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Introduced by Senator FRANCIS G. ESCUDERO

A JOINT RESOLUTION

MANDATING ALL GOVERNMENT FINANCIAL INSTITUTIONS SUCH AS THE GSIS, SSS AND PAG-IBIG TO IMMEDIATELY EFFECT SUSPENSION OF LOAN PAYMENTS OF THEIR BORROWERS WHO ARE VICTIMS OF STORM "ONDOY" AS A FORM OF FINANCIAL AND ECONOMIC RELIEF FOR AT LEAST SIXTY (60) DAYS AND AT THE SAME TIME URGING OTHER FINANCIAL INSTITUTIONS FROM THE PRIVATE SECTOR TO DO THE SAME

Whereas, the continuous rain brought about by typhoon "Ondoy" has wrecked havoc in Metro Manila and the nearby provinces in Central Luzon resulting in the death of more than 100 people and the displacement of nearly 300,000 individuals.

Whereas, such devastating effect cannot be overstated given that the above figures are still growing, many are still missing and the cost of damage to and lost of properties is yet to be determined in actual terms.

Whereas, the relief mechanism being espoused by the government in the form of calamity fund releases and loans may not be enough considering that emotional, social and economic recovery proves to be difficult, especially if it concerns sudden lost of lives and dwellings.

Whereas, all Filipinos hit by storm "Ondoy," including the government, are caught unprepared by such a fortuitous event and the severity and cruelty of which requires an effective and immediate action from the agencies of government concerned if only to put in place a direct and immediate economic and financial relief to great lost and depression.

Whereas, in order to realize such a direct and immediate relief, Government Financial Institutions (GFIs) must be mandated to step in and provide relief to victims of "Ondoy" in the form of suspension of loan payments for at least 60 days.

Whereas, private financial institutions are likewise encouraged to follow suit and adopt the same as a special policy for their corporate social responsibility programs to address a unique and fortuitous situation.

Whereas, under the *parens patriae* doctrine, the State has the inherent power and authority to intervene and protect public interest such as their welfare, health and comfort; it is a universal policy of any State, serving as parent of its citizens, especially those are in need and underprivileged.

Whereas, moreover, the Civil Code recognizes the concept of fortuitous event, defined as an unforeseen event or an event even foreseen is inevitable, which is made as a valid exception and defense in the non-fulfillment of obligations and stipulations of contracts.

Whereas, suspension of payments for at least 60 days will not hurt GFIs considering that most of them, if not all, register positive investment and increase in assets (i.e., SSS has a 12.7% average return on investment and a total asset of Php242 billion plus as of March 2009; GSIS has a consistent increase in total asset from 2001 to 2007, which is Php441.87 billion; and Pag-Ibig has a total asset of Php202 billion plus in 2007, an increase of Php11.386 billion compared to 2006).

Whereas, to put in detail and effect the implementation of the policy set herein, the Department of Finance together with the Department of Social Welfare and Development and in coordination with the National Disaster Coordinating Council shall promulgate the corresponding guidelines in the determination of qualified borrowers within five (5) days from adoption hereof.

NOW, THEREFORE, BE IT RESOLVED AS IT IS HEREBY RESOLVED to mandate all Government Financial Institutions to immediately effect suspension of loan payments of their borrowers who are victims of typhoon "Ondoy" as a form of financial and economic relief for at least sixty (60) days.

AND RESOLVED, FINALLY, to urge private financial institutions to do the same by adopting it as a policy under their respective corporate social responsibility programs.

Adopted,



FRANCIS G. ESCUDERO