



**REPUBLIC OF THE PHILIPPINES**

**S e n a t e**

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# **Journal**

**SESSION NO. 69**

Monday, April 28, 2008

**FOURTEENTH CONGRESS  
FIRST REGULAR SESSION**

**SESSION NO. 69**  
Monday, April 28, 2008

**CALL TO ORDER**

At 3:43 p.m., the Senate President, Hon. Manny Villar, called the session to order.

**PRAYER**

Sen. Juan Miguel F. Zubiri led the prayer, to wit:

Heavenly Father, who made this planet to sustain life, give us the perseverance to stand up against all forms of abuse of Your Earth for wrongful gain, all exploitation for selfish greed and all casual indifference to the dangers now so clearly visible.

Make us realize that we, Your children, have the sole responsibility to steward Your Creation. Help us to look after nature, to watch it, to nurture it, and to learn from it.

Make us responsible, caring guardians of our inheritance, and give us the wisdom to find the right means to protect it in the face of adverse conditions. Weed out all the struggles in our lives that hinder peace, so that Your Kingdom may be spread through us and that we may become channels of Your peace.

This we ask in the Name of Your dear Son, who gave His life to redeem Your world.

Amen.

**NATIONAL ANTHEM**

The Department of Energy Chorale led the singing of the national anthem and thereafter rendered the song entitled, *Sana'y Wala Nang Wakas*.

**INQUIRY  
OF SENATOR EJERCITO ESTRADA**

Senator Ejercito Estrada observed that while the choir was singing the song, *Sana'y Wala Nang Wakas*, Senator Pangilinan was listening intently, and he recalled that it was the Senator's wife who originally sung it.

Asked if he had requested the choir to sing it today on the occasion of his wedding anniversary, Senator Pangilinan replied that it was probably a coincidence. He expressed appreciation for the wonderful rendition by the choir of a very beautiful Filipino love song.

**ROLL CALL**

Upon direction of the Chair, the Secretary of the Senate, Emma Lirio-Reyes, called the roll, to which the following senators responded:

Angara, E. J.	Lacson, P. M.
Aquino III, B. S. C.	Lapid, M. L. M.
Arroyo, J. P.	Legarda, L.
Cayetano, C. P. S.	Pangilinan, F. N.
Defensor Santiago, M.	Pimentel Jr., A. Q.
Ejercito Estrada, J.	Revilla Jr., R. B.
Enrile, J. P.	Roxas, M.
Escudero, F. J. G.	Zubiri, J. M. F.
Gordon, R. J.	Villar, M.
Honasan, G. B.	

With 19 senators present, the Chair declared the presence of a quorum.

Senator Madrigal arrived after the roll call.

Senators Biazon and Cayetano (A) were on official mission.

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Senator Trillanes was unable to attend as he is under detention.

## ACKNOWLEDGEMENT OF THE PRESENCE OF GUESTS

At this juncture, Senator Pangilinan acknowledged the presence of Vice Governor Bai Nariman Ambulodto of Shariff Kabunsuan; Mayor Eleanor Dimaporo-Lantur of Lanao del Norte; and the national officers of the Lady Legislators League of the Philippines.

Senate President Villar welcomed the guests to the Senate.

## COAUTHORS

Senator Pangilinan manifested that Senators Zubiri and Lapid, as well as Senators Legarda and Aquino, with qualification and reservation, are coauthors of the joint resolution to convene Congress into a Constituent Assembly.

## POINT OF INFORMATION OF SENATOR DEFENSOR SANTIAGO

Senator Defensor Santiago informed the Body that she has distributed to the Members the draft resolution recommending conditional concurrence in the Japan-Philippine Economic Partnership Agreement (JPEPA), to which were attached Annexes A and B which shall be considered integral parts of the treaty. The documents, she explained, would ensure that the JPEPA will observe the provisions of the Philippine Constitution, for instance, on health which would be applicable if any questions on the disposition of hazard wastes should arise.

She said that when the committee report was circulated for the signature of the members of the Committee on Foreign Relations and the Committee on Trade and Commerce, many of them requested more time to study a full report written in layman's language and not in the technical and legalistic language of the present report and its annexes. She said that the request was understandable since the JPEPA, like all economic partnership agreements, calls for a very high degree of technical knowledge.

