



MEMORANDUM CIRCULAR NO. 3156  
Series of 1986 73-14-86

SUBJECT: POLICY GUIDELINES GOVERNING THE DISPOSITION OF HOME-LOTS AND RESIDENTIAL LOTS IN SETTLEMENT AREAS TO QUALIFIED NON-SETTLERS

### I. Introduction

Through the years the pressure of population coupled with the progress in settlements has attracted more and more people to the agrarian reform resettlement areas. This has given rise to migration and the influx of persons who could no longer be allocated farmlots but are desirous to acquire a residential lot or homelot.

In view of this situation, there is a need for a realistic policy to govern in the disposition of such lots to non-settlers.

### II. Policy

In line with the national objective to give equal opportunities and improve the quality of life of the less privileged sector of our society, it is now the policy of the MAR to sell and dispose residential lots and homelots in settlement projects to qualified non-settlers.

### III. Scope

This policy shall govern the manner and mode of disposition of homelots and residential lots to non-settlers in settlement projects. Lots for residence purposes in the barrio sites shall be called homelots, while those in the townsites/homesites shall be called residential lots.

### IV. Qualification of Non-Settler Applicant

#### A. Actual Occupant

1. A Filipino, of legal age or head of a family;
2. Has constructed a house on the lot and actually residing therein, or has introduced substantial improvements;
3. Not an owner of residential lot within the Municipality where the settlement is located or adjoining municipalities; and
4. Not a registered settler or beneficiary of any lot within agrarian reform areas.



B. Non-Occupant

1. A Filipino of legal age or head of a family;
2. Not an owner of residential lot in the municipality where the settlement is located or in its adjoining municipalities;
3. If not a bona-fide resident of the settlement, one who, in six (6) months, will build a house or introduce improvements valued at an amount equivalent to the cost of the lot; and
4. Not a registered settler or beneficiary of any lot within agrarian reform areas.

V. Mode of Disposition

A. Direct Sale to Actual Occupant

The following lots shall be disposed of by direct sale:

1. Occupied homelots in the barrio sites; and
2. Occupied residential lots in the townsites/homesites.


B. Direct Sale Through Raffle to Non-Occupant

Vacant and undisposed homelot/residential lots shall be disposed by direct sale through raffle to non-occupant.

VI. Cost of the Lot

1. Occupied homelots shall be sold at not less than THREE PESOS (P3.00) per square meter;
2. Occupied residential lots disposed of to qualified occupants shall be sold at not less than TEN PESOS (P10.00) per square meter; and
3. Vacant homelots and residential lots shall be sold at their appraised/reappraised value as approved by the Minister but not less than the cost stated above.

VII. Terms and Manner of Payment

1. Twenty percent (20%) down payment upon issuance of Order of Award.
  2. Remaining balance on installment terms, payable within a period of five (5) years without interest;
  3. Any balance remaining unpaid after the 5-year period shall bear interest at the rate of six percentum (6%) per annum until paid; and
  4. Only Official Receipt shall be issued for every payment made.
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VIII. Condition Precedents Before Sale of Lots

Before any homelot or residential lot is sold pursuant to these guidelines, the following conditions shall be completed, to wit:

- A. All approved settlers with farmlots must first be allocated their homelots or residential lots;
- B. Notices prohibiting squatting of lots should be posted in conspicuous places in the barangay site or townsite within THIRTY (30) DAYS from approval of these guidelines;
- C. Any person who shall occupy any lot after the notices have been posted shall be disqualified to acquire any lot under the agrarian reform program; and
- D. An inventory of occupied and vacant homelots and residential lots should be made immediately upon issuance of these guidelines using BURE Forms Nos. 3A and 3B.

IX. Issuance of Order of Awards

After complying with the conditions prescribed in the preceding paragraph VIII, the applications of actual occupants shall be processed. The Team Leader shall make a list of proposed Awardees which shall include, the name of the applicant, lot number, block number, subdivision plan number, area, location, and cost of improvements, and post it for THIRTY (30) DAYS on the Bulletin Board of the Settlement Team Office. Those found qualified to acquire homelots or residential lots shall be immediately issued orders of awards by the Regional Director concerned.

A. Papers/Documents Required for the Issuance of Order of Awards

1. Miscellaneous sales application (prescribed form) of the applicant;
2. Investigation report;
3. Sketch plan of the lot showing the nature and relative position of improvement of the lot and the owner thereof;
4. Certificates of posting of lease of proposed awardees by the Team Leader; and
5. Certification of the Team Leader and the regional legal division that the lot is free from adverse claim and/or court litigation.

