
Date

National Home Mortgage Finance Corporation
Filomena Bldg., 104 Amorsolo St.
Legaspi Village, Makati City

ATTENTION: _____

Gentlemen:

We would like to express our intent to sell our residential loan receivables under the NHMFC's Housing Loan Receivables Purchase Program (HLRPP). As of _____ (cut-off date), the outstanding principal balance of our total portfolio is Php_____.

We understand fully the National Home Mortgage Finance Corporation's requirements and standards pertaining to this program. We shall be originating seasoned residential loans/mortgages that will conform to these standards and requirements.

Attached is our Board Resolution to this effect, our latest financial statements and other required documents. We shall be glad to comply with any additional requirement in connection with the sale of our residential loan receivables.

Very truly yours,

Name & Designation of
Authorized Representative

Name of Originator

Contact Person:

Tel. No. _____

INFORMATION SHEET

I. BUSINESS NAME : _____

ADDRESS : _____

PROJECT NAME/LOCATION: _____

II. NATURE OF BUSINESS (Please Describe)

III. HISTORY (Date founded/incorporated; significant developments/changes in products, organization, ownership, others)

IV. OWNERSHIP

Name and Nationality:

Outside Corporate or Family Affiliation

Equity
Contribution

V. OFFICERS & DIRECTORS

Name & Age:

Outside Corporate or Family Affiliation

Positions Held

VI. LIST OF COMPLETED & ON-GOING PROJECT

VII. ORGANIZATIONS AND STAFFING PATTERN

VIII. DISTRIBUTION AND SELLING TERMS (Major markets and customers served; percentage breakdown of sales; method and distribution; selling terms)

IX. FINANCIAL INSTITUTIONS AND OTHER CREDITORS

<u>Name</u>	<u>Type and Amount of Credit Accommodation</u>	<u>Security/Guaranty</u>
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X. AFFILIATES/SUBSIDIARIES (Names of affiliates and subsidiaries; nature of business and relationship; amount and percentage of equity share).

I HEREBY CERTIFY that I am the duly authorized representative of the above-mentioned company, and that the above statements are true and correct to the best of my knowledge and belief. I agree to notify the NHMFC of any material change affecting any of the aforementioned data based on the information contained therein. I authorize the NHMFC to obtain or verify such information as it may require concerning this transaction.

Signature & Position

LOAN AND MORTGAGE AGREEMENT

This Agreement made and entered into by and between:

_____, a
corporation duly organized and existing under the laws of the
Philippines with principal place of business
at _____, represented by,
Chairman of the Board, _____,
Philippines, hereinafter referred to as the ORIGINATING
INSTITUTION.

-and-

_____ of legal age, Filipino Citizen,
single with residence and postal address at
_____ hereinafter referred to as the
BORROWER.

WITNESSETH, THAT:

WHEREAS, the National Home Mortgage Finance Corporation
("NHMFC") has launched a Housing Loan Receivables Purchase Program.

WHEREAS, the ORIGINATING INSTITUTION finds the application in
order and agrees to extend the loan to the BORROWER, with the intention of
subsequently assigning /transferring all of ORIGINATING INSTITUTION's
rights, title and interests in the loan and its collaterals to NHMFC in
accordance with its Housing Loan Receivables Purchase Program;

NOW, THEREFORE, for and in consideration of the foregoing premises
the parties agree to the granting of a Housing Loan and the constitution of a
Real Estate Mortgage to secure the same, under the following terms and
conditions:

ARTICLE I. THE LOAN

Section 1.01 Amount. The ORIGINATING INSTITUTION hereby extends
to the BORROWER a Housing Loan in the Principal amount of

(Php _____)
Philippine Currency.

