

LRA and the “Personal Property Security Act”

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Baguio City

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Outline

- The LRA and its Mandate
 - LRA's Systems and Processes
 - The Chattel Mortgage Law and LRA's Chattel Mortgage Registry
- The New LRA Online Personal Property Security Registry
 - LRA's Role in the Personal Property Security Act
 - System Concepts and Requirements



LRA and its Mandate



The Sponsoring Agency

- The Land Registration Authority
 - Established 1903
 - Mandated by law to register / record all transactions involving real and personal property
 - Quasi-judicial Agency, attached to the Department of Justice
 - Central Office – headed by Administrator
 - Registry of Deeds – headed by a Registrar, required in every province and city of the country



LRA's Mandate and Core Services

Register Transactions on Titled and Untitled Land

Original Titling

Sales, Transfers, Conveyances, etc.

Real Estate Mortgages, Leases, etc.

Cancellations, etc.

Subdivision, Consolidation, etc.

Condominium titling

Register Transactions on Personal Property

Chattel Mortgages

Transactions on Personal Properties

Provide Information on Titles and Registered Documents

Certifications

Certified True Copies

Queries

LRA's System and Processes



LRA's Land Titling Computerization Project ("LTCP")

Project Brief

- IT-based modernization project
- Implemented under the Build-Operate-Transfer (BOT) Law, using the Build-Own-Operate (BOO) Scheme
- Implemented with No Cash Out nor Guarantees from the Government

Project is substantially complete with 159 RDs already "live"

Linkage with BIR

19 Extension Offices set-up, 2 undergoing OpTest



Delivered Components under the LTCP “Build” Phase

IT Services

- Project Management, Systems Integration, IT Architecture Design

Software Development

- Enterprise custom-built Front-end and Back-end Systems

IT Infrastructure Supply

- Hardware and network equipment supply and support

Site Preparation

- Construction of the IMC and 36 new RDs; rehabilitation of the CO and 128 RDs

Data Conversion

- Inventory, scanning, encoding and QA of 25M titles and 15M pages of supporting documents

Mapping

- Inventory, scanning, digitization, geo-rectification of maps

Change Management

- Training, hand-holding, change management



Work Items under the LTCP

“Operate” Phase

IT Service Management

- Application Management
- IT Operations Management
- Facilities Management
- IT Infrastructure Management
- Configuration Management
- Change and Release Management
- Incident Management
- Availability and Capacity Management
- Disaster Recovery
- Security Management

Asset Management

- Upgrading
- Maintenance

- 24x7 Centralized Management of all IT Facilities
- Scope covers all LTCP Installation Sites
 - LRA Central Office
 - Registries of Deeds
 - LRA Extension Offices
 - Data Center
 - Disaster Recovery Facilities



LRA's LTCP Technology Capability and Experience

- Full Enterprise-wide Client-facing and Back-end Systems operating since 2007 covering multiple sites nationwide and handling different transactions covering Real and Personal Property
- Established IT Organization, Resources and Processes supporting LRA's IT Facilities on a 24x7 basis



Computerized LRA



The Chattel Mortgage Law and LRA's Chattel Mortgage Registry



Laws on Chattel Mortgage (CM)

SN	Laws	Description
1	Commonwealth Act No. 1508 (July 2, 1906)	An Act Providing for the Mortgaging of Personal Property and for the Registration of the Mortgages so Executed, otherwise known as the “Chattel Mortgage Law”
2	Act No. 3815 (January 1, 1932)	An Act Revising the Penal Code and Other Penal Laws, otherwise known as the “Revised Penal Code” (Art. 319)
3	Republic Act No. 386 (June 18, 1949)	An Act to Ordain and Institute the Civil Code of the Philippines, otherwise known as the “New Civil Code” (Article Nos. 2140 and 2141)
4	Republic Act No. 2711 (June 18, 1960)	An Act to Amend Section 198 of the Revised Administrative Code, as Amended by Republic Act No. 116 relative to Registration of Chattel Mortgages
5	Republic Act No. 4136 (June 20, 1964)	An Act to Compile the Laws Relative to Land Transportation and Traffic Rules, to Create a Land Transportation Commission and for Other Purposes, otherwise known as the “Land Transportation and Traffic Code” (Section 5, Item e)
6	Presidential Decree No. 1529 (June 11, 1978)	Amending and Codifying the Laws Relative to Registration of Property and for Other Purposes (Chapter 14)



