

PHILIPPINES-AUSTRALIA LAND ADMINISTRATION AND MANAGEMENT PROJECT

Transfer of Titles and Support Services: Realities on the Ground - PIO2

REPORT A7

JULY 2002



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Transfer of Titles: Realities on the Ground

INTRODUCTION

1. Background

1.1 This document reports the experiences of six persons in connection with the transfer of land titles to their names. It details how they have gone through the gauntlet of government bureaucracy that was often tedious, cumbersome, and frustratingly slow.

1.2 As agreed, except for one of the informants, who consented to use her real name, this report keeps the names of the other five informants confidential. It must be noted that when the writer requested the informants for interviews, each one displayed understandable reluctance to honor the request for fear of getting involved in complicated situations. Only the promise of confidentiality coupled with an appeal to their sense of patriotism convinced them to relent. But I had to show proof of good character. One informant even made three demands: One, I must show proof of my identity. This I easily hurdled by showing her my I.D. Second, I must prove that I am really a professional researcher. Luckily, I still have tucked in my wallet my old business card when I was working with the Institute of Philippine Culture of Ateneo de Manila University. Finally, she demanded that I mention names of “famous” people she also knew! After giving the names of 10 people in quick succession, I finally hit the jackpot when I mention Barry of PA LAMP, Bill Keyes of Freedom to Build and Denis Murphy of Urban Poor Associates (UPA). For a bonus, I also threw in the names of Alice Murphy, Denis’ wife.

1.3 When I asked later on during the conversation why she had required this kind of verification, she smiled and explained that there are many persons who go around their community talking and promising many good things to people. “I do not want to be victimized again by these shady characters in sheep’s clothing,” she said.

1.4 All six informants in this report are women. The choice is purely coincidental since they were the ones recommended by my source during the frantic period of identifying appropriate persons to be interviewed. I must also mention that identifying persons who had actually gone through the process of transfer of titles was quite difficult. I had, in fact, gotten the impression that there are not that many persons out there who are interested on having their individual lots titled. There are three possible reasons behind this. First, in the National Government Center (NGC), where five of the six informants reside, there are only a few who have already received the Certificate of Entitlement that would allow them to apply for individual land titles. Second, the ones who have obtained individual titles are reluctant to talk about the process of land titling lest they step on the toes of powerful persons; and third, a few of those who have already obtained individual titles were so traumatized by their experience and resentful of the government that they prefer not to relive that painful experience once again.

2. Objectives of the study

2.1 The main purpose of this study is to document the experiences of at least six persons who “have attempted to transfer the ownership of titled land through formal, legal procedures.” This objective would be achieved “through in-depth individual interviews that would probe through the “steps required in the title transfer process.” (Terms of Reference).

2.2 Corollary to this, the study would help identify the problems, challenges and lessons learned by people who have attempted to work on the transfer of titles.

2.3 And finally, the Philippine-Australia Land Administration and Management Project (PA LAMP) may pick up a lesson or two that may help in the efficient implementation of the project.

3. How the study was done

3.1 This study was laden with pressure. First, there was the difficulty of coming up with a thorough study given the short period of only two weeks for the research. Second, as already mentioned, people in the project area are generally reluctant to give information regarding their experiences related to land titling for fear of unnecessary personal aggravations. And third, often, the in-depth interviews had to be done late in the evening due to the busy schedules of the informants. This limited the time of the writer to probe deeper into some significant issues being articulated by the informants.

3.2 Moreover, the writer has tried to exercise care that the accounts of the informants and their recollection of the sequence of events that took place are faithfully reproduced in this report. This will demonstrate not only how much the informants remember what actually transpired but it will also allow a comparison of the procedures they have adopted and the “standard” legal process shown in Figure 1.

3.3 Finally, the writer conducted a second interview of the six informants after the first draft was presented to the officers and consultants of PA LAMP. The purpose of the second interview was to gather additional information and to firm up the amount of time each one of the informants had spent with each agency while working on their titles.

4. The formal, legal procedures for titling of land

4.1 According to Engineer Felino Cortez, Land Title Adviser of LAMP, the formal, legal process for the titling of real estate properties goes through the following step-by-step procedures:

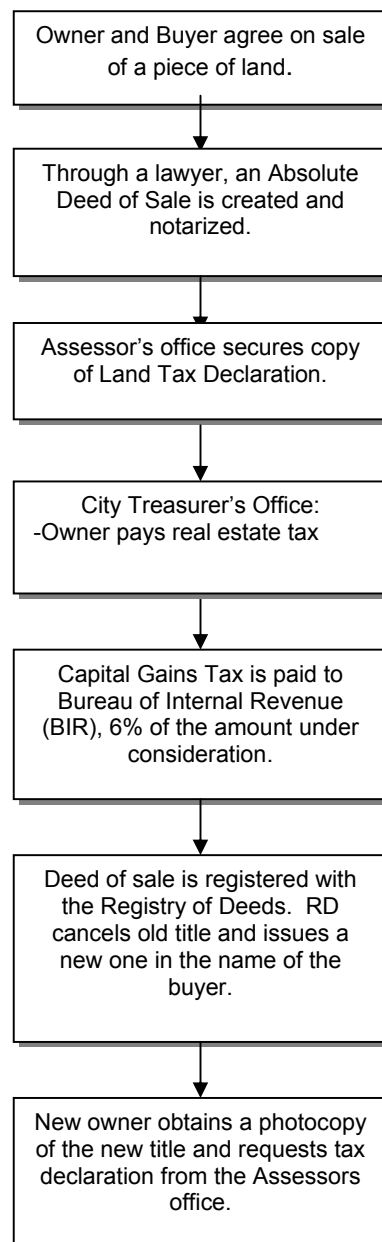
4.2 Owner and buyer agree on purchase of property and the selling price of the property. Then a Deed of Absolute Sale is prepared and notarized, sometimes with the help of a lawyer.