Section 1.02 Purpose of Loan. The Proceeds of loan shall be used by
the BORROWER solely for this purpose:

Section 1.03 Loan Release. Upon compliance by the BORROWER with
all the herein conditions, as well as with the rules and guidelines of the
NHMFC, the proceeds of the loan shall be released in the manner indicated
hereunder:

Section 1.04 Note. The loan shall be further evidenced by Promissory
Note executed by BORROWER(S), co-signed
by _____
and made an integral part hereof.

Section 1.05 Interest. The BORROWER shall pay interest on the unpaid
principal amount of the loan outstanding at the rate of _____ (____%)
per annum.

Provided, however, that the ORIGINATING INSTITUTION or NHMFC may adjust the rate of interest chargeable on the loan within the limits allowed by law, in the event NHMFC's policy, as the case may be, require such adjustment.

Section 1.06 Repayment of the Loan. The BORROWER shall repay the loan in ___ consecutive monthly installments, payment commencing on the same date of the month following the release of the loan proceeds and succeeding repayment shall be made on the same date of the succeeding months, thereafter until the loan shall have been fully paid.

Section 1.07 Prepayment. The BORROWER may prepay this loan, in whole or in part; provided, however, that in case of partial prepayment of at least twelve (12) monthly amortizations, the ORIGINATING INSTITUTION or its assignee/transferee shall either shorten the term of the loan or lower the monthly amortizations in which case a new schedule or payments shall be made.

Section 1.08 Penalty for late Payment. Late payment of any monthly amortization and any amount due hereunder including insurance premiums, taxes, charges, and assessments under Section 3.04 and 3.05 as it falls due shall be subject to a penalty charge equivalent to one fifteenth of one percent (1/15 of 1%) of said unpaid amount per day of delay computed from day payment become due.

Section 1.09 No Defense/No Set-off

A. Any action or remedy which BORROWER may have against the Developer for defect in planning, construction development of the subdivision or site shall not constitute a defense of the BORROWER from non-payment or cause for suspension of payment of the amortizations due.

B. Upon assignment of this Loan and Mortgage Agreement to the NHMFC, the rights of compensation or set-off which may exist as between the BORROWER and the ORIGINATING INSTITUTION shall not be invoked and hereby waived and may not be raised by the BORROWER and/or the ORIGINATING INSTITUTION against the NHMFC, its transferees or successor-in-interest.

ARTICLE II. THE REAL ESTATE MORTGAGES

Section 2.01 Mortgage. The BORROWER hereby secures the loan and other obligations stipulated herein, by a first mortgage on real property (ies) and improvements now existing or which may thereafter exist thereon absolutely owned by the BORROWER, free from all liens and encumbrances of whatever nature, and which property is more particularly described herein and/or in a supplementary page list appended hereto, (hereinafter referred to as the "Mortgaged Property" irrespective of number) BORROWER is making this first mortgage in favor of ORIGINATING INSTITUTION and subsequently the NHMFC or its assignee/ transferee further agrees and warrants:

- a. that the loan proceeds were utilized to acquire/construct the same property herein mortgaged.
- b. to maintain the integrity, quality and sufficiency of the Mortgaged Property at level acceptable to or directed by the ORIGINATING INSTITUTION or its assignee/transferee;

- c. to allow the ORIGINATING INSTITUTION or its assignee/transferee to inspect the Mortgaged Property during reasonable hours to ascertain its condition or actual market value;
- d. to substitute the Mortgaged Property with new and/or provide additional collateral (s) if the ORIGINATING INSTITUTION or its assignee/transferee finds that the Mortgaged Property is lost, impaired or depreciated due to any cause whatsoever;
- e. to duly pay or discharge all taxes, assessments, and charges on the Mortgaged Property and submit to the ORIGINATING INSTITUTION or its assignee/transferee proof of such payment;
- f. not to subdivide, lease, sell, dispose, mortgage or encumber the Mortgaged Property without the prior written consent of the ORIGINATING INSTITUTION or its assignee/transferee, nor commit any act which may impair directly or indirectly, the value of the said mortgaged property.

