and a Certificate of Occupancy is issued to members as an alternative security-based tenurial instrument. The cooperative may own the property/lot, developed the property and constructed the housing unit by administration or by contract. No individualization of the title, cooperative assumed the full obligation to the financial institution.

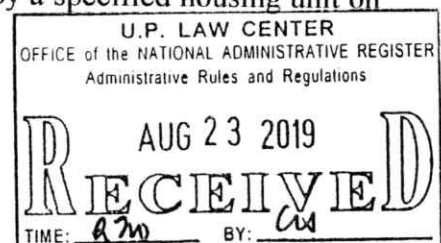
### Section 6. Proof of Ownership/Possessory Right of Member to House and Lot/Unit.

- 1. **Capital /member's equity** - represents ownership of a member to a portion of the Cooperative Housing project or structure.
- 2. **Certificate of Occupancy** – refers to a certificate issued by the Housing Cooperative to entitle a member beneficiary to occupy a specified housing unit on a permanent or continuing basis.

### Section 7. Stages of Organizing a Housing Cooperative

#### A. Organization

- 1. **Social Preparation.** This refers to the Formation of proposed members and, interim officers including the members of the housing committee; conduct of orientation, seminar on financial literacy, Pre-Membership Education Seminar (PMES) and other capacity building activities.
- 2. **Market Survey.** The strategy employed by the cooperative to enlist, encourage and determine the eligibility of target member beneficiaries. The survey shall determine the bracket for the pricing, taking into consideration the financial capacity of the members; helps identify the target beneficiaries; eligibility requirement and the screening of member as well the beneficiaries.
- 3. **Resource Mobilization.** This means engaging in capital build up activities. This includes identification of schemes for the capital build up program and livelihood activities that the coop will undertake to support the target member beneficiaries to augment their sources of money to enable them to pay the housing loan availed from the cooperative.



4. **Registration.** This is the operative act granting juridical personality to a proposed cooperative as evidenced by a Certificate of Registration. Registration of a cooperative would be Housing Cooperative is governed by Rule 1, Part 2 of the Revised Rules and Regulations Implementing certain and Special Provisions of the Philippine Cooperative Code of 2018.

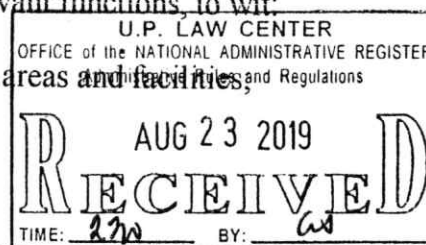
#### B. Other Steps to be Complied With

For other steps to be undertaken please refer to pages 6-7, Annex 1: Matrix on Phases and corresponding Steps in Organizing a Housing Project and corresponding Interaction with Concerned Agency/Organization.

#### C. Estate Management

The Housing Cooperative and other types of cooperative with cooperative housing project, as the recognized community associations in the area, may manage and maintain the entire housing project with the following relevant functions, to wit:

1. Manage & maintain the housing structure, its common areas and facilities;
2. Set up financial management system;
3. Provide access to services;
4. Ensure safety and security;
5. Provide environmental protection;
6. Establish a system for collection of fees and/or generating resources; and
7. To exercise such other functions necessary to carry out the forgoing.



#### Section 8. Conversion to a Housing Cooperative

The cooperative member beneficiaries of a housing project may opt to register as a Housing Cooperative upon full payment of its obligation to the cooperative.

#### Section 9. Separability Clause

If any provision of this Guidelines is declared null and void or unconstitutional, the other provisions not affected thereby shall continue to be in force and effect.

#### Section 10. Repeal

All previous circulars and/or guidelines issued by the Authority which are inconsistent with this Guidelines are hereby repealed or modified accordingly.

#### Section 11. Effectivity

This Guidelines shall take effect upon the approval of the Board of Administrators and fifteen (15) days after submission with the Office of the National Administrative Registry (ONAR).



