

GOVERNMENT OF PUERTO RICO
DEPARTMENT OF HOUSING

NUMBER: 9514

DATE: October 31, 2023

Approved: Omar J. Marrero Díaz

Secretary of State

A handwritten signature in black ink, appearing to read "Omar J. Marrero Díaz", is positioned below the text "Secretary of State". The signature is stylized and includes a large flourish at the end.

Department of State
Government of Puerto Rico

**PROPOSAL FOR REGULATION TO ACCELERATE THE GRANTING OF
PROPERTY TITLES UNDER THE TITLE CLEARANCE PROGRAM OF THE
PUERTO RICO DEPARTMENT OF HOUSING**

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ARTICLE I – TITLE

This regulation will be referred to as the "Regulation to Accelerate the Granting of Property Titles under the Title Clearance Program of the Puerto Rico Department of Housing."

ARTICLE II – LEGAL BASIS

This Regulation is adopted in accordance with the powers conferred by Act No. 97 of June 10, 1972, as amended, 3 L.P.R.A. § 441, known as the "Organic Act of the Department of Housing", in accordance with Act No. 38-2017, as amended, 3 L.P.R.A. § 9601, known as the "Uniform Administrative Procedure Act of the Government of Puerto Rico", and Act No. 118-2022, known as the "Special Law To Expedite The Processes To Grant Property Titles Under The Title Clearance Program, Administered By The Department of Housing".

ARTICLE III – PURPOSE AND SCOPE

The purpose of this Regulation is to establish new rules in accordance with the recently enacted Act No. 118-2022, to expedite the procedures for the Title Clearance or the perfection of the property titles of eligible applicants. The provisions contained in this Regulation shall apply (1) to any person who requests the benefits of the Title Clearance Program, and (2) to the officials and employees of the Department of Housing (**PRDOH**) who are responsible for the Program.

ARTICLE IV – DEFINITIONS

1. **Domain File (“Expediente de dominio”)** – Is a special proceeding established by Act No. 210-2015, as amended, 30 L.P.R.A. § 6001, known as the “Real Property Registry Act of the Commonwealth of Puerto Rico,” which allows any acquirer or owner lacking a registrable title of ownership to record said title if they meet a series of requirements.
2. **Act No. 118-2022** – Refers to Act No. 118-2022, known as the “Special law to expedite the processes to grant property titles under the Title Clearance Program, administered by the Department of Housing.”
3. **Regulation** – Refers to the “Regulation to Accelerate the Granting of Property Titles Under the Title Clearance Program of the Puerto Rico Department of Housing”.
4. **Title of Property or Ownership** – “Title” shall be understood as the content of a public document supporting the right of the person in whose name a registration is to be made in the Puerto Rico Property Registry. The document will attest by itself, or with other complementary documents, compliance with the formalities required by law.¹

¹ Art. 4, 30 L.P.R.A. § 6011, of Act No. 210-2015, as amended, 30 L.P.R.A. § 6001, known as the “Real Property Registry Act of the Commonwealth of Puerto Rico”.

5. Prescriptive Acquisition – Prescriptive acquisition is a way of acquiring ownership and other real rights of enjoyment through possession, in the manner and under the conditions determined by law.² In order to acquire ownership by prescriptive acquisition, possession must be continuous, public, and peaceful. To acquire through ordinary prescriptive acquisition, it is necessary to possess the property in good faith and with fair title for the time determined by law; while to acquire through extraordinary prescriptive acquisition, it is required to possess the property for the time determined by law, without the need for good faith or fair title.³ The prescriptive acquisition of real property requires possession for ten (10) years with fair title and good faith, or twenty (20) years without the need of fair title or good faith.⁴

6. PRDOH – Puerto Rico Department of Housing and its adjunct agencies.

ARTICLE V – REQUIREMENTS TO OBTAIN AN OWNERSHIP CERTIFICATION

All applicants eligible for assistance from the Community Development Block Grant - Disaster Recovery and Mitigation (**CDBG-DR/MIT**) Programs who still have unmet housing needs must prove their ownership or proprietary interest in the property submitted for assistance.

Eligible applicants who have no evidence of ownership must submit an Ownership Certification to the PRDOH Title Clearance Program. The Ownership

² CIV. COD. PR. Art. 777, 31 L.P.R.A. § 8021 (2020).

³ *Id.*, Art. 783, 31 L.P.R.A. § 8027.

⁴ *Id.*, Art. 788, 31 L.P.R.A. § 8032.

