


FOURTEENTH CONGRESS)
REPUBLIC OF THE PHILIPPINES)
FIRST REGULAR SESSION)

7 JUL -4 1980

SENATE
S.B. NO. 1084

RECEIVED BY: 

Introduced by Senator Loren Legarda

EXPLANATORY NOTE

This bill seeks to allow beneficiaries of agrarian reform to use such lands as collateral in securing loans or financial assistance to enhance the productivity of farmlands or increase income therefrom.

Section 4, Article XIII of the Constitution states that 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. To this end, the State shall encourage and undertake the just distribution of all agricultural lands, subject to such priorities and reasonable retention limits as the Congress may prescribe.

Pursuant to this policy, Republic Act No. 6657 was enacted in 1988 to implement this State policy and undertake agrarian reform, or the redistribution of lands, regardless of crops or fruits produced, to farmers and regular farm workers who are landless, irrespective of tenurial arrangement, to include the totality of factors and support services designed to lift the economic status of the beneficiaries and all other arrangements alternative to the physical redistribution of lands, such as production or profit-sharing, labor administration, and the distribution of shares of stock which will allow beneficiaries to receive a just share of the fruits of the lands they work.

While the law is nearing the end of its target, the standard of living of beneficiaries of the Program is far from being desirable. This is largely attributed to the lack of support systems that will enable the farmer-beneficiary to cultivate the land and maximize its yield. It must be noted that most of the beneficiaries are poor so that they lack the proper training and resources to fully realize the potential of their land.

This bill aims to provide farmer beneficiaries access to capital and credit from banks and other lending institutions for use in the production or marketing of agricultural products, increase farm income therefrom, livelihood and entrepreneurial purposes, and developing one's innate potential through education and skills training..

Under this proposed measure, farmer-beneficiaries with certificate of land ownership Award (CLOA) are allowed to use their farm lands as collateral.

In view of the foregoing, immediate passage of this bill is earnestly sought.


LOREN LEGARDA
Senator

FOURTEENTH CONGRESS)
REPUBLIC OF THE PHILIPPINES)
FIRST REGULAR SESSION)

7 JUL -4 1900

SENATE
S.B. NO. 1084

RECEIVED BY: 

Introduced by Senator Loren Legarda

AN ACT
ALLOWING THE TITLING OF LANDS COVERED BY A CERTIFICATE OF LAND OWNERSHIP AWARD (CLOA) GRANTED UNDER THE AGRARIAN REFORM PROGRAM AND UTILIZING ITS USE AS COLLATERAL FOR PURPOSES OF SECURING AGRICULTURAL LOANS AND SIMILAR OTHER FINANCIAL ASSISTANCE, AMENDING THE PERTINENT PROVISIONS OF REPUBLIC ACT NUMBERED SIXTY-SIX HUNDRED AND FIFTY SEVEN, OTHERWISE KNOWN AS THE COMPREHENSIVE AGRARIAN REFORM LAW, AND FOR OTHER PURPOSES.

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

SECTION 1. Section 27 of RA 6657 is hereby amended to read as follows:

"SEC. 27. Transferability of Awarded lands. - Lands acquired by beneficiaries under this Act may not be sold, transferred or conveyed except through hereditary succession, or to the government, or the LBP, or to other qualified beneficiaries for a period of ten (10) years: Provided, however, that the children or the spouse of the transferee shall have a right to repurchase the land from the government or LBP within a period of two (2) years. Due notice of the availability of the land shall be given by the LBP to the Barangay Agrarian Reform Committee Coordinating Committee (PARCCOM), as herein provided, shall, in turn, be given due notice thereof by the BARC.

PORTIONS OF THE AWARDED LANDS ACQUIRED BY FARMERS-BENEFICIARIES IN WHICH FIVE (5) ANNUAL AMORTIZATIONS HAVE BEEN PAID SHALL BE ALLOWED TO BE TITLED, PARTICULARLY IF THE SAID PORTION REPRESENTS THEIR HOME LOT.

ALL FINANCING AND BANKING INSTITUTIONS, PRIVATE OR PUBLIC, SHALL ACCEPT DULY ISSUED LAND TITLES COVERED BY A DULY-REGISTERED CERTIFICATE OF LAND OWNERSHIP AWARD (CLOA) AS COLLATERAL IN SECURING LOANS OR FINANCIAL ASSISTANCE THAT WILL ENHANCE THE PRODUCTION OR MARKETING OF AGRICULTURAL PRODUCTS OR INCREASE FARM INCOME THEREFORM, OR IN THE EXERCISE OF PROFESSION BY THE CHILDREN OF THE FARMERS-ENDEAVOURS, EDUCATION AND SIMILAR OTHER PURPOSES.

XXX"

SEC. 2. All laws, executive orders, rules and regulations, or any part thereof inconsistent herewith are deemed repealed or modified accordingly.

SEC. 3. This Act shall take effect fifteen (15) days after its complete publication in the Official Gazette or in at least two newspapers of national circulation, whichever comes earlier.

Approved,