Provisions of P.D. 1529

- Section 114. Recording of chattel mortgages.
 - A chattel mortgage shall be recorded in the office of the Register of Deeds of the province or city where the mortgagor resides as well as where the property is situated or ordinarily kept.
 - *See Sections 2 and 26 of the Personal Property Security Act*



Provisions of P.D. 1529

- Section 115. Manner of recording chattel mortgages.
 - Every Register of Deeds shall keep a Primary Entry Book and a Registration Book for chattel mortgages; ... ; and shall record in such books any chattel mortgage, assignment or discharge thereof, ...



Provisions of P.D. 1529

- ... The recording of a mortgage shall be effected by making an entry, which shall be given a correlative number, setting forth the names of the mortgagee and the mortgagor, the sum or obligation guaranteed, date of the instrument, name of the notary before whom it was sworn to or acknowledged, and a note that the property mortgaged, as well as the terms and conditions of the mortgage, is mentioned in detail in the instrument filed, giving the proper file number thereof.

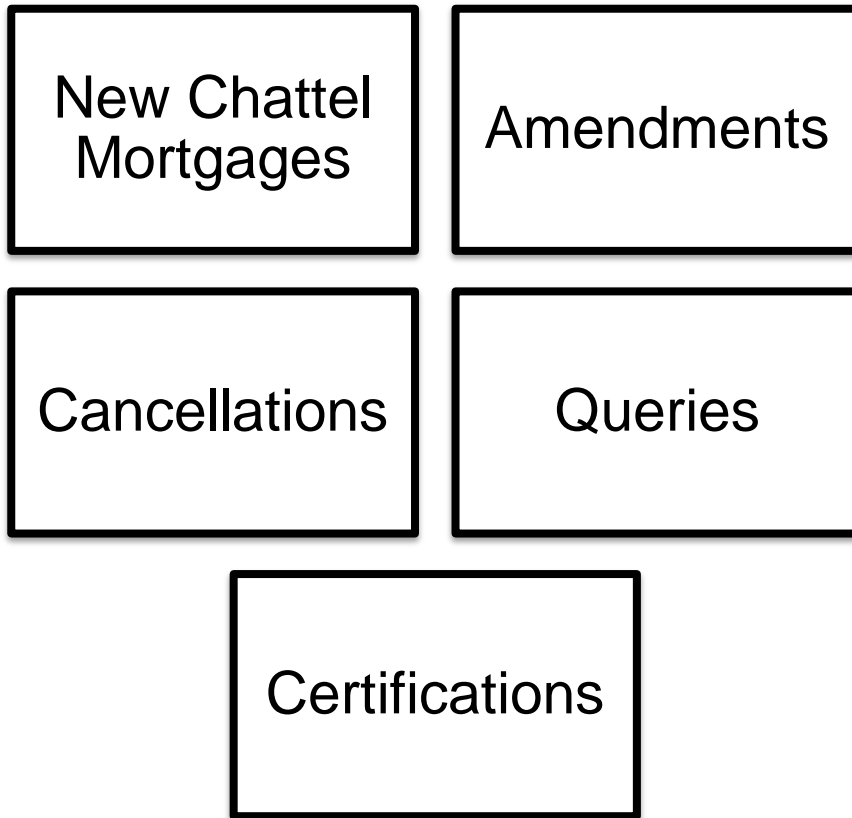


Provisions of P.D. 1529

- Section 115. Manner of recording chattel mortgages.
 - *See Section 35 of the Personal Property Security Act*