In case of extrajudicial foreclosure under Act No.3135, as amended, the auction sale shall take place in the city or capital of the province where any of the mortgaged property is located. Effective upon the breach of any condition of the loan, the ORIGINATING INSTITUTION or the NHMFC or its assignee/transferee is hereby appointed BORROWER's attorney-in-fact with full power of substitution and authority to perform such acts as may be necessary to dispose of the Mortgaged Property in accordance with the provisions of Act No.3135 as amended, and pending such disposition, to perform all other acts of administration and management in the manner most advantageous to and for the best interest of the ORIGINATING INSTITUTION or the NHMFC or its assignee/transferee. The latter hereby reserves its right to bid at the appropriate public auction.

Section 2.02 Coverage. This mortgage shall likewise stand as security for the payment of any Promissory Note (s) which the BORROWER has executed pursuant to this Agreement or any renewal, extension or amendment thereof. If the BORROWER shall pay to the ORIGINATING INSTITUTION or its assignee/transferee all the obligations secured by this mortgage when due, and shall comply with all the covenants of this Agreement, then this mortgage shall be void, otherwise it shall remain in full force and effect.

ARTICLE III. INSURANCE, TAXES, AND OTHER OBLIGATION

Section 3.01 Insurance Coverage. The BORROWER hereby authorizes the ORIGINATING INSTITUTION or the NHMFC or its assignee/transferee to obtain from duly accredited insurance companies for the BORROWER's account and for the benefit of NHMFC the following insurance policies under such terms/conditions and duration as the ORIGINATING INSTITUTION or the NHMFC or its assignee/transferee may deem proper, to ensure payment in whole or in part, of the loan, interest and such other amounts which may be due from the BORROWER, to wit:

- a. Mortgage Redemption Insurance;
- b. Fire Insurance;

and such other insurances as may hereinafter be required by NHMFC in accordance with its home lending guidelines.

All insurance premiums shall be for BORROWER's account;

Section 3.02 Premium Payments. The premiums on the aforesaid coverage shall be prepaid annually by the BORROWER. In the event of assignment /transfer of the loan and mortgage to the NHMFC, the annual

premiums due from the date of such assignment/transfer shall be deducted by the NHMFC from the take-out proceeds. Thereafter, the prepayment for the following and succeeding years after such assignment /transfer shall be distributed and collected monthly together with the loan amortization for the current year.

Section 3.03 Assignment of Insurance Policy. Every insurance policy obtained in connection with this Agreement is hereby assigned to the originating institution or NHMFC or its assignee/transferee notwithstanding BORROWER's failure to endorse or deliver said policy, Accordingly, in case the risk insured against occurs, the ORIGINATING INSTITUTION or NHMFC or its assignee/transferee is hereby authorized to settle or liquidate all claims on said property and to apply the proceeds to settle in whole or in part BORROWER's herein obligations.

Section 3.04 Taxes, Assessments, Association Dues and Other Charges on the Mortgaged Property. The BORROWER shall duly pay and discharge all taxes, assessments, association dues, other legal liens and charges of whatever nature and by whomsoever levied against the mortgage property on or before their respective due dates, unless and to the extent only that the same may be contested in good faith in appropriate proceedings by the BORROWER. In case of tax foreclosure, the BORROWER agrees to pay the ORIGINATING INSTITUTION or NHMFC the total obligation within thirty (30) days from the tax foreclosure sale.