Senator Defensor Santiago stressed that the first ground for not continuing with the plenary proceedings on the JPEPA is that the senators are

not yet ready to discuss it. She indicated that she intends to distribute a primary committee report written in a more understandable language, and Senator Roxas would also do the same within the week. Another ground, she said, is that the Department of Foreign Affairs (DFA) has requested the deferment of the treaty's consideration so that it could explore with the Japanese Ambassador to the Philippines the possibility of negotiating an exchange of notes which shall be considered an integral part of the JPEPA.

Should the exchange of notes materialize and become final, she believed that both committees would no longer recommend a conditional concurrence but a simple concurrence since the treaty would have already complied with the necessary constitutional requirements.

She explained that in international law, the Senate does not have the power to amend a treaty. However, she pointed out that other countries, notably the United States, got around the absolute prohibition by means of documents which are sometimes called "reservations," "understanding," "declarations" or "exchange of notes." She recalled that during the time of the Batasang Pambansa, the Philippines conditionally concurred in the U.N. Convention on the Law of the Sea (UNCLOS). But a conditional concurrence might not be necessary, she stated, if Secretary Romulo and the Japanese Ambassador succeeded in negotiating an exchange of notes.

She recalled that the Senate discovered certain constitutional infirmities in the JPEPA, informed the Executive Department about it and requested a remedial exchange of notes between the two countries. She said that the Japanese government refused to consider the matter but later on softened its position and it is willing now to explore the possibility of an exchange of notes.

## SUSPENSION OF SESSION

Upon motion of Senator Pangilinan, the session was suspended.

*It was 4:01 p.m.*

## RESUMPTION OF SESSION

At 4:01 p.m., the session was resumed.

**APPROVAL OF THE JOURNAL**

Upon motion of Senator Pangilinan, there being no objection, the Body dispensed with the reading of the Journal of Session No. 68 and considered it approved.

**REFERENCE OF BUSINESS**

The Secretary of the Senate read the following matters and the Chair made the corresponding referrals:

**MESSAGE OF THE PRESIDENT  
OF THE PHILIPPINES**

Letter of Her Excellency, President Gloria Macapagal-Arroyo, dated April 22, 2008, submitting to the Senate for its ratification the Optional Protocol to the Convention Against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment, which was adopted on 18 December 2002, at the 57<sup>th</sup> Session of the General Assembly of the United Nations by Resolution A/RES/57/199.

**To the Committee on Foreign Relations**

**BILLS ON FIRST READING**

Senate Bill No. 2191, entitled

**AN ACT REORGANIZING THE PHILIPPINE STATISTICAL SYSTEM**

Introduced by Senator Francis "Chiz" G. Escudero

**To the Committees on Economic Affairs; Civil Service and Government Reorganization; and Finance**

Senate Bill No. 2192, entitled

**AN ACT PROVIDING FOR A TWENTY (20) YEAR BARANGAY DEVELOPMENT PROGRAM, APPROPRIATING FUNDS THEREFOR AND FOR OTHER PURPOSES**

Introduced by Senator Antonio "Sonny" F. Trillanes IV

**To the Committees on Local Government; Ways and Means; and Finance**

Senate Bill No. 2193, entitled

**AN ACT QUALIFYING SALVAGING OR EXTRAJUDICIAL KILLING BY ANY PUBLIC OFFICER, PERSON IN AUTHORITY OR AGENT OF A PERSON IN AUTHORITY AS A HEINOUS CRIME, IMPOSING THE DEATH PENALTY THEREFOR AND FOR OTHER PURPOSES**

Introduced by Senator Antonio "Sonny" F. Trillanes IV

**To the Committees on Justice and Human Rights; and Constitutional Amendments, Revision of Codes and Laws**

Senate Bill No. 2194, entitled

**AN ACT DEFINING THE OFFENSES OF HOARDING, PRICE MANIPULATION AND PROFITEERING, DECLARING THE SAME TO BE TANTAMOUNT TO ECONOMIC SABOTAGE, AND PROVIDING PENALTIES THEREFOR**

Introduced by Senator Antonio "Sonny" F. Trillanes IV

**To the Committee on Trade and Commerce**

Senate Bill No. 2195, entitled

**AN ACT TO FURTHER STRENGTHEN CONSUMER PROTECTION, AMENDING FOR THIS PURPOSE CERTAIN PROVISIONS OF REPUBLIC ACT NO. 7394, OTHERWISE KNOWN AS THE "CONSUMER ACT OF THE PHILIPPINES," AND FOR OTHER PURPOSES**