4.3. The Assessor’s Office (AO) secures a copy of the land tax declaration.

4.4 Real estate tax is paid to the City Treasurer’s Office (CTO).

- 4.5 Owner pays capital gains tax to BIR- 6% of the amount under consideration.
- 4.6 Deed of Sale is registered with the Register of Deeds; ROD cancels the old titles and issues a new one to the new owner.
- 4.7 New owner obtains a photo-copy of the new title and requests tax declaration from the Assessor's office.

Figure 1: Legal Procedures in transfer of land title



4.8 In the face of what seems to be a fairly straightforward and clean process, the realities on the ground as experienced by our informants reveal complicated and sometimes gut-wrenching situations that have left some people feeling physically sick in the stomach and resentful of government bureaucracies.

5. THE STORIES OF SIX WOMEN

5.1 The Story of Ave Lina

5.2 Ave Lina, (not her real name) lives in Barangay Holy Spirit, Quezon City. In 1996, she purchased a piece of real estate property from Trans Union Realty Corporation (TURC) based in Pasay City. The size of the property is 121 square meters. It is located in Sauyo, Novaliches, Quezon City. The price of the property is P400, 000.

5.3 Part of what attracted Ave's attraction to buy the property from TURC was the agreement that the TURC would be responsible for transferring the title to her name. But TURC reneged on its promise and said that it would only work on the transfer of title if Lina paid a facilitation fee of P 20,000. Ave refused and decided to work on the transfer of the title herself.

5.4 Other reasons Ave cited why she bought the piece of property were the promise made by a couple of friends to build their houses near Ave's property. But none of these plans materialized. Ave herself decided against building their house in Sauyo, Novaliches, Quezon City because it is not accessible to schools. Her other friends, also decided to live elsewhere in order to be close to their relatives and to other amenities like the SM Shoemart and churches.

5.5 When the writer asked Ave Lina if she ever thought of asking her husband to do the follow-up work, she said that her husband would certainly refuse to do so because he is busy with his job. And if ever he agreed to do be involved in the process of the transfer of title it would only be through a third person whom he would hire to do the work for him. Finally, Ave said: " My husband has no patience with such things."

6. Treasury's office, Quezon City

6.1 Ave paid the real estate tax at the Treasurer's office of Quezon City. This was accomplished within one hour.

7. The Assessor's Office

7.1 Ave brought the copy of the receipt to the Assessor's office for assessment of the market value of her land. She said that the Assessor's office based the computation of the land value on existing market price in the area. The Assessor's office did not actually inspect the property. Ave spent three days with the Assessor's office.

8. City Treasurer's Office

8.1 After the Assessor's office had completed assessing her property, Ave went back to the Treasurer's office to pay the P20.00 fee for the No Improvement Certificate.

8.2 When her turn at the counter came, she was told that her property had to be inspected and that it would take sometime before the inspection could be completed.

8.3 But then she noticed that there was a long line of people at the Treasurer's office waiting to make payments. She also saw that, from time to time, those at the back would jump the queue of impatient people to talk to the office personnel. Then they would come out of the office wearing a smile as they waved their completed documents like some kind of a trophy!

8.4 Ave then decided that she would no longer stand for hours while others were allowed easy access to the people at the counter. A small amount of P 200.00 for "snacks" (*pa konsuelo*) handed to the right person ended her travails. In addition, her property was spared the usual ocular inspection that could have cost her a few more pesos to buy lunch and snacks for the inspectors. The Treasurer's office finished her document in one day only.

9. Bureau of Internal Revenue

9.1 At the Bureau of Internal Revenue (BIR), she paid P 24,000 capital gains tax (CGT) representing 6% of the value of her property. But at the BIR, she waited for two weeks before she obtained her capital gains tax certificate. To this day, she had no idea as to the reason for the delay. For every time she would call up the BIR, she would invariably be advised to just wait. She also did not shell out any *pa konsuelo* for anyone at the BIR office.

10. Register of Deeds

10.1 Her last stop was at the Registry of Deeds (ROD) where she had to pay a "facilitation" fee of P 2,000. She tried to negotiate for a smaller amount but the ROD person refused because, "There are three of us who would share the amount," he pointed out.

10.2 Ave said that the ubiquitous fixers there at the ROD where she encountered real difficulties brought it about. She said, "there were many fixers there." And she was quite powerless to shake off those fixers because they are the very own personnel of ROD.

10.3 Finally, after 4 weeks and 4 days of much waiting and the payment of P 2,000 "facilitation fees," Ave obtained the original copy of her land title.

11. What Ave Lina thinks of "Facilitation Fees"

11.1 Ave thinks that the practice of facilitation fees (*lagay, padulas, pa-konsuelo, pang sigarilyo, etc.*) is already a part of the Filipino culture. She said that there are many factors responsible for this pernicious practice of "lagay", or bribery in Philippine society. One of these is the practice of the people themselves giving money to government employees in order to avoid delays in the processing of official documents. "There would be no takers if there are no givers," she declared.

11.2 Finally, she believes that a One-Stop-Shop is a step in the right direction as far as land administration and management in the Philippines are concerned.

Figure 2: Ave Lina's Flow Chart (total time – 4 weeks & 4 days)