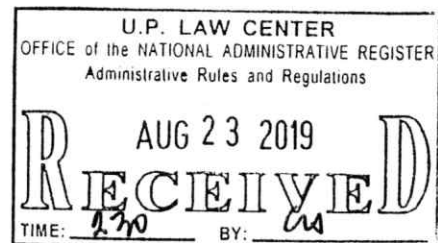
Approved by the CDA Board of Administrators under Resolution No.305, S-2019 dated July 15, 2019.

For the Board of Administrators

By:

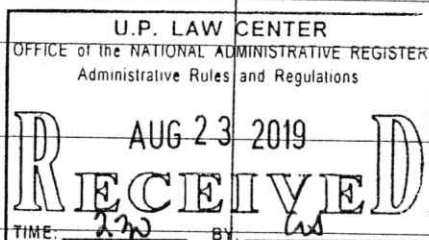
  
**ORLANDO R. RAVANERA, CSEE, CEO VI**  
Chairman

August 15, 2019



**MATRIX ON PHASES AND CORRESPONDING STEPS IN IMPLEMENTING  
A HOUSING PROJECT AND CORRESPONDING INTERACTION WITH  
CONCERNED AGENCY/ORGANIZATION**

Phase	Step	Activity	Agency/Orgn. Responsible
A. Organization			
	1. Social Preparation	Grouping/formation of proposed members	Coop founding members, NGOs, other concerned gov't agencies
		Orientation	NGOs, NIIA, CDA, other GOs
		Capacity building activities	NGOs, NHA, CDA, other GOs
		Financial literacy	NGOs, NHA, HDMF, CDA, other GOs
		Pre-registration Seminar (PRS)	CDA
	2. Market Survey	Determine eligibility requirements for target member beneficiaries	Cooperative
		Screening of target member beneficiaries	Cooperative
		Listing / prioritizing of target beneficiaries	Cooperative
	3. Resource Mobilization	Identification of schemes for Capital Build up Program	Cooperative
		Capital build up generation	Cooperative / member
		Implementation of livelihood activities/program	Cooperative / member
		Preparation of documentary requirements for registration	Cooperative
		Submission of Pre-feasibility study to NHA	Cooperative
		Review and endorsement of pre-feasibility study of the project to CDA	NHA
	4. Registration for new (and amendment for existing) cooperatives	Review of documentary requirements	CDA
		Registration of the cooperative (registration of amendment in case the cooperative is already existing)	CDA
		Secure permits from other agencies like BIR	Cooperative, BIR, other GOs
B. Pre-Construction	1. Site/Location	Identification of site within the area of operation of the cooperative	Cooperative



		Seek approval of the project from LGU and appropriate agency	Cooperative, LGU, DENR, etc.
	2. Land Acquisition	Payment of land	Cooperative
		Land titling	Cooperative, LRA
	3. Land Preparation and Development	Survey Securing permits and licenses a. License to sell b. Land conversion clearance c. Soil compatibility test d. Geo-hazard evaluation e. Environmental Clearance Certificate (ECC)	Cooperative  HLURB DAR  DENR DENR DENR-EMB
	4. Housing Project Design	Specification of design conforms to BP 220 and PD 957	Cooperative and LGU concerned
		Design to include future projects to be implemented by the cooperative	Cooperative and LGU concerned
	5. Financing	Apply financing from GFIs and other commercial banks	Cooperative
		Processing and approval of loans of GFIs/Key Shelter agencies (streamline requirements as per HUDCC Res. No. 3, 2015)	GFIS/Key Shelter Agencies
C. Construction	1. Coop as the developer	Activities in actual building a housing project	Cooperative
	2. Partner with another accredited coop developer	Employ members as workers	Cooperative
	3. Partner with accredited contractor of PCAB of DTI		Cooperative
D. Post Construction	1. Inspection		Cooperative, concerned agency/ies
	2. Project Turn-Over		Cooperative, developer
	3. Awarding		Cooperative
E. Estate Management		Disposition of completed units to member beneficiaries	Cooperative
		Billing and collection	Cooperative
		Maintenance and conservation of housing project and facilities	Cooperative
		Conduct activities to build harmonious relationship among member residents	Cooperative