Introduced by Senator Juan Miguel F. Zubiri

**To the Committees on Trade and Commerce; and Ways and Means**

Senate Bill No. 2196, entitled

**AN ACT REVISING THE FIRE CODE OF THE PHILIPPINES, THEREBY**

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**AMENDING PRESIDENTIAL DECREE  
NO. 1185 AND FOR OTHER PURPOSES**

Introduced by Senator Manny Villar

**To the Committees on Public Order and  
Illegal Drugs; and Local Government**

**RESOLUTION**

Proposed Senate Resolution No. 370, entitled

**RESOLUTION DIRECTING THE COMMITTEE ON ACCOUNTABILITY OF PUBLIC OFFICERS AND INVESTIGATIONS TO INQUIRE, IN AID OF LEGISLATION, INTO THE IRREGULAR AND FRAUDULENT ACTS OF QUEDANCORP'S OFFICIALS IN GRANTING ANOMALOUS LOANS AND PROCURING INPUT SUPPLIES FROM UNQUALIFIED SUPPLIERS IN AN OSTENSIBLE SWINE PROGRAM AND OTHER PROGRAMS, WHICH ACTS ARE IN VIOLATION OF THE GOVERNMENT PROCUREMENT LAW THAT HAVE RESULTED IN LOSSES AMOUNTING TO ALMOST 1.7 BILLION PESOS**

Introduced by Senator M.A. Madrigal

**To the Committees on Accountability of  
Public Officers and Investigations; and Agriculture and Food**

**SUSPENSION OF SESSION**

Upon motion of Senator Pangilinan, the session was suspended.

*It was 4:04 p.m.*

**RESUMPTION OF SESSION**

At 4:04 p.m., the session was resumed.

**APPROVAL OF PROPOSED  
SENATE RESOLUTION NO. 362  
ON THIRD READING**

Upon motion of Senator Pangilinan, there being no objection, the Body considered, on Third Reading,

Proposed Senate Resolution No. 362, printed copies of which were distributed to the senators on April 23, 2008.

Pursuant to Section 67, Rule XXIII of the Rules of the Senate, upon motion of Senator Pangilinan, there being no objection, Secretary Reyes read only the title of the resolution, to wit:

**RESOLUTION CONCURRING IN THE  
RATIFICATION OF THE HEAD-  
QUARTERS AGREEMENT BETWEEN  
THE REPUBLIC OF THE PHILIP-  
PINES AND THE INTERNATIONAL  
RICE RESEARCH INSTITUTE.**

Secretary Reyes called the roll for nominal voting.

**RESULT OF THE VOTING**

The result of the voting was as follows:

*In favor*

Angara	Honasan
Aquino	Lapid
Arroyo	Legarda
Cayetano (P)	Pangilinan
Defensor Santiago	Pimentel
Ejercito Estrada	Revilla
Enrile	Roxas
Escudero	Zubiri
Gordon	Villar

*Against*

None

*Abstention*

None

With 18 senators voting in favor, none against, and no abstention, the Chair declared Proposed Senate Resolution No. 362 approved on Third Reading.

**COMMITTEE REPORT NO. 30  
ON SENATE BILL NO. 1987**

*(Continuation)*

Upon motion of Senator Pangilinan, there being no objection, the Body resumed consideration, on Second Reading, of Senate Bill No. 1987 (Committee Report No. 30), entitled

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**AN ACT TO ESTABLISH A SOCIALIZED AND LOW-COST HOUSING LOAN RESTRUCTURING PROGRAM, PROVIDING THE MECHANISMS THEREFOR AND FOR OTHER PURPOSES.**

Senator Pangilinan stated that the parliamentary status was the period of interpellations.

Thereupon, the Chair recognized Senator Zubiri, Sponsor of the measure, and Senator Defensor Santiago for her interpellation.

**SUSPENSION OF SESSION**

Upon motion of Senator Pangilinan, the session was suspended.

*It was 4:06 p.m.*

**RESUMPTION OF SESSION**

At 4:08 p.m., the session was resumed with Senate President Pro Tempore Ejercito Estrada presiding.