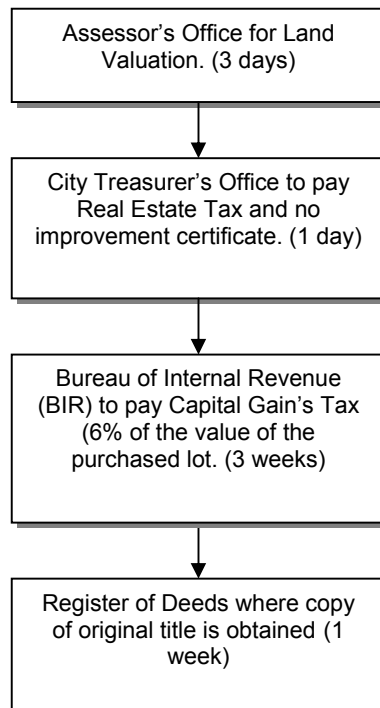


Fig. 3: List of Documents Ave Lina Had to Produce

Name of Office	Types of Documents
Treasury's Office	<ol style="list-style-type: none"> 1. Transfer tax certificate 2. Real property tax receipt (latest) 3. Tax clearance (updated) 4. Certificate authority registration (updated) 5. Documentary stamp
Assessor's office	<ol style="list-style-type: none"> 1. Tax declaration 2. Tax clearance certificate 3. Deed of absolute sale (xerox copy) 4. Sworn statement 5. Transfer tax name 6. Transfer certificate tax (TCT original copy)
Bureau of Internal Revenue	<ol style="list-style-type: none"> 1. Deed of absolute sale (original + 2xerox copies) 2. CREBA registration (xerox latest) 3. Certificate of no improvement from Assessor's office 4. Title (TCT/CCT/OCT- 2 copies) 5. Tax declaration (2 copies, xerox latest) 6. BIR Form 1743/1701 7. Doc. Stamp Tax BIR Form 2000 8. License to sell 9. Certificate of registration or Debit memo/credit memo 10. Contract to sell
Registry of Deeds	<ol style="list-style-type: none"> 1. Transfer Certificate Tax (TCT) 2. DAS (original + 2 xerox copies) 3. Transfer tax 4. Real property tax certificate (updated) 5. Certificate Authority Registration from BIR

12. The Story of Edith Lau

12.1 Edith Lau's property is located in Novaliches, Quezon City. Its size is 300 square meters. She purchased this piece of real estate property from a friend after Edith's husband started earning good money as a satellite communications engineer in Saudi Arabia. She paid P 950, 000 for the property.

13. Validation of documents

13.1 Edith considered her experience in the transfer of title complicated and extremely cumbersome. The main reason for this is because all documents involved in the process of transfer of titles must be validated for their authenticity. She emphasized that this task entailed tremendous work and a good amount of money – money to go back and forth from home to office, and money to “insert in between the pages of office secretaries' ledgers,” she said.

13.2 Aside from this, Edith claims that the documentary stamp on the Deed of Sale document must be paid within 24 hours, otherwise a fine would have to be paid.

14. Capital Gains Tax

14.1 Edith also said that she paid a total of P 61,750 in capital gains tax including documentary stamp.

14.2 Edith added that according to law, the seller is the one who must pay the capital gains tax. This means that since she was the lot buyer, she has no obligation to pay the capital gains tax. Unfortunately, however, the seller flatly refused to shoulder this legal obligation so she had to shoulder this responsibility alone. In the beginning, she tried to convince the seller to share the capital gains tax equally. But the latter was very greedy (*masyadong matakaw*). Hence, rather than complicating the issue further, she decided to absorb all the obligations herself. Besides, her husband was very interested in the property because he had in mind building on the said lot a five-door apartment, which he would rent out in the future.

14.3 Finally, since Edith had to pay the capital gains tax herself, she was constrained to under-value the property in connivance with the Assessor. She “gifted” the Assessor with P 5,000 “*padulas*” (grease money).

15. Assessor's office

15.1 At the Assessor's office, Edith submitted two documents. These are the duly notarized copy of the Deed of Absolute Sale and a copy of the current tax declaration certificate.

16. Treasurer's Office

16.1 At the Treasurer's office, Edith paid the real estate tax more commonly known as *Amillar*. She also submitted an updated copy of tax clearance certificate and the owner's duplicate copy of Certificate of Title.

16.2 Actually, one could easily breeze through all these activities but it still took Edith two days to accomplish the tasks even with *pa merienda*, or money for the functionary to have a snack.

17. Bureau of Internal Revenue

17.1 The final output expected from the BIR is the so-called, Certificate Authorizing Registration with the Registry of Deeds. As required, Edith submitted, the following documents:

- Deed of absolute sale
- No improvement certificate
- Two copies of title (TCT/CCT/OCT)
- Two xerox copies of tax declaration
- Duly filled out BIR Form 1743/1701
- Documentary stamp tax BIR form 2000
- Original TCT
- Original tax declaration
- License to sell
- Certificate of registration
- Contract to sell

18. Good words for BIR

18.1 Edith is quite pleased with the BIR. She said that she did not get the feeling that it was deliberately delaying her papers in consideration of some "*padulas*." However, on the issue of tax declaration, she is concerned that the document does not indicate whether the lot is located near or far from a major thoroughfare. She believes this has a bearing on the price of the property.

18.2 On the issue of corruption, Edith feels that the assessed value of the lot for sale often spawns corruption. She mentioned that if the assessed value of the property happens to be way beyond the paying capacity of the lot owner, there would be a tendency on the owner's part to haggle with the Assessor for a lower amount. Most often the Assessor is only too willing to accommodate such a request "if the price is right."

19. Government as the ultimate loser in any shady deals

19.1 Every time the Assessor allows his/her decision to be influenced by easy money, it is the government that is the ultimate loser.

20. Register of Deeds

20.1 Edith rates the Registry of Deeds most bureaucratic and corrupt. It exacts "*padulas*" from people by deliberately delaying the release of the land title certificates. ROD people use several excuses or reasons to justify delayed releases. Here are some examples:

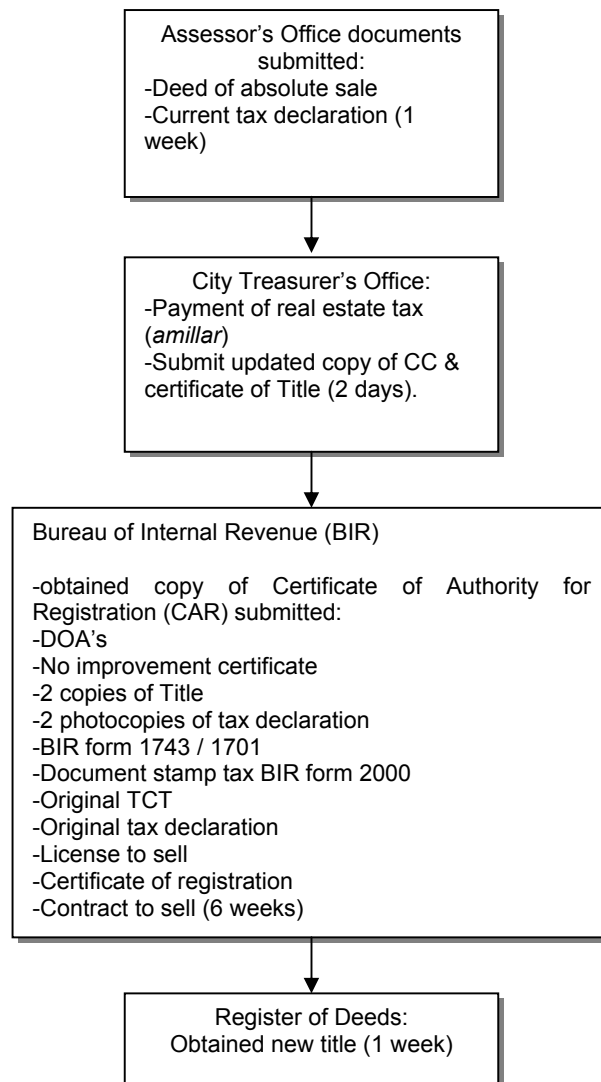
- *naubusan ng tinta* (the printers have run out of ink)
- *may depekto ang documento*. (the document is defective)