ARTICLE IV. DEFAULT

Section 4.01 Events of Default. The occurrence of any of the following shall constitute an event of default:

- a. Failure of the BORROWER to pay the equivalent of at least three (3) monthly amortization of the loan;
- b. Misrepresentation or fraud, committed by the BORROWER in securing the loan;
- c. Any representation, statement, warranty made by the BORROWER in this Agreement, the Application Form, the mortgage document or in any document executed by the BORROWER in connection with the loan shall prove to be untrue or incorrect in any material respect.
- d. The mortgaged cannot be registered with the Register of Deeds or said security has become subordinated to the claim of any person or entity, whether public or private;
- e. The BORROWER violates the policies, rules regulations and guidelines of NHMFC pertaining to its home-borrowers financing program;
- f. The mortgage shall for any cause cease to be in full force and effect ; or is/otherwise impaired the required collateral value has been reduced;
- g. The BORROWER shall become insolvent or unable to pay his debts as they mature, or take advantage of insolvency, moratorium or other laws for the relief of debtors, whether filed voluntarily or involuntarily or any judgment or order is entered by a court of competent jurisdiction for the appointment of a receiver, trust, or the like to take charge of all substantially of all the assets of the BORROWER;
- h. There shall have occurred a material change in the financial conditions of the BORROWER which, in the reasonable opinion of the ORIGINATING INSTITUTION, NHMFC, or their assignee the BORROWER will be unable to perform his obligation under this Agreement;

i. The BORROWER subdivides, leases, sells, transfers, assigns or otherwise dispose of the mortgaged property without the prior written consent of the ORIGINATING INSTITUTION or its assignee/transferee, or commit any act which may impair directly or indirectly the value of the mortgaged property.

Section 4.02 Effects of Default. Upon the occurrence of an event of default, the ORIGINATING INSTITUTION, NHMFC, or its assignee/transferee may:

- a. Declare the outstanding Loan together with accrued interest and other herein obligations immediately due and payable;
- b. Foreclose the mortgage in accordance with Section 2.01;
- c. Apply any of BORROWER's funds in the possession of ORIGINATING INSTITUTION or its assignee/transferee in full or partial payment of BORROWER's herein obligations and in the Promissory Note(s) and/or;
- d. Avail of any other remedies provided for by law and this Agreement, including but not limited to recourse to the insurance policies.

For purposes of Section 4.02 (c) above, the BORROWER further authorizes the ORIGINATING INSTITUTION or NHMFC or its assignee/transferee to secure and apply without prior notice to the BORROWER any fund belonging to him in the possession or control of the ORIGINATING INSTITUTION or its assignee/transferee.

It is understood that the above remedies are cumulative and in the event that ORIGINATING INSTITUTION or its assignee/transferee has to initiate any action or proceeding, the latter shall be entitled to collect the costs and expenses of such action or proceeding, including but not limited to Attorney's fees equivalent to at least 25% of the total amount due.

ARTICLE V. MISCELLANEOUS

Section 5.01 Enforcement. The failure of the ORIGINATING INSTITUTION or its assignee/transferee to strictly enforce any provisions of this Agreement shall not diminish the herein obligations of the BORROWER nor constitute a waiver, loss or diminution of any right or remedy of the ORIGINATING INSTITUTION or its assignee/transferee.

Section 5.02 Assignment. Without need of further notice, the BORROWER hereby agrees to the eventual assignment/transfer by ORIGINATING INSTITUTION of this Agreement and its corresponding Promissory Note (s) to the NHMFC, its assignee and successors-in-interest. To this end, the BORROWER agrees to perform such acts and execute such documents as may be deemed necessary to implement any such assignment/transfer.

As a consequence of such assignment, NHMFC is empowered, and for said purpose is hereby appointed by the BORROWER as his attorney-in-face, to perform such acts as may be deemed necessary under the circumstances, including the power to issue cancellation and/or release of mortgages, as well as deal with the Register of Deeds concerned in all aspects of the transaction.

Section 5.03 Documentation/Registration Expenses. The BORROWER shall pay the notarial fees, documentary stamps and all expenses in connection with this Agreement and its corresponding Promissory Note (s) and necessary agreements which may hereafter be executed in connection herewith, and the fees for the registration of this and other documents related thereto.