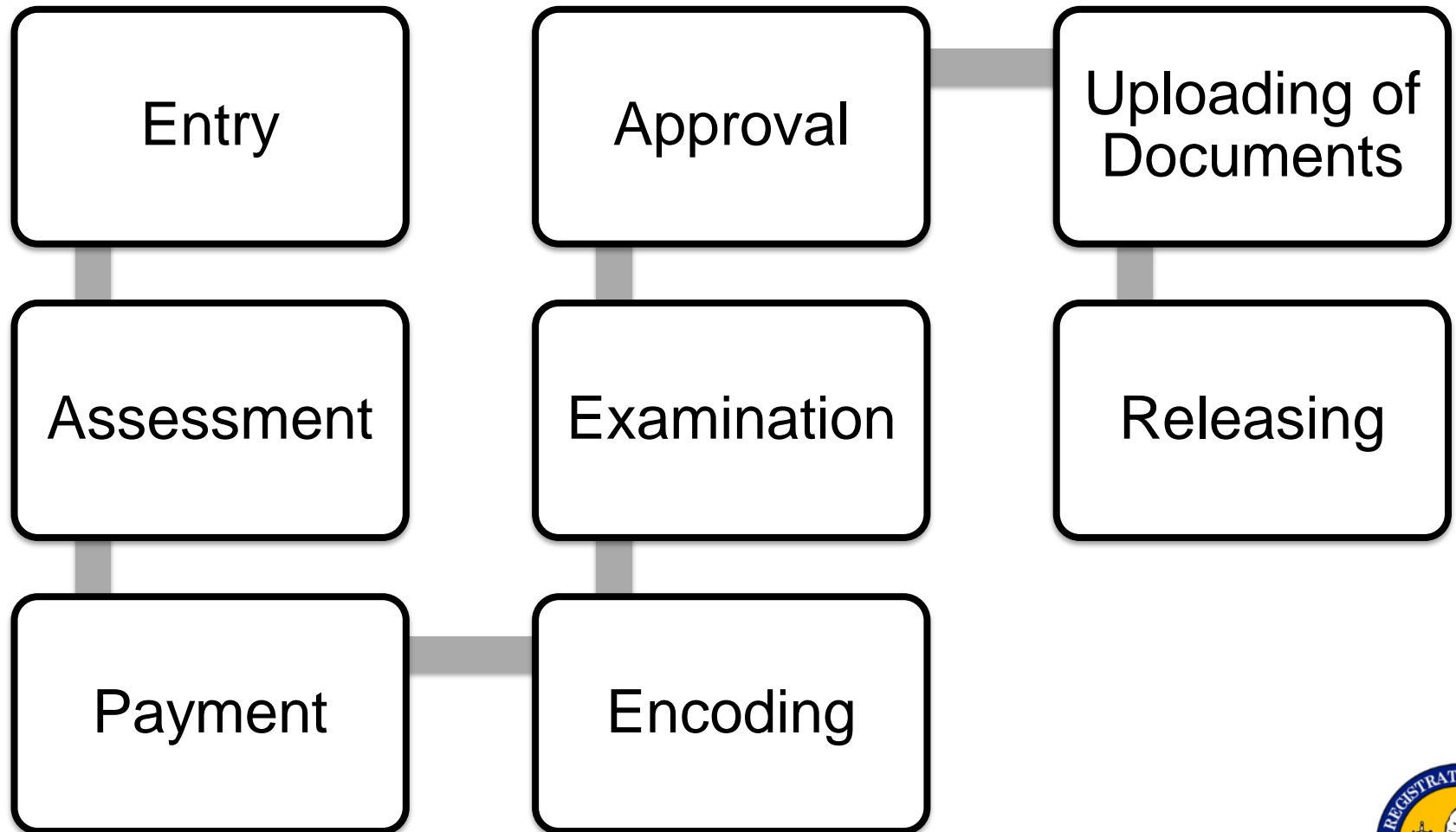
The LRA CM Registry



- Part of the LTCP Air-tight Environment
 - Not accessible through Public Networks
 - Clients have to physically go to the RDs to register
- Jurisdiction-based (See Section 114 of PD 1529)
- Fees are either value-based or fixed (See Section 111 of PD 1529)
- Documents are scanned and stored in the System