- *maraming ginagawa ang mga typist kasi may tanggap na subdivision* (our typists are overloaded with work because we are busy working on the papers of a subdivision)
- *wala ang examiner* (the examiner is absent), etc.

21. What Edith thinks of “facilitation fees”

21.1 Edith thinks that the use of “facilitation fees” as an instrument to hasten things is not wrong *per se*. Rather, she believes that “facilitation fees” are just a way to express a person’s gratitude for helping him/her out of a tight situation. She asks: “What’s wrong if I express my gratitude to someone who completed my papers much earlier than I expected? Yes, indeed, they are already getting paid for doing what they ought to do in the first place. But, she argues, “Are they necessarily corrupt when they accept something that is freely given?”

Figure 4: Edith Lau’s Flow Chart (total time – 8 weeks & 2 days)



22. The Story of Margie Serion (Her real name)

22.1 In 1996, the People's Housing Alternative and Social Empowerment/Land Acquisition Development (PHASELAD) of the National Government Housing Center issued the Certificate of Land Entitlement to the beneficiaries of the Doña Juana (St. Joseph Blk. 1) Home Owners Association of Barangay Holy Spirit, Quezon City. The size of the lot in question is 500 sq. meters.

22.2 Margie is a *bona fide* member of HOA and its incumbent president. In the year 2000, she received from DJHOA the Certificate of Lot Entitlement (CLE) to a 42 sq. m. lot. The CLE authorized her to apply for the transfer of title to her name.

22.3 Subsequently, Margie paid the amount of P2,940 representing 10% of the total price of the lot, which is P29, 400.

22.4 In principle, it is the DJHOA's responsibility to follow up the application for the transfer of titles of its members. Most of the time, however, this unpleasant job falls on the shoulders of the DJHOA president with little help from others.

22.5 Since Margie is the incumbent president of the Doña Juana HOA and also the first recipient of the CLE from her association, this happy convergence of events gave her the unique "privilege" of following up her own application for the transfer of title of her 42 sq. m. lot.

22.6 Margie would have wanted to assign the task of following up the title of their small lot to her husband but she said, "my husband is a hot-headed fellow. He would not countenance shady deals." "Besides," she said half-jokingly, "I could not possibly imagine my husband going back and forth the different government agencies without going berserk and chopping a few heads in the process!"

23. Follow-up Activities

23.1 Margie began working for the issuance of Certificate of Registration from the Bureau of Internal Revenue (BIR) by getting ready with the following documents:

- Deed of Absolute Sale
- Original copy and True Xerox copy of the title
- Tax declaration
- Certificate of clearance
- Receipts of Real Property Tax
- Location plan
- Capital Gains Tax Form
- Documentary Tax Stamp of Tax declaration
- Application for registration

23.2 Then she obtained a true copy of the land title from the Home Guarantee Insurance Corporation (HGIC) and took it to the Tax Mapping Division of the Assessor's Office. This was done in December 2000. After an unusually long wait, her papers finally emerged from the Assessor's office in March 2002, exactly two years and three months since she had submitted the document.

23.3 But why did it take a relatively easy transaction so long to be completed? Margie replied, “*Kung walang follow-up at wala ding friendly gestures, walang mangyayari sa papers mo. Hindi sapat ang being friendly, dapat may gestures din.*” (“If there are no follow-up and no friendly gestures, nothing will happen to your papers. It isn’t enough to be friendly; one should also make some actual gestures.”)

24. Treasury office

24.1 After a few days, Margie paid P 400.00 *amillar* (Real Property Tax) to the City Treasurer’s office. She also paid an additional P20.00 for the Certificate of Clearance (COC) as proof that *amillar* has been paid.

24.2 In addition, Margie secured the following documents for submission to the Bureau of Internal Revenue: (1) the Deed of Absolute Sale (DOAS), (2) original owners copy of the title, (3) tax declaration (4) receipt of real property tax, and (5) a copy of the location plan.

25. Bureau of Internal Revenue

25.1 After submitting the above-mentioned documents to the BIR, Margie filled out the Capital Gains Tax Form and the Application Form for registration. It took the BIR two months to issue and release the Certificate of Authority for Registration (CAR).