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TIME: *2:30* BY: *CA*



**PRO-FORMA  
PRE-FEASIBILITY STUDY FOR COOPERATIVE HOUSING**

**1. GENERAL INFORMATION**

Name of Cooperative : \_\_\_\_\_

Address : \_\_\_\_\_

Project Name : \_\_\_\_\_

Project Location /Address: \_\_\_\_\_

Target Beneficiaries : \_\_\_\_\_

Project Cost : \_\_\_\_\_

Background/Description of the housing project: \_\_\_\_\_

\_\_\_\_\_

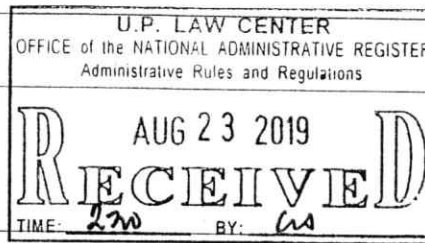
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Objectives:

1. \_\_\_\_\_

2. \_\_\_\_\_

3. \_\_\_\_\_



Implementation Plan:

The Cooperative shall:

1. Provide the land and funding for the development
2. Approve the engineering plan and design, materials and cost estimates and feasibility study.
3. Secure necessary clearances, permits and licenses for project implementation.
4. Prepare and approve implementation schedule
5. Implement the project administration
6. Market the units generated
7. Recover investment including developmental cost

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Market Study (present briefly the result of the consolidated market survey)

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Technical Study (proposed housing site)

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Total land area : \_\_\_\_\_

Estimated No. of lots / units: \_\_\_\_\_

**2. BUDGETARY REQUIREMENTS**

Total Estimated Project Cost : Php \_\_\_\_\_

Direct Cost

Land acquisition

---

Land Development

---

Construction

---

Sub-total : Direct Cost

Php \_\_\_\_\_

Indirect Cost

Planning design

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Permits/bonds/insurance

---

Marketing

---

Works/Engineering/Supervision

---

Project Management/Administration

---

Miscellaneous

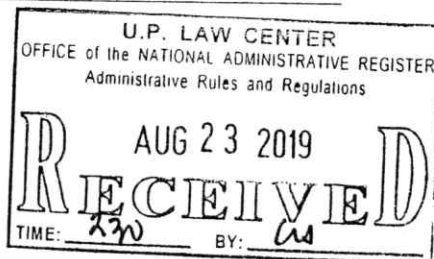
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Contingency

