

NINETEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
First Regular Session)



'22 OCT 20 A8:12

SENATE
S. No. 1405

RECEIVED BY: 

Introduced by SENATOR RAMON BONG REVILLA, JR.

**AN ACT
PROVIDING FOR THE CONDONATION OF ALL UNPAID PRINCIPAL,
INTERESTS, PENALTIES OR SURCHARGES ON LOANS SECURED BY
AGRARIAN REFORM BENEFICIARIES UNDER THE COMPREHENSIVE
AGRARIAN REFORM PROGRAM AND FOR OTHER PURPOSES**

EXPLANATORY NOTE

Under Article XIII, Section 4 of the 1987 Constitution, "the State shall, by law, undertake an agrarian reform program founded on the right of farmers and regular farmworkers who are landless, to own directly or collectively the lands they till or, in the case of other farmworkers, to receive a just share of the fruits thereof."

While nationwide poverty incidence fell to 16.6 percent in the latest survey of the Philippine Statistics Authority (PSA) and was reflected across 11 basic sectors, Filipinos living and working in the countryside remained poorer compared with those in urban areas. Poverty incidence is still highest among farmers, fisherfolk and rural dwellers. Ending poverty is the aim of the United Nations Sustainable Development Goals (SDGs), adopted by most countries, including the Philippines, in September 2015.

According to the Department of Agrarian of Reform (DAR), the condonation of the existing agrarian reform loan will cover P 58.125 billion. It is projected to benefit around 654,000 Agrarian Reform Beneficiaries (ARBs) involving a total of 1.18 million hectares of awarded lands.¹

¹ Ombay, G (3 August 2022). DAR: 650K beneficiaries to gain from proposed condonation of agrarian reform loans

This bill primarily aims to emancipate the ARBs from the debt burden. In condoning these debts, the farmer - beneficiaries are given the opportunity to channel their resources in developing their farms, maximizing their capacity to produce, addressing the food security challenges and propel the growth of our economy. At the core of this measure is the original intent of the "*Comprehensive Agrarian Reform Law of 1988*", poverty alleviation, rural development and improving the lives of our agricultural workers.

This measure is part of the legislative priority of President Ferdinand R. Marcos, Jr. mentioned during his first State of the Nation Address.

In view of the foregoing, approval of this bill is highly and earnestly sought.


RAMON BONG REVILLA, JR.



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Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

1 Section 1. *Short Title.* - This Act shall be known as the "Debt Burden
2 *Emancipation for Agrarian Reform Land Beneficiaries Act.*"

3 Sec. 2. *Condonation of Unpaid Amortizations, Interest Payments, Penalties or*
4 *Surcharges.* - All unpaid principal and interests, including penalties or surcharges, if
5 any, due from loans used for land acquisition secured under the Comprehensive
6 Agrarian Reform Program are hereby condoned by the Government, thereby relieving
7 all farmer - beneficiaries from the payment thereof: *Provided,* That the condonation
8 of such unpaid principal, interests, penalties or surcharges shall be in conformity with
9 the applicable banking laws and regulations of the Bangko Sentral ng Pilipinas (BSP):
10 *Provided, further,* That upon the effectivity of this Act, the Land Bank of the Philippines
11 (LBP) shall issue the certification necessary to facilitate the issuance of a certificate of
12 land title ownership in favor of the Agrarian Reform Beneficiaries (ARBs) concerned;
13 *Provided, finally,* That the condonation of all unpaid principal, interests, penalties or
14 surcharges shall release all attached liens and encumbrances arising from the loans
15 secured for land acquisition.

16 Sec. 3. *Government Safeguards.* - All agricultural lands transferred to the ARBs
17 shall not be converted into non-agricultural uses or allowed to be sold or mortgaged
18 to private individuals or entities within a ten (10) year holding period.

1 The aforementioned holding period will commence from the date of registration
2 of the Emancipation Patent (EP), Certificate of Land Ownership Award (CLOA) or other
3 Title issued pursuant to an agrarian reform program of the State until the lapse of the
4 ten (10) calendar years.

5 Sec. 4. *Implementing Rules and Regulations (IRR)*. - Within thirty (30) days
6 from the effectivity of this act, the Department of Agrarian Reform (DAR), in
7 coordination with the Philippine Agrarian Reform Council, Department of Finance
8 (DOF) and LBP, shall promulgate the necessary rules and regulations to effectively
9 implement the provisions of this Act.

10 Sec. 5. *Separability Clause*. – If any provision of this Act is declared invalid or
11 unconstitutional, other provisions hereof which are not affected thereby shall remain
12 in full force and effect.

13 Sec. 6. *Repealing Clause*. - Section 26 of Republic Act No. 6657, otherwise
14 known as the “*Comprehensive Agrarian Reform Law of 1988*”, as amended, is hereby
15 repealed. All laws, decrees, orders, rules and regulations or parts thereof inconsistent
16 with any of the provisions of this Act are hereby repealed, amended or modified
17 accordingly.

18 Sec. 7. *Effectivity Clause*. - This Act shall take effect fifteen (15) days after its
19 publication in the *Official Gazette* or in two (2) newspapers of general circulation in
20 the Philippines.

Approved,