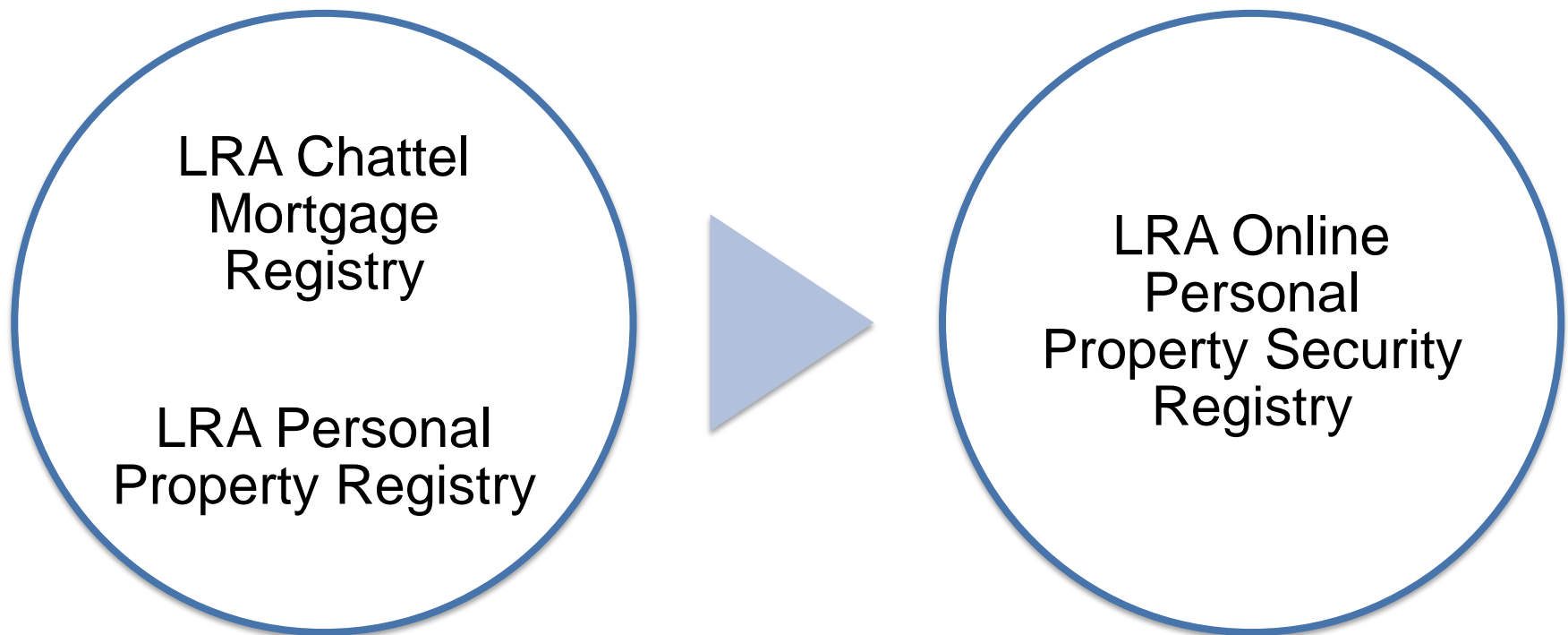
High-level CM Registration Process



The New LRA Online Personal Property Security Registry



From the CM Law to the Personal Property Security Act (PPSA)



LRA's Role in the PPSA

**administering and
establishing an personal
property electronic registry**

**providing electronic means
for registration and
searching notices made
available for the public**

**maintain the personal
property electronic registry**



LRA Online Registry List of Services

Front-end (Client Facing)