Certification must be standardized by PRDOH and will meet the following minimum requirements:

1. The length of time the applicant has lived on the property.
2. An explanation of the lawful manner in which property ownership was obtained.
3. An explanation of the circumstances preventing ordinary verification of ownership.
4. A warning of the consequences of making a false statement and the penalties it would entail.
5. Certify that the applicant meets one of the following circumstances:
 - a. There is no other natural or legal person who has the right to claim ownership;
 - b. The other natural or legal persons who have the right to claim ownership have agreed to participate jointly as a co-applicant in the Program; or
 - c. The other natural or legal persons with an ownership interest on the property cannot be located (after reasonable attempts to contact them), and the administrative procedures do not harm their rights.

In addition, the Ownership Certification must be accompanied by one or more of the following documents, as applicable:

1. Will and Certificate of Will issued by the General Registry of Notarial Competences of the Notary Inspection Office (**ODIN**, by its Spanish acronym), confirming the will has not been revoked or modified;
2. Document proving the applicant inherited the title of the affected property;
3. Declaration of heirs with a description of the assets of the deceased;
4. If the declaration of heirs or the will do not describe the assets, an Instance ("Instancia") or Tax Release from the Puerto Rico Department of Treasury must be attached;
5. Judicial Order or Court Ruling granting ownership or any proprietary interest over the property;
6. Deed of Liquidation of Assets;
7. Private contract of sale, assignment, or donation;
8. Evidence of "use permit" or "construction permit," in accordance with the applicable laws and regulations;
9. Death Certificate of the owner, in case they have passed away;
10. Marriage Certificate of the owners;
11. Correspondence from the Federal Emergency Management Agency (**FEMA**) sent to the applicant certifying they applied for and received Individual Assistance from FEMA for property damages;
12. Property insurance indicating the address of the affected property;

13. Account statement issued by the Municipal Revenue Collection Center
(**CRIM**, by its Spanish acronym) with no more than **thirty (30) days** of issue;
14. Deed of Segregation;
15. Deed of Assignment;
16. Deed of Edification;
17. Deed of Surface Rights;
18. Any other documentation that may be considered on a case-by-case basis, in accordance with the rules and regulations established by the Agencies, Public Corporations, Instrumentalities, and Municipalities;
19. Any of the notarial documents added to the competences of authorized notaries in Act No. 118-2022;
20. In the event that the applicant does not have any of the documents in this subsection, they may use the procedures established for non-contentious matters before a notary to collect the statements of three witnesses, neighboring owners, proving the applicant has inhabited the property for the term established in Act No. 118-2022 for prescriptive acquisition.

Any eligible applicant who submits an Ownership Certification knowing they are not the owner of the property; or that there are other parties with an ownership interest in the property; or who presents a false statement with the purpose of accessing recovery funds, will be prosecuted for the crime of perjury, as provided in Article 269 of the Puerto Rico Penal Code, 33 L.P.R.A. § 5362. In addition, all

eligible applicants, authorized officials, or providers of professional notarial services must comply with the terms established in Act No. 118-2022 and in the Title Clearance Program Guidelines in all procedures or documentation required to obtain a perfected title.⁵

ARTICLE VI – MECHANISM FOR THE VOLUNTARY ASSIGNMENT OF OWNERSHIP RIGHTS OVER PROPERTY AFFECTED BY HURRICANES AND OTHER DISASTERS

Eligible applicants to the CDBG-DR/MIT Programs may voluntarily transfer their property affected by the natural disasters to PRDOH through a Voluntary Assignment Agreement. From the moment these rights are assigned, PRDOH shall be subrogated to the rights of the assignor.

The Voluntary Assignment Agreement must be formalized through a public deed before an authorized notary and meet the following minimum requirements:

1. Statement that the assignor is the owner in full possession of the property to be assigned;
2. Registry Description of the property;
3. Cadastre Number according to the CRIM;
4. Page, volume, and lot number;
5. Section of Property Registry;
6. Whether or not it is registered in the Property Registry;
7. Liens and Encumbrances;

⁵ You may access the Title Clearance Program Guidelines at <https://cdbg-dr.pr.gov/download/programa-de-autorizacion-de-titulos/> (Spanish) and <https://cdbg-dr.pr.gov/en/download/title-clearance-program/> (English).

8. Manner in which the assignor acquired the property;
9. Description that the Negative Certification of Debt was received from the CRIM with an issue date of no more than **thirty (30) days** from the day of signing this contract, certifying that the property has no debts with CRIM;
10. Any other provisions required by federal or state law;
11. Included in the notary warnings that orientation was provided to the assignee regarding the consequences of the loss of their rights in the act of assignment.

Art. 18 of Act No. 118-2022 provides that all Deeds to be presented in the Property Registry, necessary for the transfer of ownership between the eligible applicant and PRDOH, shall be exempt from fees, notarial tax, stamps, and payment receipts ("comprobantes").

