For the information of all internal revenue officers, employees and others concerned, quoted hereunder is the full text of HUDCC Memorandum Circular Nos. 03 and 3-A, Series of 2005.

"Republic of the Philippines
Office of the President
Housing and Urban Development Coordinating Council

Memorandum Circular No. 3
Series of 2005

TO : ALL CONCERNED

SUBJECT : DEFINITION OF HOUSING LOAN CEILINGS/PACKAGES

DATE : 10 JUNE 2005

Pursuant to the agreements reached during the 63rd meeting of the Housing and Urban development Coordinating Council held on 10 June 2005, a revised definition of housing loan ceilings/packages shall be as follows:

<table>
<thead>
<tr>
<th>Housing Packages</th>
<th>Loan Ceiling</th>
</tr>
</thead>
<tbody>
<tr>
<td>Socialized</td>
<td>P300,000.00 and below</td>
</tr>
<tr>
<td>Low-Cost</td>
<td></td>
</tr>
<tr>
<td>Level 1</td>
<td>Above P300,000 to P500,000</td>
</tr>
<tr>
<td>Level 2</td>
<td>Above P500,000 to P2.0 Million</td>
</tr>
</tbody>
</table>

The inclusion of level 2 under low-cost packages is for purposes of expanding eligibility of banks to Sec. 11b and 11c of R.A. 7835 which provides that all unused agri-agra allocation funds from banks shall be invested in socialized and low-cost housing and allowing loans up to P2.0 Million as eligible for the rediscounting facility of the Bangko Sentral and Pilipinas, respectively.

For the guidance of all concerned.

(Original Signed)

VICE-PRESIDENT  NOLI L. DE CASTRO
HUDCC CHAIRMAN
Memorandum Circular No. 3-A  
Series of 2005

TO : ALL CONCERNED

SUBJECT : CLARIFICATION ON HUDCC MEMORANDUM CIRCULAR NO. 3, SERIES OF 2005

DATE : 13 DECEMBER 2005

This is to clarify that HUDCC Memorandum Circular No. 03, Series of 2005, issued on 10 June 2005 only changes the definition of Socialized Housing Loan/Price Ceilings from P225,000 to P300,000. The tax incentives/privileges referred to under Section 4b of Revenue Regulations No 9-93 as implemented by the BIR will continue to be granted.

Accordingly, HUDCC has already requested BIR to issue a circular to all BIR Revenue District Officers informing them of the newly approved loan ceiling for socialized housing including the other incentives given to subdivision housing developers who want to venture into socialized housing projects.

The same Memorandum Circular does not change any other previous circulars, resolutions or issuances regarding the low-cost or other housing price/loan ceilings.

For the guidance of all concerned.

(Original Signed)

VICE-PRESIDENT  NOLI L. DE CASTRO  
HUDCC CHAIRMAN

All revenue officials and employees are enjoined to give this Circular as wide a publicity as possible.

(Original Signed)

JOSE MARIO C. BUÑAG  
Commissioner of Internal Revenue