Registration of
an Initial Notice

Registration of
an Amendment
Notice

Registration of
a Cancellation
Notice

Registration of
a Lien

Queries

Issuance of
Certified True
Copies

Issuance of
Certifications

Back-end (Internal)

User Management

Documents Management

Reports Management

Security Management

IT Service Management

Audit and Log Management

General Features

- Notice-based and National (not jurisdictional)
- Online (24x7 availability) and Automatic – no manual intervention from LRA
- Highly-Secure and Available (confidentiality, integrity, availability, business continuity)

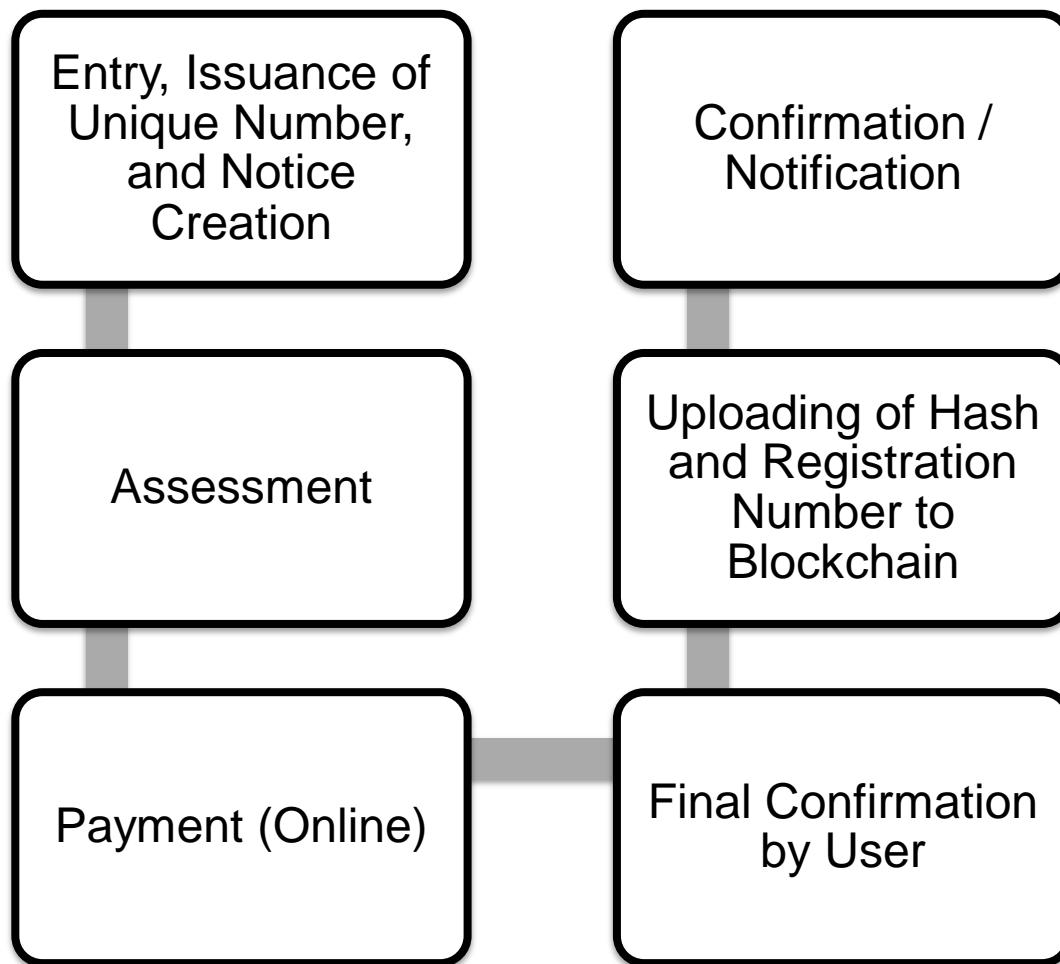


General Features

- High performance, capacity, and scalability
- Most importantly, supported by strong and experienced IT Service Management Organization