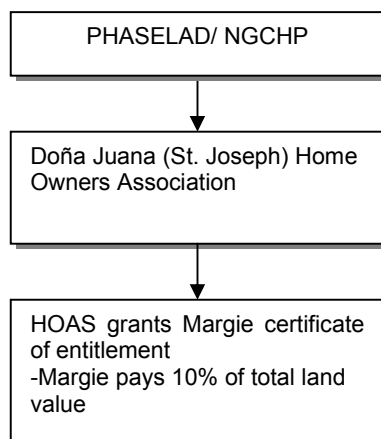
26. Registry of Deeds

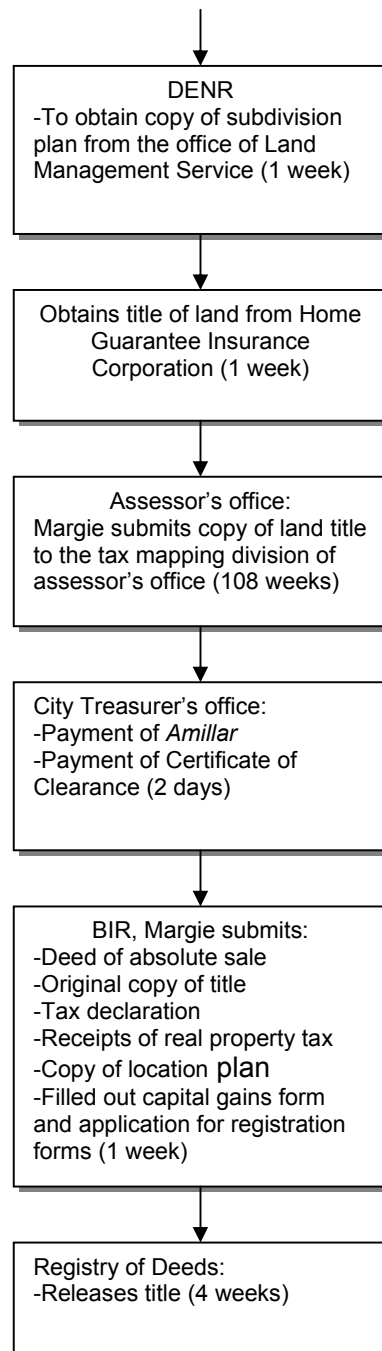
26.1 The Registry of Deeds is the last stop in the long process of transferring a title from the mother title to individual DJHOA members. Just when Margie thought that her ordeal was over at last, she was disheartened to learn from the ROD that she had to wait four more weeks. When she angrily asked why, a ROD clerk typist explained that they were busy registering a subdivision.

27. One-Stop-Shop

27.1 Margie likes the idea of a One-Stop-Shop, but she asks, “Will it fly?”

Figure 5: Margie Serion’s Flow Chart (115 weeks & 3 days)





28. The story of Elsa Manimtim

28.1 "Our title is the fruit of two years of struggle with the Registry of Deeds," Elsa had proudly declared. She was of course talking about the title of a 54 sq. m. lot located at Block 54, Lot 69, No. 302 San Isidro St. Barangay Holy Spirit, Quezon City.

28.2 In October 31, 1996, the Home Guarantee Insurance Corporation (HGIC), which was formerly known as Home Guarantee Corporation (HGC) granted a Certificate of Entitlement to the Oval Home Owners Association of Barangay Holy Spirit.

28.3 But it was not until July 27, 2000 or four years later that Elsa got her own individual certificate of entitlement. The reason behind this was because the National Government Center (NGC) office needed time to survey and re-block the almost 600 sq. meters lot before it could issue individual certificate of entitlement to the members of Oval HOA.

28.4 In that same year 2000, Elsa enthusiastically began the process of transfer of title of the said lot to her name. Little did she realized, however, that what she had envisioned to be a fairly, clean, smooth and short process lasting 2-3 months would take more than one year of frustration, humiliation, anger, hunger and then, eventual triumph.

28.5 Elsa stated that the total price of the 54 sq. meter lot was P37,260, an amount determined by the Assessor's office. She paid this sum to the Home Guarantee Insurance Corporation as soon as she received the Deed of Absolute Sale.

29. City Treasurer's Office

29.1 At the City Treasurer's Office, Elsa paid the transfer tax of P1,093. Then she went back to the Assessor's office to claim a copy of the Certificate of No Improvement. When all the pertinent documents were ready, she proceeded to the Bureau of Internal Revenue to pay the Capital Gains Tax amounting to P2, 235.60 (6% of P37, 260)

30. Bureau of Internal Revenue

30.1 It took the BIR two weeks to release the capital gains tax certificate. The BIR repeatedly told Elsa that her document was still undergoing verification together with the amount she paid to the City Treasurer's Office. On other occasions, however, another BIR person would tell her that the agency had not yet conducted an ocular inspection of her lot and that she should be patient. She said that once a BIR person commented: "*Mabuti ka pa, nakatayo ka lang diyan. Kami nga, puro trabaho,*" ("Lucky you, you just stand there and wait while we keep doing our work.")

31. Registry of Deeds

31.1 When Elsa told her family that the document she was following up for the titling of their small lot was nearing completion and that they could expect its release in a few days, everyone rejoiced. They promised themselves a small party when they finally got the title. But it was not to be.

31.2 Elsa filed the Certificate of Registration with the Registry of Deeds (ROD) on August 18, 2000. When nothing happened after four months of waiting, she withdrew the document for a few days "to cool her heels," so to speak. Afterwards, she re-submitted it

again thinking that the movement of her documents would be swifter this time around. But then apparently, the documents got stuck again in the same bureaucratic crack it had fallen before.

31.3 During the numerous visits (*pabalik-balik*, or *back and forth*) Elsa made to the ROD, office personnel who appeared to have grown tired of seeing her there almost every day would often meet her with stony silence. At times, they would advise her “Just wait at home rather than loiter around the ROD office.”

31.3 One day, wracked with frustration, she decided to talk to the head of the division responsible for her predicament. She asked her why her papers were being held up so long. The official quietly took her aside and whispered that the document could be released anytime but the typists need money *na pang kape* (*if only for coffee*). Although Elsa does not believe in corrupting government officials, she asked the official anyway how much money was needed? Elsa reported that the ROD person said to her, “*Two thousand pesos lang naman. Hindi naman pupunta sa balsa ko ang lahat ng pera. Ipapamudmod ko ang iba nito sa mga tauhan ko.*” (It’s only two thousand pesos after all. It won’t all go to me anyway; I’ll distribute some of it to my people.)”

31.4 Elsa indicated that she instantly rejected such overtures and left the ROD office in a huff while uttering expletives. When she reached home, she cried.

31.5 Many more months dragged on. But there was no news from the ROD. She kept going back and forth (*pabalik-balik*) to the ROD office. There were times when she would fall asleep on one of the chairs reserved for the public. She recalls that on three or four occasions, she missed lunch because her money was just enough for jeepney fare.