ARTICLE VII – CERTIFIED REQUEST FOR DOMAIN RECORDING, RESUMPTION OF SUCCESSIVE TRACT AND PRESCRIPTIVE ACQUISITION

Act No. 118-2022 establishes an expedited procedure for Domain Recording, Resumption of Successive Tract, and Prescriptive Acquisition to register the property, in favor of eligible applicants of the CDBG-DR/MIT Programs. To start the process, a statement must be filed at the Court of First Instance corresponding to the place where the property is located, or where the largest portion of the property is located if it spans several territorial boundaries. The statement must be

duly sworn before an authorized notary and include, among others, a Certified Request for Domain Recording/Resumption of Successive Tract issued by PRDOH. The Certified Request for Domain Recording/Resumption of Successive Tract must meet the following requirements:

1. Name of the eligible applicant of the CDBG-DR/MIT Program;
2. Ownership Certification, as established in Art. V of this Regulation;
3. The property of the eligible applicant lacks registration or registry tract;
and
4. Be signed by the Secretary of Housing or their designated representative.

ARTICLE VIII – CERTIFIED REQUEST FOR SEGREGATION OR GROUPING

Act No. 118-2022 requires the Permit Management Office (**OGPe**, for its Spanish acronym) to establish an expedited procedure so that, within a term of no more than fifteen (15) days, they provide permits for all Segregation or Grouping requests of eligible applicants of the CDBG-DR/MIT Program. The request for this expedited procedure must be accompanied by a Certified Request for Segregation or Grouping issued by PRDOH. The Certified Request for Segregation or Grouping must meet the following requirements:

1. Name of the applicant.
2. Certify the applicant is eligible for the CDBG-DR/MIT Programs.

3. Signed by the Secretary of Housing.

ARTICLE IX – NON-CONTENTIOUS PROCEEDINGS BEFORE NOTARIES

Act No. 118-2022 adds the following competences to notaries in Puerto Rico:

- a) Declaration of domain;
- b) Resumption of the interrupted successive tract; and
- c) Declaratory action for prescriptive acquisition.

The processing of these will start at the request of whoever is entitled to do so, represented by PRDOH. The notary and PRDOH, under the Title Clearance Program, will reach a written agreement regarding the fees, in accordance with the applicable legal standards.

ARTICLE X – EXPEDITED REGISTRATION IN THE PROPERTY REGISTRY

Act No. 118-2022 requires the Puerto Rico Property Registry to establish an expedited procedure of no more than thirty (30) days to qualify and register all applications from the CDBG-DR/MIT Programs. The request for this expedited procedure must be accompanied by a Certified Request for Registration from PRDOH. The Certified Request for Registration must meet the following requirements:

- 1. Name of the applicant.
- 2. Certify the applicant is eligible for the CDBG-DR/MIT Programs.

3. Be signed by the Secretary of Housing or their designated representative.

PRDOH will establish a collaborative agreement with the Property Registry to grant the necessary funds so that the Registry can carry out the expedited procedure of said requests.

ARTICLE XI – RECORD OF THE DEPARTMENT OF HOUSING

In accordance with the provisions of Art. 17 of Act No. 118-2022, PRDOH will create a record for each case, with the necessary ownership documents. Said record will include evidence that the eligible applicant to the CDBG-DR/MIT Program complied with the Ownership Certification requirement in Art. 3 of this Regulation and other complementary documents.

PRDOH will keep the record for a period of **five (5) years**, either physically or electronically. However, before destroying the record, PRDOH must contact the applicant to verify if they wish to keep it.

ARTICLE XII – RETROACTIVITY OF ACT NO. 118-2022

Act No. 118-2022 will have retroactive effects regarding the applicants who are eligible to receive assistance under the CDBG-DR/MIT Programs. Therefore, PRDOH must review all applications denied due to lack of property title. In those cases, in which, in accordance with the purposes of Act No. 118-2022, applications were denied for individuals that could benefit from the provisions

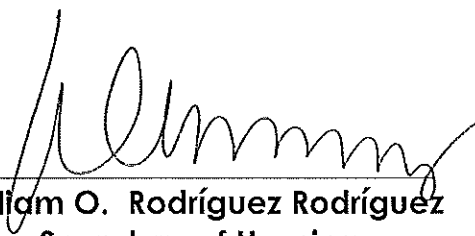
herein, PRDOH will reactivate said applications.

ARTICLE XIII – SEPARABILITY

If any provision in this Regulation, or the application thereof to any person, partnership, corporation, or circumstance, is deemed invalid, illegal, or unenforceable to any extent by a competent court, the remainder of this Regulation and the application of its provisions will not be affected. All valid applications of this Regulation will be separated from any applications deemed invalid, leaving the valid applications in full force.

ARTICLE XIV – EFFECTIVITY

This Regulation shall be in effect thirty (30) days after its filing in the Department of State. Adopted in San Juan, Puerto Rico, today 22 of February of 2023.



William O. Rodríguez Rodríguez
Secretary of Housing