Section 5.04 Separability Clause. The declaration of any of the provisions of this Agreement by a Court of Competent jurisdiction invalid or

unenforceable shall not affect the validity of the enforceability of all the other provisions not otherwise so declared and the same shall remain in full force and effect, and shall be enforceable in such manner as may be provided by law.

Section 5.05 Discrepancies. In case there is a discrepancy between the provision of this Agreement and the Promissory Notes, this Agreement shall prevail.

Section 5.06 Notices. All correspondence of whatever kind pursuant to or relative to this Agreement, shall be sent to the BORROWER at the address given above. The mere act of the ORIGINATING INSTITUTION or its assignee/transferee of mailing such correspondences postage prepaid to said address shall be valid and effective notice to the BORROWER for all legal purposes. In case of BORROWER's change of address, the NHMFC shall be immediately notified.

Section 5.07 Incorporation by Reference. The implementing guidelines of the NHMFC Home Lending Program dated _____ including any and all amendatory and supplementary circulars which may hereafter be promulgated are deemed incorporated herein by reference and made integral parts hereof.

Section 5.08 Incorporation of Documents. All documents, Promissory Note(s), Application Form, Appraisal Report, Certification of Lot/House Acceptance, Certificates of Completion and other papers filed in connection with the loan and mortgage are made integral parts of this Contract and any violation thereof or misrepresentation therein shall constitute an event of default.

Section 5.09 Salary Deduction. The BORROWER hereby agrees that monthly amortization payments on the loan may be deducted from his salary and agrees to execute such documents authorizing the same if and when required by the ORIGINATING INSTITUTION or its assignee/transferee.

Section 5.10 Other Provisions.

DESCRIPTION OF MORTGAGED PROPERTY

Technical Description of T-_____

IN WITNESS WHEREOF, we have hereunto set our hands, this ___th day of _____, 20__ at the Province/City of _____, Philippines.

PRINCIPAL BORROWER

ORIGINATING INSTITUTION

With my Marital Consent:

Represented by:

PROMISSORY NOTE

FOR VALUE RECEIVED, I/WE hereby unconditionally promise to pay jointly and severally, without need of demand

1. THE NATIONAL HOME MORTGAGE FINANCE CORPORATION (ORIGINATING INSTITUTION) the interest charges on the loan portions commencing upon their release and in accordance with the terms and conditions prescribed by the ORIGINATING INSTITUTION at the latter's prevailing rate until the transfer/assignment of this Promissory Note to the NHMFC; thereupon:

2. The National Home Mortgage Finance Corporation (NHMFC) the principal sum of _____ (P_____) Philippine Currency, with interest thereon at the rate of _____ percent (_____) per annum payable in _____ equal consecutive monthly amortizations, as follows:

YEAR	PERIOD	PRINCIPAL AND INTEREST
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to commence on _____ (the same date of the month following the release of the loan proceeds) and every _____ of the month thereafter (the same date of the succeeding months) until the loan shall have been fully paid.

The amortization mentioned above does not include payment of insurance premium and other charges due, which shall be billed/charged separately against the borrower, or to be included together with the regular monthly amortization.

The ORIGINATING INSTITUTION or its assignee/transferee reserves the right to increase, within the limits allowed by law, with notice to the borrower, the rate of the interest on the loan as well as fees and charges on loan and advances at any time depending on whatever policy it may adopt in the future during the period of the loan; Provided that the rate of interest on the loan shall be correspondingly reduced in the event that the applicable maximum rate of interest is reduced by law or by the Monetary Board. In either case, the adjustment in the interest rate agreed upon shall take effect on or after the effectivity of the increase or decrease in the maximum rate of interest.

In case of default as provided for in the Loan and Mortgage Agreement, the Noteholder can declare the entire principal amount outstanding on the Note and the accrued interest, including charges fees, penalties and other obligations of whatever kind and nature under the said Loan and Mortgage Agreement immediately due and demandable. In addition, I/WE shall pay a penalty of one fifteen (1/15) of one percent of the total amount due per day of delay until full payment thereof. If any action is brought to collect this note the Noteholder shall further be entitled to collect cost and expenses of the proceedings, including but not limited to, Attorney's fees equivalent to at least 25% of the total amount due.