**INTERPELLATION  
OF SENATOR DEFENSOR SANTIAGO**

Senator Defensor Santiago observed that Section 2 of the bill was anchored on the policy found in the Constitution, particularly Article XIII, Section 9, which mandates the State to "undertake a continuing program of urban land reform and housing which will make available at affordable cost decent housing to underprivileged and homeless citizens." She stated that Republic Act No. 7279 defines "underprivileged and homeless citizens" as "individuals or families residing in urban and urbanizable areas whose income or combined household income falls within the poverty threshold, as defined by the National Economic and Development Authority, and who do not own housing facilities." She said that as of its latest declaration in 2000, NEDA set the poverty threshold at P10,072.

Relative thereto, Senator Defensor Santiago pointed out that Section 3 defines the coverage of the intended restructuring program, the statutory ceiling or cut-off amount of which is where the original principal amount does not go beyond P2.5 million. She noted that at present, socialized housing loans are cut or limited to P225,000, a level which is over

P2 million below the statutory limit for coverage set under the Act. She expressed belief that the ultimate effect of the relatively high P2.5 million ceiling is to allow the concerned housing agencies to place under coverage of the restructuring program even loans which are not for socialized housing and which are not intended to benefit underprivileged and homeless citizens. For instance, she said, she finds it difficult to imagine a family earning a little over P10,000 a month to apply for a housing loan of P2.5 million. She believed that this runs counter to the declaration set forth in Section 2 of the Act. She then asked why the ceiling amount was set so high if the law intends to benefit "underprivileged and homeless citizens" as defined under Republic Act No. 7279.

In reply, Senator Zubiri said that he had raised the same question before the housing agencies during the committee deliberations, and according to these agencies, under the VAT law, the rate for exemption of low-cost housing is from those worth P2.5 million and below. Moreover, he cited a Memorandum Circular issued by the Housing and Urban Development Coordinating Council (HUDCC), through its chair, Vice President Noli de Castro, redefining loan ceilings and packages as follows: under Level 1-A low-cost housing package, P300,00 and below are considered socialized; under Level 1-B low-cost housing package, P500,000 to P1.250 million; and under Level 1-C, above P1.250 million to P3 million. He said that anything costing over P3 million would be called medium-cost housing. He expressed willingness to accept amendments at the proper time to clarify the intent of the provision.

On another matter, Senator Defensor Santiago noted that the measure defines the standards by which particular loans may be subject to coverage, but it does not specify whether such coverage is mandatory, that is, whether the housing agencies implementing the condonation and restructuring program are obliged to grant coverage so long as the criteria set forth in the Act are met; or whether they are empowered to prescribe additional criteria or requirements for coverage in the course of the application process. She stressed the need to make explicit mention of the matter in the Act considering that in many past cases, the implementing agencies concerned have established additional requirements for availing of the benefits of certain programs under their administration.

Replying thereto, Senator Zubiri stated that the additional criteria are not mandatory, the reason why

a clause is included in the measure that penalizes homeowners who continue to be delinquent to be subject to the forfeiture of their homes.

Asked whether the requirements in the Act are complete, or whether implementing agencies are being given the discretion to add to the requirements under the measure, Senator Zubiri replied that it was precisely because they do not have the power to condone penalties and surcharges that the agencies approached the Committee to request such a law to be able to amend their charters. He cited NHA which has a delinquency of close to 94% of its housing loans as of December 2007. He said that with the new law, the housing agencies could even stretch the payment period to another 30 years.

Since Section 3 (e) allows legal heirs and successors-in-interest to assume payment of an outstanding housing loan, Senator Defensor Santiago stressed the need to clarify if "incapacity" in this case includes a situation where the original borrower is deceased. Similarly, she said, the broad term "successors-in-interest" must be clarified with respect to assignees because under the terms of socialized housing contracts, assignment within specified periods is forbidden. She suggested that the Act specify that it does not apply to such cases. Moreover, she pointed out the need to clarify whether the action of the heirs is limited only to "payment," or whether they can apply for condonation or restructuring under the terms of the Act.

Senator Zubiri admitted that the Committee overlooked the inclusion of the word "death" and gave the assurance that the matter would be addressed during the period of amendments.