X. Issuance of Miscellaneous Sales Patent

Any awardee who has fully paid the cost of the lot shall subsequently be issued miscellaneous sales patent. However,



an awardee who has paid fifty percent (50%) of the cost of the lot, may likewise be entitled for the issuance of land patent provided, that whatever unpaid balance incurred be annotated as first lien on the patent to be issued.

A. Papers Required for the Issuance of the Miscellaneous Sales Patent

1. All the original copies of the papers required for the issuance of Order of Award;
2. A copy of the Order of Award issued;
3. Certification from the Regional Legal Division that the lot is free from adverse claim or court litigation;
4. Certification from the Regional Accountant or other authorized employee indicating the official receipt number and date thereon and the amount if total cost of the lot has been paid within a period of FIVE (5) YEARS from the date of the award. However, should full payment be made after five (5) years, sales memorandum and the statement of account shall be prepared and submitted in lieu of the certification; and
5. Certification from the Team Leader or authorized representative that the awardee is still in possession of the lot.

XI. Restrictions and Limitations

- A. The lot shall not be sold or in any manner transferred or conveyed except through hereditary succession or in favor of the Government;
- B. The lot shall be used principally for residential purposes otherwise, the lot shall revert to the Government and all improvements constructed or existing thereon shall become the property of the Government, without any obligation on its part to reimburse the cost of the lot and improvements;
- C. The beneficiary or his heirs shall not subdivide, lease or otherwise encumber the lot, except with the prior written consent and approval of the Minister of Agrarian Reform and that a violation of any of the condition as herein provided shall cause the immediate annulment of the sale, with the forfeiture by the Government of the purchase price of the lot together with all the improvements thereon without right of reimbursement;
- D. The restrictions and limitations as herein provided shall be part of the Order of Award and shall be annotated on the patent to be issued; and
- E. The restrictions and limitations provided for by the Public Land Act and other applicable laws on servitudes,





easements and encumbrances shall also apply.

F. Penalties

The penal provisions of Commonwealth Act No. 141, as amended, and Republic Act 3844, as amended, are hereby adopted as part of this Circular.


XI. Repealing Clause

All orders, memoranda, circulars and rules and regulations which are inconsistent herewith are hereby revoked, superseded, amended and/or modified, as the case may be. Pertinent provisions of existing standard operating procedure, however, shall have supplementary effect.

XII. Effectivity

This Circular shall take effect immediately.

Diliman, Quezon City, February 24, 1986.



CONRADO F. ESTRELLA  
Minister



G U I D E L I N E  
PLANNING AND FINANCIAL MANAGEMENT SYSTEM - MARCO

1. Preparation of Office/Unit Action Plan

1.1 Upon the approval of the General Appropriation Act by the Bata-sang Pambansa, the Asst. Minister for Finance and Management shall furnish all MAR Offices/Units of a copy of the approved appropriation.

1.2 The Office of the Minister (ODM, PS, FIMAS) shall establish the new Agrarian Reform Program Thrust in consultation with the ~~management staff~~ and the regional directors. This is done through a conference-workshop: MARCO and Regional Representa-tives.

1.3 The Director/Chief of each Service in the MARCO executing or in-charge of a specific P/P/A shall be responsible in preparing their respective Annual Work Program taking into consideration the following:

- The approved program thrust for the year;
- The identified needs of the implementing units;
- The resultant analysis of the feedback as reported and moni-tored by the Office concerned of the project (P/P/A);
- The target for the year in relation to the overall scope of the program/project;
- The limit of the fund appropriated for the P/P/A after deducting projections for reserve, contingencies, fixed expenses, contractual obligations, and others;
- The available manpower expressed in man-days to perform the tasks and activities; and
- Training needs and personnel development program of the office to strengthen its staff.

1.4 The Annual Work Program of the Offices/Units shall be done and guided by the following procedures:

- The Director/Chief/Head of Office shall initially call upon the unit heads under him to determine the overall direction. Programs shall be presented into projects as prioritized.
- Each project shall be spelled out into specific activities and the activity output indicated by units of measurement.
- The quantified target for the quarter shall be the unit of measurement that can be achieved for the period. Series of activities programmed within the year shall be enumerated.
- Activities must always be related to personnel doing the job. The number of man-days of these personnel shall be estimated using the standard and feasible time-table to complete the job. The total man-days of the individuals performing the















FORMULA: Result Ratio =  $\frac{\text{Actual Result}}{\text{Planned Result}} \times 100$

Manpower Ratio =  $\frac{\text{Actual Man-days}}{\text{Planned Man-days}} \times 100$

Cost Ratio =  $\frac{\text{Actual Expenditure (7)}}{\text{Released ALAD (6)}} \times 100$

The quantified result ratio show the extent of the attainment of the quantified targets.