31.6 She remarked that many thoughts crossed her mind during those days. She often wondered if the ROD would deal with her that way if she were rich. She also asked herself the question whether the ROD boss knew what some of his people were doing, and what was he doing about it?

32. Report to Malacanang

32.1 It was now May 16, year 2001, nine months after she began following up the ROD’s Certificate of Authority for Registration. She is now convinced that as long as the concerned ROD person sits in the Division responsible for processing her papers, she will never get her papers released.

32.2 So she decided to write the office of the President of the Philippines about her problem. She didn’t have much faith that her letter would even reached the gates of Malacanang. She thought that being confronted daily with national issues of great importance, her letter, which was handwritten by someone who only finished Grade 1V would certainly disappear in the Palace’s shredding machine.

32.3 But after two months, she was pleasantly surprised to receive a telegram from one of Malacañang’s top officials informing her that she could already collect her papers from the Registry of Deeds.

32.3 On February 13, 2002, the Registry of Deeds finally released the original copy of the title to Elsa. The total time she had spent waiting for the ROD's action was a total of 72 weeks!

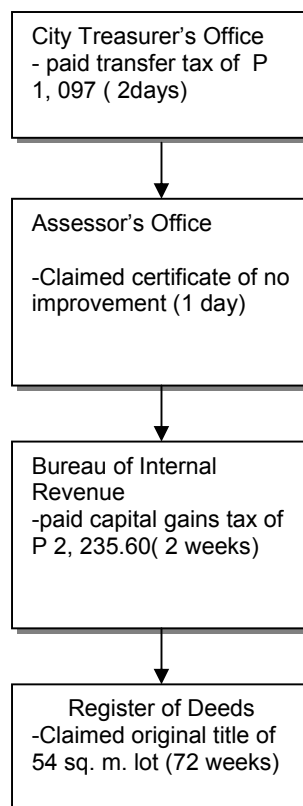
32.4 Then, greatly relieved, she said to herself: "*Puede rin pala kahit walang lagay. Pero masyadong namang madugo.*" ("So things can be accomplished without bribes after all. But it is certainly a traumatic process").

32.5 Elsa takes great pride in the title she now holds. Asked if she were willing to go through the same process again, she answered, " Why not? As president of HOA I have the duty to help the other HOA members secure their own individual titles. But they must have the patience of Job."

32.4 Would she credit Malacanang for the ultimate release of her title? She said, "Yes. But I credit my persistence and determination more than the intercession of people in the Palace for my accomplishment. "

32.5 Given the chance, would she have given the responsibility of following up the transfer of title to her husband? She emphatically said, " No way! The only skills my husband has is carpentry."

Figure 6: Elsa Manimtim's Flow Chart (74 weeks & 3 days)



33. The Story of Belen Suarez

33.1 "*Hindi puedeng hindi maglalagay kasi ibinibigay ang priority sa mga may lagay,*" ("Its not possible to succeed without giving a bribe because they give priority to those who give bribes,") says Belen Suarez of Barangay San Bartolome, Novaliches, Quezon City

33.2 In 1999, when Belen purchased the 850 sq. m. lot in what turned out to be a generous deal from her uncle, she paid him only P 1.5 million. Her house now stands on that lot.

33.3 She had in addition planned to build a car repair shop on the unoccupied portion of the 800 sq. meter lot, but was forced to defer her plans because her garment business in Tanay, Rizal had collapsed in the meantime. This left her almost penniless.

33.4 When asked why it was not her husband who had followed up the matter of transfer of title, she said, " My husband is not knowledgeable about titles. He also hates following up things. He wants to follow up things only once. If he is unsuccessful, he would just drop the thing." Finally, she said, "women are more patient than the men in hopping from one agency of the government to the next."

34. The Assessor's Office

34.1 Six months after the deal with her uncle had been consummated, Belen went to the Assessor's office at Quezon City Hall in connection with the transfer of title from her uncle's name to hers. She submitted to the Assessor's office the following documents: (1) vicinity map, (2) copy of the original title, (3) Deed of Absolute Sale, and (4) Receipt of real property tax.

34.2 The Assessor's office told her that the value of land around and near the center of Novaliches was P 7,000 per sq. m. This means that the actual price of the lot her dying uncle sold her was P 5, 595, 000. At 6%, the capital gains tax would be P335, 700.

34.3 Considering her poor finances, she balked at the amount and begged the Assessor to lower the capital gains tax. The Assessor, in turn, showed willingness to accede to her request but suggested that they talk about the matter not inside his office but at McDonald's on Commonwealth Avenue, Quezon City.

34.4 The conversation at McDonald's was friendly. The Assessor said that he understood the problem of Belen about money and that he was willing to do something about the matter of the capital gains tax. Hence, instead of paying the amount of P335, 700, the Assessor reduced it to P200, 000 only. She gave him P35, 000 "facilitation fees" as a gesture of gratitude.

34.5 The negotiation with the Assessor's office was not smooth especially in the beginning. It took a lot of negotiation and haggling for the "right" price before a final agreement was hammered out. Belen recalls that she spent a total of five weeks wheeling and dealing with the Assessor and his "negotiators" who were all his subordinates in his office.

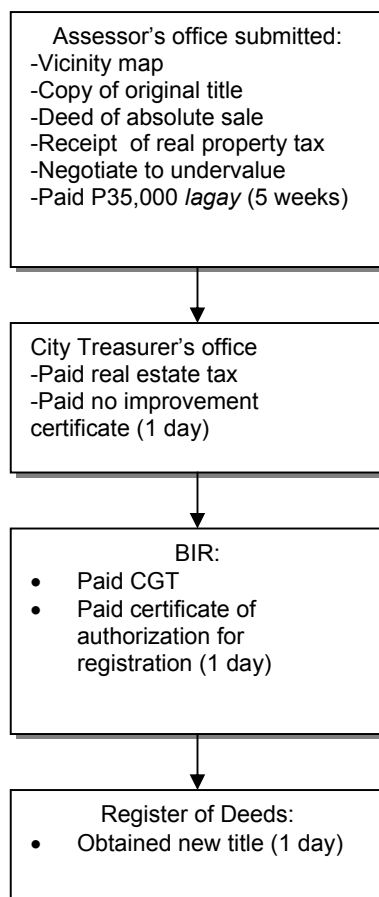
35. City Treasurer's Office *et al.*

35.1 Once the issue of capital gains tax was settled, Belen breezed through the other agencies, like the Treasurer's office, BIR, and the Registry of Deeds, respectively. She said that it took her only three days to get the new title. "Only once," she said, did she have to wait for more than one hour. That was when there were literally hundreds of people awaiting their turns at the Treasurer's office.