Noting that the Act only specifically provides that penalty and surcharges arising from default in amortization payments would be condoned, Senator Defensor Santiago pointed out that the amount of penalty and surcharges only constitutes a small percentage of the total obligation owed to the government in a majority of cases involving delinquent loan accounts, with the bulk of the debt arising from the compounded interest added on to the principal amount. In fact, she said, loans of P180,000 have ballooned to over P1 million after a few years of nonpayment because of interest charges. She said that while the proposed Act provides that, "A reasonable portion of the interest...shall also be condoned," it leaves the determination of the specific amount of percentage

to the respective governing boards of the concerned housing agencies. She believed that this is not a valid delegation of legislative power considering that the Act itself does not set any standards that the concerned Board must observe in making this determination. She pointed out that the legislature can delegate its power to pass implementing rules and regulations provided that it meets two conditions: 1) that the statute must be complete; and 2) that the standards set by the statute must be sufficient. Thus, she proposed that the Act itself set out specific standards or guidelines which the concerned Board must observe in making the determination so that its acts would not be declared unconstitutional.

Senator Defensor Santiago asked on the standards under which condonation of interest payments may be granted, as she pointed out that the standards must be placed in the bill as dictated by the Constitution, and not in the implementing rules and regulations. Senator Zubiri replied that Section 2 takes into consideration the credit discipline of the borrowers, the financial viability of the lending institution, and the ability of the borrowers to pay. He expressed willingness to make the standards more specific with the help of Senator Defensor Santiago.

Senator Defensor Santiago said that Section 6 provides for the foreclosure of a mortgage as a means for proceeding against loans not subject to coverage under the terms of the proposed act. However, she noted that securing socialized housing loans through the establishment of mortgage over the purchased property has already been, to a large extent, superseded by the practice of entering into conditional contracts to sell in lieu of contracts to sale with mortgage; hence, foreclosure may no longer be a common recourse in situations where there is a delinquency in the payment of socialized housing loans.

Asked what the existing policies are on securing housing loans, the percentage that such loans are secured by mortgage, and how such policies are consistent with the State's policy to provide adequate and affordable housing, Senator Zubiri replied that each government financial institution has its own policy. Nonetheless, he said that he would furnish Senator Defensor Santiago, if allowed, with the necessary data at the soonest possible time.

Senator Defensor Santiago suggested that the pertinent data be inserted into the Record of the Senate to form part of the proceedings.

Finally, Senator Defensor Santiago observed that Section 6 also provides that foreclosure proceedings shall be exempt from publication in newspapers and from payment of filing fees as the process is governed by the Rules of Court, specifically Rule 68 and Administrative Matter No. 99-10050, which cannot be amended by statute in line with the Court's constitutionally granted power to promulgate rules concerning "pleading, practice and procedure." She expressed concern that Section 6 is tantamount to an encroachment into such power of Court. Senator Zubiri believed that housing agencies came up with a few incentives for themselves considering that a big number of delinquent borrowers would mean spending a lot on filing fees and newspaper publications. Nonetheless, he said that the Committee would make the necessary amendments so as not to violate the Constitution and the Rules of Court. Senator Defensor Santiago urged that the specific provision be canceled as it would only be declared unconstitutional and invalid. She said that the Sponsor may also write the juridical administrator and appeal for Supreme Court help in amending Rule 68, giving forth the reasons for the same request.

#### MANIFESTATION OF SENATOR LEGARDA

Senator Legarda expressed support to the bill and manifested that she would no longer interpellate on the measure.

#### INTERPELLATION OF SENATOR MADRIGAL

Asked by Senator Madrigal on the number of borrowers expected to benefit from the measure, Senator Zubiri presented the following figures:

Agency	Total No. of Accounts	Total Delinquent
SHFC	1261 community associations (as of Oct. 2007)	849 community associations (67.3%)
NHMFC	109,385 (as of Oct. 2007)	74,775 (68.3%)
HGC	4,505 (as of Oct. 2007)	3,098 (68.7%)
NHA	96,544 (as of Oct. 2007)	90,405 (94%)
SSS	25,614 (as of Oct. 2007)	20,964 (82%)
GSIS	43,340	11,566 (26.86%)
HDMF	314,888 (as of Oct. 2007)	65,119 (21%)
TOTAL	594,276 borrowers 1,261 community associations	265,927 borrowers 849 community associations

#### SUSPENSION OF SESSION

Upon motion of Senator Zubiri, the session was suspended.

*It was 4:33 p.m.*

#### RESUMPTION OF SESSION

At 4:33 p.m., the session was resumed.

As regards the geographic distribution of the delinquencies and its pattern, Senator Zubiri replied that the bulk of the loans is in Metro Manila.