In the event that the ORIGINATING INSTITUTIONS does not effect the aforesaid transfer/assignment or NHMFC rejects the same, or after acceptance thereof exercises its right or recourse against the ORIGINATING INSTITUTION for a cause other than the BORROWER's fault or negligence, I /WE shall pay this loan as well as all other obligations stipulated in the Loan and Mortgage Agreement , in this Note and corresponding accessory contracts, to the ORIGINATING INSTITUTION under the same terms and conditions, including the NHMFC rate of interest as provided in the said documents, as if the transfer/assignment has been made or the right of recourse has not been made or exercised , except those provisions which relate exclusively to NHMFC. Should the aforementioned failure to transfer/assign, rejection of transfer/assignment or exercise of the right of recourse be occasioned by the BORROWER's fault or negligence, I/WE shall, upon demand by the ORIGINATING INSTITUTION , pay the entire loan outstanding together with the accrued interest, charges, fees, penalties and other obligations of the BORROWER/s under the Loan and Mortgage Agreement, this Note and the corresponding accessory contracts, except those which may relate exclusively to NHMFC.

Whether or not the insurance premium shall be billed separately or collected together with the regular monthly amortization, I/WE agree that the final application of payment shall be based on the following NHMFC policy in priority of payment:

1. Taxes and other charges
2. Penalties
3. Insurance
4. Accrued Interest
5. Principal

I/WE further agree that any suit arising from this Note shall be filed exclusively in the proper court of the City of Makati. In the event of foreclosure of the mortgage securing the Note, I/WE further bind myself/ourselves jointly and severally, to pay the deficiency, if any.

Principal

With Marital Consent:

SIGNED IN THE PRESENCE OF:

**PURCHASE OF LOAN AGREEMENT
(REAL ESTATE MORTGAGE)**

KNOW ALL MEN BY THESE PRESENTS:

For value receive, we hereby sell, transfer and deliver to National Home Mortgage Finance Corporation (NHMFC), its transferees and or successors-in-interest, the Loan covered by the Loan and Mortgage Agreement, the Promissory Note and other supporting documents, with the aggregate principal balance outstanding of _____ (P_____).

These delivery and value are subject to the following actions by the NHMFC.

- a. Standard documentation review and return of loan document/s found incomplete/defective substantially.
- b. Valuation review and restatement hereunder of the accepted price of this Purchase binding upon the herein Originating Institution by the acceptance of payment by the NHMFC.
- c. In cases where the loan-to-value ratio exceeds the prescribed levels of the appraised value of the collaterals, the Originating Institution shall be required to repurchase the loan in case the borrower defaults in the payment equivalent to three (3) monthly amortizations within the first twenty four (24) months of the loan by paying NHMFC within fifteen (15) days from the demand of the Outstanding loan plus accrued interests, penalties and other charges, and in the case of delayed payment, a penalty at the rate of three percent (3%) per month of the amount due, until paid.

We hereby reiterate our warranties, undertaking and obligations assumed with our origination of subject Loan in accordance with the Guidelines on the Housing Loan Receivables Purchase Program, as amended, as well as the amendatory/supplementary circulars thereto, including our compliance with its policies, procedures and documentation.

In case of breach of warranties, undertakings and obligations stipulated with respect to the genuiness of title/ownership by the borrower(s), mortgagor(s) of the property, construction of the residential units, and the validity of the mortgage purchased, the NHMFC shall, without prejudice to other legal remedies, have the right to sell back and Originating Institution is obligated to repurchase the account and reimburse the NHMFC within 15 days from the date of demand, the outstanding principal of such loans including accrued interests, penalties and other charges together with 3% per month surcharges of the amount due. Failure to pay said amount within fifteen (15) days from demand shall subject the Originating Institution to a penalty of one tenth of one percent (1/10 of 1%) per day until the amount is paid, in addition to the regular interests, penalties and other charges on the loan.