36. What does she think of the One-Stop- Shop?

36.1 Belen thinks that the idea of a One-Stop-Shop is great. But she has grave doubts if it will work. She is convinced that the problem of graft and corruption in many government agencies is like a multi-headed hydra. It can always reinvent itself no matter the costs. Political will? She said that would be the key to make the One-Stop-Shop work. Whoever would be the boss of the new land-titling program must have lots of political will. But then again, she asked, "Would such a person last in his/her position?"

Figure 7: Belen Suarez's Flow Chart (total time –5 weeks & 3 days)



37. The Story of Rowena Rosa

37.1 Rowena's story is simple and straightforward. It involves the transfer of title of a 35 square meter lot she bought from her mother-in-law in 2001.

37.2 The lot is located at 69 Kaingin Street, Balintawak, Quezon City, and has an assessed value of P252, 000 or P7, 000 per sq.m. But her mother-in-law gave it to her for a relatively low price of P100, 000 that translated into only P2, 857 per sq. m.

37.3 Nonetheless, Rowena still paid P24, 000 to the treasurer's office representing 6.5%/ (i.e. 6% CGT + 1.5% documentary stamp) capital gains tax based on the assessed value of the lot, which was P252, 000.

38. Bureau of Internal Revenue

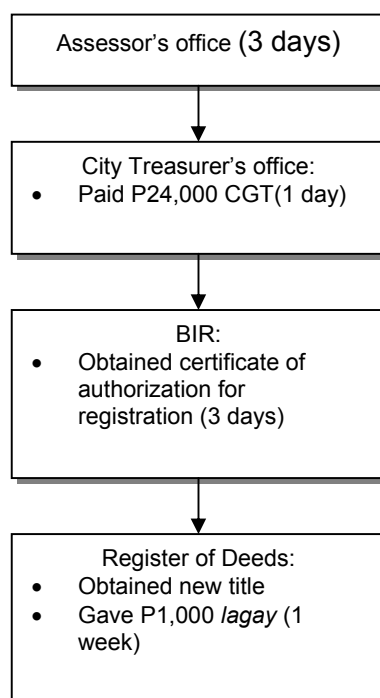
38.1 Her experience with the BIR while waiting for the release of Certificate of Authorization to Register was uneventful. She obtained the document within an hour.

39. Registry of Deeds

39.1 At the Registry of Deeds, Rowena did not wait long either. A "padulas" (*facilitating amount*) of P1, 000 did the trick for her.

39.2 In the end, the total time Rowena spent with concerned government agencies while following up her land title application was only two weeks. She credited three elements for this: (1) Complete documentation; (2) Knowledge of correct procedures, and (3) the relatively small amount under consideration.

Figure 8: Rowena Rosa's Flow Chart (total time – 2 weeks)



40. Some Observations

40.1 The Issue of Facilitation Fees

40.2 All six women informants believe that the practice of graft and corruption in land titling activities is already deeply rooted in the mind-sets of government officials. As Belen Suarez remarked, “Hardly anything moves in this country without *lagay*.” Edith Lau, on the other hand, thinks that in the Filipino culture, it is difficult to distinguish between what is illegal and what is just a part of “*pakikisama*,” or maintaining good relations with others. Ave Lina is convinced that the fawning attitudes of the clients themselves whenever they want something from the government serves as spawning grounds for crooks in government.

40.3 Even Elsa Manimtim, who is adamantly against bribing government people has expressed grave doubts whether the mess that surrounds government land reform and housing programs can ever be redressed. “*Suhol, lagay, pang kape at pang merienda move government people to perform. Kapag nawala ‘yan, duda ako kong tatakbo pa ang pamahalaan.*” (Facilitation fees, bribery, coffee money and merienda contributions move government people to perform. If these aren’t present, I doubt whether the government can run at all.)

40.4 Rowena believes that the people especially the poor should be taught the procedures of land titling, otherwise, “They are vulnerable to manipulation by those in government because of their ignorance about procedures.”

41. Nuances of the word “*suhol*”

41.1 Over the years the word “*suhol*” (facilitation fee) and “*lagay*” (bribe) have generated words or expressions that connote the same meaning but carry their own distinctive nuances. For instance, all six informants agree that the words, “*suhol*” or “*lagay*” indicate large or significant amounts of money. Hence, when a clerk typist in a government agency whispers to the person in need of help, “*Humihingi siya ng suhol*” (He/she is asking for some facilitation money, that expression indicates a large or relatively large amount.

41.2 However, words like *pang kape*, *pangsigarilyo*, *pang gimik*, *padulas* add further nuances. *Pang merienda* mean only a small or petty amount mostly for the lower level government employees. These are the words most frequently heard by those who are following up their land titles. Although the amounts involved may be small, for the poor they are not only difficult to produce; their surrender to greedy government functionaries may mean hunger and missed schooling for one or more days for the children of the poor.

41.3 Moreover, words or phrases like, “*Sa labas na lang tayo magusap*,” “*Para naman masaya tayong lahat*,” “*Pang Hongkong*,” “*Pang Swiss banks*,” “*Kausapin mo na lang ang assistant ko*,” (Let just talk outside.” “So that all of us will be happy,” “For Hong Kong,” For Swiss banks” “Just talk to my assistant” etc.) signal amounts that may go up to hundred thousands of pesos.