High-level Registration Process



Key System Deliverables

- Client-facing Systems
 - Transaction System
 - User Registration
 - Help Desk System
- Internal System
 - Administration System
 - Database Management System
 - IT Security and Service Management Systems



Key Infrastructure Deliverables

- IT Infrastructure (servers, storage, etc.)
- IT Security Infrastructure (firewalls, etc.)
- Network Operations Center
- Data Center
- Disaster Recovery Facility
- Service Desk Facility
- System Maintenance and Testing Facility



Resource Requirements

- IT Governance Organization
 - New LRA Committee to be formed
- Technical Organization
 - Application Management Personnel
 - 24x7 System/Network/ Database Administrators
 - 24x7 Security Operations Center Engineers
 - 24x7 IT Infrastructure Engineers
 - 24x7 Support Facilities Personnel
 - 24x7 Service Desk Personnel



Stakeholder Involvement

- Features and Functionalities
- Feedback and Continuous Improvement



Sample Screens

1. Mortgagor/Mortgagee Information

Mortgagor Information	Mortgagee Information	Mortgage Value	Mortgaged Properties
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For Individuals: Add New

Name of Mortgagor: *

Address: *

Contact Number: TIN:

Legal Status: * Marital Status: *

Name of Spouse:

OK Delete

Name	Address
Mortgagor name 1	
Mortgagor name 2	
Mortgagor name 3	

For Juridical Entities: Add New

Type of Entity: *

Name of Mortgagor: *

Address: *


Contact Number: TIN:

Authorized Signatory: *

OK Delete

Name	Address
Mortgagor name 1	
Mortgagor name 2	
Mortgagor name 3	

VOID Transaction Save

Next 

Sample Screens

2. Mortgage Value

Mortgagor Information	Mortgagee Information	Mortgage Value and Terms	Mortgaged Properties
<p>Type of Transaction: <input type="text" value="Chattel Mortgage"/> *</p>			
<p>Mortgage Value and Terms</p>			
<p>Currency Name: <input type="text" value="Php"/> *</p>		<p>Amount in Foreign Currency: <input type="text"/></p>	
<p>Amount in Philippine Peso: <input type="text"/></p>		<p>Conversion Rate: <input type="text"/></p>	
<p>Term of Payment: <input type="text"/> *</p>		<p>Interest Rate: <input type="text"/> *</p>	
<p><input checked="" type="radio"/> Years <input type="radio"/> Months</p>		<p>(Per annum)</p>	
<p><i>Note:</i></p> <ol style="list-style-type: none">1. The amount to be entered shall be the total mortgage value. If the mortgage involves multiple properties, the mortgage value of each property may be entered later together with the details of the each property.2. First, select the Currency Name.3. If Mortgage Amount is in Philippine Peso, input the Amount in Philippine Peso.4. If Mortgage Amount is in foreign currency, input the Amount in Foreign Currency and the Conversion Rate. The Amount in Philippine Peso will be automatically computed.			
<p>← Previous</p>		<p>VOID Transaction Save Next →</p>	

Sample Screens

3. Input Mortgaged Property

Mortgagor Information

Mortgagee Information

Mortgage Value and Terms

Mortgaged Properties

Select Mortgaged Property Type *

Motor Vehicle
All Moving Inventory and Consumer Goods
Specific Moving Inventory and Consumer Goods
All Accounts Receivable
Specific Accounts Receivable
All Crops or Livestock
Specific Crops or Livestock
Shares of Stock
Partnership Interests
Bonds / Notes / Fixed Income Securities
Machinery and Equipment
All Minerals / Timber / Other Harvested Natural Resources
Specific Minerals / Timber / Other Harvested Natural Resources
Intellectual Property
Others

Add New

Make/Brand: <Select make/brand> *

Year/Model: *

Chassis Number: *

Engine Number: *

OKDelete

Make/Brand	Year/Model	Chassis Number	Engine Number

Previous

VOID TransactionSave

Next