Place and Date

Originating Institution

BY: _____

ACCEPTANCE:

We hereby accept the Loan pertaining to borrower – mortgagor _____, the total loan values and price of which is: _____ (P_____)

(Words)

NATIONAL HOME MORTGAGE FINANCE CORPORATION

BY: _____

ACKNOWLEDGEMENT

REPUBLIC OF THE PHILIPPINES) S.S.
PROVINCE/CITY _____)

At the above-stated locality on this _____ day of _____, 20_____, before me personally appeared:

NAME	TIN	RES. CERT.	DATE & PLACE OF ISSUE
NATIONAL HOME MORTGAGE			
FINANCE CORPORATION			
Represented by: _____	_____	_____	_____
ORIGINATING DEVELOPER			
Represented by: _____	_____	_____	_____
_____	_____	_____	_____

known to me to be same persons who executed the foregoing PURCHASE OF LOAN AND MORTGAGE, signed by the parties and witnesses, and who acknowledged the same to be their voluntary act and deed as well as those of the corporation herein represented.

IN WITNESS WHEREOF, I have hereunto set my hand and seal on the date and place above mentioned.

NOTARY PUBLIC

Doc. No. _____
Page No. _____
Book No. _____
Series of 20_____

**AFFIDAVIT OF WARRANTIES
(REAL ESTATE MORTGAGE)**

I, _____, Filipino, of legal age, single/ married,
and _____ with _____ business address _____ at
_____, after having been sworn
in accordance with law, hereby depose and say that:

1. I am the authorized representative of
_____ a corporation duly organized
and existing under and by virtue of the laws of the Republic of the Philippines, with
principal place of business at _____.

2. _____ is engaged in the business of
developing subdivisions;

3. _____, has sold on installment the
house and lot covered by the subdivision project located at
_____ with an area of
_____ (_____) square meters, with unit design "_____" to
_____. As security, the said property is mortgaged in favor of
_____.

4. On behalf of _____, I hereby
warrant that the buyer - mortgagor has the financial capacity to pay his monthly
amortizations as they will fall due. As such we have exercised due diligence in
determining the financial capacity of the buyer. In fact, the buyer had paid
substantial monthly amortizations as evidenced by his account ledger.

5. I further warrant that the title of the property covering the mortgaged
property is free from any liens and encumbrances and that the Loan and Mortgage
Agreement is valid and the consent of the parties there have not been vitiated or
secured by fraud.

6. I also warrant that the housing unit covered by the Loan and Mortgage
Agreement has no structural defects and the materials used in the construction of
the housing unit have passed the standards set by appropriate agencies.

7. In the event of breach of any of our warranties as above stated, I, on
behalf of _____, hereby agree and undertake to hold
NHMFC free and harmless from any and all liabilities arising from the Loan and
Mortgage Agreement. In this regard, in case of actions resulting from a breach of
the warranties herein indicated, I, on behalf of
_____ hereby agree and undertake to
reimburse NHMFC any and all expenses it had incurred by reason of a breach of this
warranty, and in relation to any action pertaining to the Loan and Mortgage
Agreement.

8. This Affidavit is executed to attest to the truth of the foregoing and for
whatever legal purpose and intent it may serve.

IN WITNESS WHEREOF, I hereby sign this Affidavit of Warranties, this ___ day
of _____ at _____, Philippines.

Affiant

SUBSCRIBED AND SWORN to before me, this ____ day of _____, _____ at _____ City, affiant exhibiting to me his identification card, to wit: _____, issued on _____ at _____ with expiry date on _____.

WITNESS MY HAND AND SEAL, on the date and at the place first above written.

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