The manpower ratio show the utilization of personnel harnessed to attain the P/P/A.

The cost ratio show the propensity of the office to spend the amount made available to support the P/P/A.

The overall performance ratio is the average of the three ratios.

Overall Performance =  $\frac{\text{Result Ratio} + \text{Manpower Ratio} + \text{Cost Ratio}}{3}$

3. Integration

3.1 The Planning Service shall consolidate and integrate all the quarterly performance reports submitted by the Offices and prepare an evaluation report for the Minister; copy furnished the Office of the Auditor, MAR.

PERFORMANCE REPORT

Quarter 1986

P/P/A		Quantified Performance			Appropriation		Overall Performance
Code	Activities	Unit of Measure	Target	Actual	Released	Spent	
:	:	:	:	:	:	:	:
:	:	:	:	:	:	:	:
:	:	:	:	:	:	:	:
:	:	:	:	:	:	:	:
:	:	:	:	:	:	:	:
:	:	:	:	:	:	:	:
:	:	:	:	:	:	:	:

3.2 The FIMAS shall prepare the required financial reports to the OBM.

3.3 The OMAR/ODM shall:

- Review the performance of the offices on the basis of the attainment of the objectives of the agrarian reform program







## ANNEX A. EXPENDITURE OBJECTS CLASSIFICATION

<u>Account Code</u>	<u>Account Name</u>
<u>PERSONAL SERVICES</u>	
3 01 000	Personal
100	Salaries and Wages
200	Non-Commutable Allowances
300	Social Security Insurance Premium
400	Overtime Pay
500	Commutable Allowances/Fringe Benefits
600	Training and Personnel Improvement
700	Commutable Allowances/Fringe Benefits
800	Bonus and Incentives
900	Other Benefits
<u>MAINTENANCE &amp; OTHER OPERATING EXPENSES</u>	
3 02 000	Traveling Expenses
03 000	Communication Services
04 000	Repair & Maintenance of Government Facilities
05 000	Transportation Services
06 000	Other Services
07 000	Supplies and Materials
08 000	Rents
09 000	Interests
10 000	Grants, Subsidies and Contributions
11 000	Awards and Indemnities
12 000	Loan Repayment and Sinking Fund Contribution
100	Loan Repayment
200	Sinking Fund Contribution
3 13 000	Losses/Depreciation
100	Losses of Current Assets
200	Depreciation of Fixed Assets
3 14 000	Water, Illumination and Power Services
15 000	Social Security Benefits and Other Claims
16 000	Auditing Services
17 000	Maintenance of Motor Vehicles Used for Official Travels of Officials and Employees
100	Repairs and Servicing
200	Spare Parts
300	Gasoline and Oil
3 18 000	Discretionary Expenses
19 000	Representation Expenses
20 000	Extraordinary/Contingency/Emergency Expenses
21 000	Taxes and Licenses
22 000	Trading/Production
23 000	Furniture and Equipment
<u>CAPITAL OUTLAY</u>	
4 31 000	Land and Land Improvements Outlay
32 000	Buildings and Structure Outlay
33 000	Equipment Outlay
34 000	Investment Outlay
35 000	Loans Outlay



PROGRAMMING				MONITORING & EVALUATION			
1986	Annual Work Program (Quarterly Breakdown)	= Manpower Program		Quarterly Fund Releases from OBM			
	= Work & Financial Plan			* Releases: Advise of Released Funds from OBM by FDMAS, Budget Division			
	- Regional	= Annual Work Program		* Assessment: Bureau, Services, Special Quarterly Projects Units/Offices			
	- MARCO Bureaus & Services	= Annual Procurement Program		* Quarterly Integration: PS/FDMAS/OMAR			
		= Eqpt. Maintenance Program					
		= Personnel Development Program					
10-1-85			10-31-85	1-1-86			
MAR Program Thrust	PS		OBM				
			FDMAS				
	10-15-85			3-31	6-30	9-30	12-31