42. Major Findings of the Study

42.1 Transfer of title is costly, cumbersome and time-consuming. This greatly disadvantages the poor especially since they are the ones who are in great need of a secure dwelling. As shown in Figure 1 on the Legal Procedures in Transfer of Titles, Engineer Cortez, who has spent many productive years as the Director of Register of Deeds, estimates that the entire process of titling could be accomplished within five days. However, this study shows that two weeks was the shortest period within which transfer of title was completed and over two years weeks the longest.

42.2 The massive number of paper requirements and the accompanying steps required discourage individuals from working on their titles

42.3 The absence of deadlines on the part of government agencies for processing official documents forces people to pay informal and illegal facilitation fees simply to avoid delays and repeated visits to the concerned agencies.

42.4 While respondents are glad to hear of plans and programs intended to improve the present land titling procedures, many are skeptical that these will succeed. They believe that the government is totally inept in sustaining good programs.

42.5. There is also considerable skepticism that the government will find officials with enough political will to clean up the horrendous mess in Philippine land administration.

42.6. There are also doubts that computerizing the land administration and management can effectively and permanently stop graft. As Belen pointed out, "Filipinos are so creative as a people that they will always find ways of beating even a computerized system."

Table 1: Informants' Perception of Agencies Re: Efficiency / Inefficiency

Name of Informant	AO	CTO	BIR	ROD
1. Ave Lina	✓	✓	✓	✗
2. Edith Lau	✓	✓	✓	✓
3. Margie Monar	✗	✓	✗	✓
4. Elsa Manimtim	✓	✓	✓	✗
5. Belen Suarez	✗	✓	✓	✗
6. Rowena Rosa	✓	✓	✓	✓

Legend:



Efficient:

1. Does not demand facilitation fees
2. Expeditious release of documents

AO - Assessor's Office

CTO - Treasurer's Office

BIR - Bureau of Internal Revenue

ROD - Register of Deeds



Inefficient:

1. Demands facilitation fees
2. Slow processing of documents

Table 2: What Informants think about the One-Stop-Shop (OSS)

Name of Informant	Good	Not Good	In-doubt but willing to try	Reasons
1. Ave Lina	✓			Lessen corruption
2. Edith Lau	✓			Lessen corruption
3. Margie Monar	✓			Lessen corruption
4. Elsa Manimtim	✓			Lessen corruption
5. Belen Suarez			✓	Politicians will subvert the program
6. Rowena Rosa	✓			Lessen corruption

Table 3: Summary of Informants' Experience

Name of Informant	Lot size (sq. m.)	Location	Price (P)	Length of processing (in weeks)
1. Ave Lina	121	Sauyo, Novaliches, Q.C.	400,000	4 weeks & 4 days
2. Edith Lau	300	Caloocan, Q.C.	2,100,000	8 weeks & 2 days
3. Margie Monar	42	Holy Spirit, Q.C.	29,400	115weeks & 3 days
4. Elsa Manimtim	54	Holy Spirit, Q.C.	37,260	74 weeks & 3 days
5. Belen Suarez	850	Novaliches, Q.C.	5,500,000	5 weeks & 3 days
6. Rowena Rosa	36	Balintawak, Q.C.	100,000	2 weeks

CONCLUSION

43. It is clear that the experiences of the six title-holders vary widely in terms of the length of time required to obtain a title and in their assessments of the entire title-acquisition process. The one feature they share in the recognition that the process moves forward fast or slow according to whether some form of bribe is given. Euphemistically referred to as facilitation fees, these forms of extortion range from small to very large, depending on the value of the land being transferred and the level and number of bureaucracy staff expected to gain from the transaction. While none of the four principal offices is free of corruption, respondents cite the Register of Deeds as meriting special attention in terms of the facilitation fee system.

44. Reactions among clients to implied or actual requests for under-the-table payments of facilitation fees likewise express a continuum – from outright condemnation and unwillingness to pay, to resentment coupled with resignation about having to pay, to acceptance of bribery as part of the government's bureaucratic culture and, accordingly, initiating the corresponding payment at the beginning of a transaction.

45. There is no doubt that the poor are most adversely affected by the inefficiency and corruption endemic in some agencies, as even small payments diminish their ability to fund essential daily activities of the family. Moreover, the time required for their having to return frequently to the various offices to follow-up their papers undermines already

precarious livelihood efforts. While the six respondents cannot be considered representative of all current or potential title-seekers in the area, their accounts offer important insights to situations almost certainly experienced by others, and reasons why many otherwise entitled clients conclude that it is fruitless even to initiate the process.

46. It is no coincidence that all of the respondents are women. Apparently, women are culturally expected to follow up land registration documents, perhaps because their time is more flexible than that of males in the community or because they are culturally trained to be more patient and persevering, or because they appear to be more interested in ensuring the security of their home, or a combination of these reasons. This suggests that even as advocacy, information and education programs should target the entire community, actual training programs on the titling process should focus heavily on women as the majority of actual title-seekers.

47. The accounts of the six women also indicate that corruption and inefficiency are not present everywhere in the bureaucracy. Many of the now titled respondents went through various parts of the process without having to bribe their way through. How to reinforce efficiency, honesty and genuine service where it emerges in the bureaucracy, and punish or discourage anomalous practices where they occur constitute a major challenge to LAMP. Effective safeguards need to be established through both computerized systems for accountability as well as the moral force of organized and informed communities, supported by government leaders, to demand the services they deserve.

Lamp Project
List of People Interviewed

1. Barrie- PA Lamp
2. Dada- PA Lamp
3. Eng. Fel Cortez- PA Lamp
4. Denis Murphy- UPA
5. Jo Castillo- DAMPA
6. Alice Murphy- UPA
7. Henry- Lamp- UPA
8. William Keyes- Freedom to Build
9. Abelina Jose- Resident, Luzon Avenue, Old Balara, Q.C.
10. Lisa Sagum- SAMA-SAMA
11. Atty Bien
12. Mr. Pedrito Lavina- Geodetic engineer
13. Ave Lina (Informant)
14. Edith Lau (Informant)
15. Margie Serion (Informant)
16. Elsa Manimtim (Informant)
17. Belen Suarez (Informant)
18. Rowena Rosa (Informant)
19. Mary Racelis- IPC
20. Tess- Freedom to Build
21. Rae Porter- PA Lamp