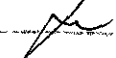


FOURTEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
First Regular Session)

APR 22 1991

SENATE

RECEIVED BY: 

S. No. 2185

Introduced by Senator JUAN MIGUEL F. ZUBIRI

EXPLANATORY NOTE

This bill seeks to allow the beneficiaries of agrarian reform to use such lands as collateral in securing loans to enable farmer-beneficiaries to increase productivity and raise the farm household incomes of CARP beneficiaries.

Section 4, Article XIII of the Constitution states: 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, taking into account ecological, developmental, or equity considerations and subject to the payment of just compensation..."

Thus, in 1988 Republic Act No. 6657 was enacted to implement this State policy to 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 agreement, 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 land they work.

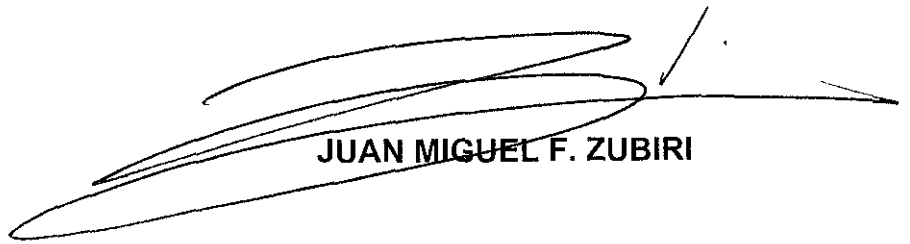
The scope of CARP covers 9 million hectares of which 5.164 million hectares are for distribution by the Department of Agrarian Reform and 3.838 million has. by the Dept. of Environment and Natural Resources. Of these, the DAR has already distributed 3.96 Million hectares and the DENR 3.183 Million hectares benefiting 1,959 agrarian reform communities with at least 393,535 farm households.

This bill comes at an opportune time when the issue of food security related to the decreasing areas of arable land is a growing major concern.

The proceeds of loans will enhance the ability of these farmers to cultivate more food crops to supply our growing demand for rice, corn and other staple cereals and feeds for livestock whose prices have skyrocketed. Likewise, loans and whatever financial assistance to be generated from Certificate of Land Ownership Awards (CLOA) are accepted as collateral will enhance their capacity to manage their farms more efficiently as they conscientiously fulfill their obligations to banks and financial institutions that will grant them loans.

Most important, this bill provides that the lands on which farmer-beneficiaries have paid five annual amortizations shall be allowed to be titled in their favor.

Hence, the approval of this bill is earnestly requested.

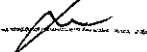


JUAN MIGUEL F. ZUBIRI

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

8 APR 22 1975

SENATE

RECEIVED BY: 

S. No. 2185

Introduced by Senator JUAN MIGUEL F. ZUBIRI

AN ACT
ALLOWING THE TITLING OF LANDS COVERED BY A CERTIFICATE OF LAND OWNERSHIP AWARD (CLOA) GRANTED UNDER THE AGRARIAN REFORM PROGRAM AND UTILIZING IT AS COLLATERAL FOR THE PURPOSE OF SECURING AGRICULTURAL LOANS AND SIMILAR OTHER FINANCIAL ASSISTANCE, AMENDING THE PERTINENT PROVISIONS OF REPUBLIC ACT 6657, OTHERWISE KNOWN AS THE COMPREHENSIVE AGRARIAN REFORM LAW, AND FOR OTHER PURPOSES

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

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

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

12
13 PORTIONS OF THE AWARDED LANDS ACQUIRED BY FARMERS-
14 BENEFICIARIES IN WHICH FIVE (5) ANNUAL AMORTIZATIONS HAVE BEEN
15 PAID SHALL BE ALLOWED TO BE TITLED, PARTICULARLY IF THE SAID
16 PORTION REPRESENTS THEIR HOME LOT.

17 ALL FINANCING AND BANKING INSTITUTIONS, PRIVATE OR PUBLIC,
18 SHALL ACCEPT DULY ISSUED LAND TITLES COVERED BY A DULY-
19 REGISTERED CERTIFICATE OF LAND OWNERSHIP AWARD (CLOA) AS
20 COLLATERAL IN SECURING LOANS OR FINANCIAL ASSISTANCE THAT

1 WILL ENHANCE THE PRODUCTION OR MARKETING OF AGRICULTURAL
2 PRODUCTS OR INCREASE FARM INCOME THEREFORM, OR IN THE
3 EXERCISE OF PROFESSION BY THE CHILDREN OF THE FARMERS-
4 ENDEAVOURS, EDUCATION AND SIMILAR OTHER PURPOSES.

5 xxx

6

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

9

10 **SECTION 3.** This Act shall take effect fifteen (15) days after its complete
11 publication in the Official Gazette or in 6: least two newspapers of national circulation,
12 whichever comes earlier.

13

14 Approved,