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Sub-total : Indirect Cost

Php \_\_\_\_\_



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Total Project Cost

Php \_\_\_\_\_

**3. PROJECT FUNDING**

**1.1 Cooperative's Internal Funds**

Coop Reserved fund for housing Php \_\_\_\_\_

Savings Mobilization for housing Php \_\_\_\_\_

Sub-total : Php \_\_\_\_\_

**1.2 External Funds**

Loan from cooperatives Php \_\_\_\_\_

Loan from coop banks Php \_\_\_\_\_

LBP Php \_\_\_\_\_

HDMF Php \_\_\_\_\_

DBP Php \_\_\_\_\_

Other GFIs (specify) Php \_\_\_\_\_

Commercial bank (specify) Php \_\_\_\_\_

Sub-total: Php \_\_\_\_\_

Total Cost Php \_\_\_\_\_

Proposed unit /lot

Lot Area \_\_\_\_\_ sq. meters

Direct Cost Php \_\_\_\_\_

Indirect Cost Php \_\_\_\_\_

Administrative Cost Php \_\_\_\_\_

Total Project Cost Php \_\_\_\_\_

Add: Mark up (10%) Php \_\_\_\_\_

Cost per unit Php \_\_\_\_\_

**Monthly amortization**

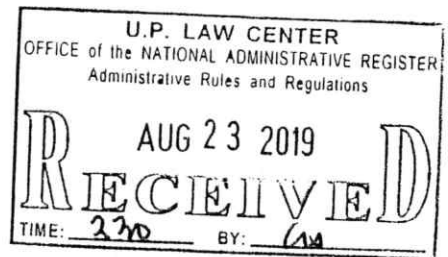
Cost per unit Php \_\_\_\_\_

Terms : \_\_\_\_\_

Monthly Amortization :Php \_\_\_\_\_

Monthly income to afford: \_\_\_\_\_

(average household income of member availee)



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#### 4. COST RECOVERY

Cost of development shall be recovered from its beneficiaries by the cooperative itself in accordance with the pricing and collection policy duly approved by its Board of Directors. The NHA, upon request by the cooperative shall provide assistance in formulating the policy.

#### 5. PROJECT IMPLEMENTATION

The Project shall be implemented by the cooperative in accordance with an approved implementation schedule prepared for the project. The NHA shall provide technical assistance during the project implementation of the approved plans.

#### 6. SOCIAL IMPACT

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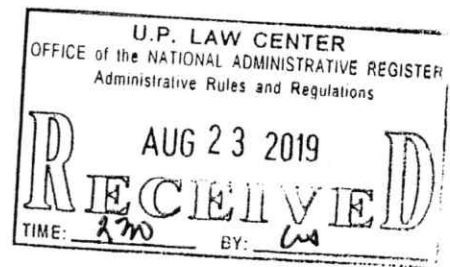
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Prepared by :

Reviewed by :

\_\_\_\_\_  
Chairman of the Cooperative

\_\_\_\_\_  
National Housing Authority



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## EXCERPTS FROM MINUTES OF REGULAR MEETING OF THE CDA BOARD OF ADMINISTRATORS HELD ON JULY 15, 2019 AT GLAN, SARANGANI PROVINCE

### PRESENT:

- |                             |                               |
|-----------------------------|-------------------------------|
| Hon. Orlando R. Ravanera    | - Chairman/Presiding Officer  |
| Hon. Paisal I. Caii         | - Administrator from Mindanao |
| Hon. Abdulsalam A. Guinomla | - Administrator from Mindanao |
| Hon. Abad L. Santos         | - Administrator from Luzon    |
| Hon. Myrila B. Paradillo    | - Administrator from Luzon    |

### ALSO PRESENT:

- |                    |                      |
|--------------------|----------------------|
| Mr. Ray R. Elevazo | - Executive Director |
|--------------------|----------------------|

### ABSENT:

- |                      |                              |
|----------------------|------------------------------|
| Hon. Benjie S. Oliva | - Administrator from Visayas |
|----------------------|------------------------------|

### RESOLUTION NO. 305, S-2019

Upon motion by Adm. Myrila B. Paradillo, duly seconded by Adm. Abdulsalam A. Guinomla, be it RESOLVED as it is hereby RESOLVED, to approve the Memorandum Circular on Housing Cooperatives Program.

UNANIMOUSLY APPROVED.

XXX

XXX

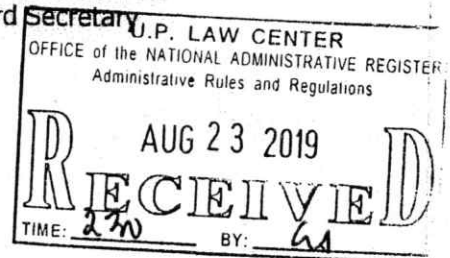
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This is to certify that the foregoing is true and correct from the minutes of the CDA Board of Administrators' Regular Meeting.

*[Signature]*  
**JONAL A. DE LOS REYES**  
Acting Board Secretary

ATTESTED:

*[Signature]*  
**ORLANDO R. RAVANERA**  
Chairman/Presiding Officer



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