#### ACKNOWLEDGMENT OF THE PRESENCE OF GUESTS

At this juncture, Senator Roxas acknowledged the presence of 10-year-old Francois Patricio-Yap with her mother Binky Patricio-Yap and Maria Vicky Joy Patricio-Jore of Glendale, California. Senator Roxas said that Ms. Yap is the youngest Filipino-American writer for the *Tribune U.S.A.* and is part of the Gifted Talented Children Program of Richardson White School.

Senate President Pro Tempore Ejercito Estrada welcomed the guests to the Senate.

#### SUSPENSION OF SESSION

Upon motion of Senator Madrigal, the session was suspended.

*It was 4:36 p.m.*

#### RESUMPTION OF SESSION

At 4:37 p.m., the session was resumed.

#### INTERPELLATION OF SENATOR MADRIGAL (Continuation)

Senator Zubiri disclosed that out of the 3,206 borrowers who applied for loan restructuring in Pag-IBIG, 1,487 or 48% come from the Manila area, and the primary reason why their account became delinquent is the slow increase in their salaries and the high prices of commodities. He said that majority of the delinquents in the NHA came from the informal sector and people who were actually relocated due



to the North and South Rail Project and, as a consequence, removed from the areas where they earn their income.

Asked on the basis of the restructuring and the percentage of the loan owners that would actually benefit from the measure, Senator Zubiri explained that to qualify, the borrower should have at least six months unpaid amortization as of the effectivity of the Act, notwithstanding that the same accounts have availed of the benefits of a previous restructuring or condonation program, provided that the original amount of the housing loans shall not exceed P2.5 million. He said that the penalties and surcharges would be condoned, and the balance of the loan would be restructured to make it more affordable for the borrower at smaller monthly amortizations.

Asked what agency will be responsible for the loan restructure, Senator Zubiri replied that the GFIs would be tasked with restructuring the balance of the loan. He also cited Section 3(a) of the bill which provides that borrowers could avail of the grace period offered in the bill even though they had previously availed of benefits under the Maceda Law, particularly since many GFIs have had difficulty in the implementation of the law due its stringent requirements.

On whether the experts as well as the Sponsor had worked out conflicting or redundant provisions in both the Maceda Law and Senate Bill No. 1987, Senator Zubiri replied that unlike the Maceda Law, the bill is more liberal because it not only allows GFIs and government housing agencies to make adjustments on interest payments but also extends the loan period. He explained that under the Maceda Law, the GFIs could condone the penalty surcharges but continue with the life of the loan at the same rate such that a borrower that has completed 10-year payment of a loan payable in 30 years would continue to pay the same P1,000 monthly amortization for the next 20 years. He said that the proposed Act would also address the request of borrowers for lower monthly amortizations amid the rising price of commodities since the GFIs could further extend the loan payment and allow the borrower to pay the balance in smaller amounts.

Asked how the loan amortization would be restructured, for instance, in the case of a borrower who had availed of a 30-year loan but had only been able make payments for only 10 years, Senator

Zubiri replied that the payment period could be extended based on the age of the borrower.

Senator Madrigal wondered how this arrangement would apply to a 65-year old borrower who was only able to complete 10 years of payments.

## SUSPENSION OF SESSION

Upon motion of Senator Zubiri, the session was suspended.

*It was 4:51 p.m.*

## RESUMPTION OF SESSION

At 4:53 p.m., the session was resumed.

Senator Zubiri stated that a loan made by a 65-year old borrower to the Pag-IBIG could be paid in five years; on the other hand, a 30-year old borrower, who has paid 10 years of his 30-year loan but would like to avail of this loan program, could be given 30 more years to pay off his loan as the program cut-off age for GFIs is 70 years old.

Senator Madrigal expressed concern that the bill might be biased in favor of the young and wondered whether the borrower's children or heirs could act as his co-guarantor. Senator Zubiri cited Section 3(e) of the bill which provides that the loan could be assigned to the borrower's legal heirs and successors-in-interest.

At this juncture, the Chair asked whether a 70-year old borrower could still avail of the loan package. Senator Zubiri said that the bill could be amended at the proper time to include the term "co-borrower" to refer to a younger family member who is willing to be a co-borrower with the principal borrower and as such, the age of the younger borrower could be applied in calculating the terms of the loan payment.

Asked whether availing of the provisions of the bill would preclude the return of a certain percentage of the amortization as provided for in the Maceda Law, Senator Zubiri replied in the negative.

## SUSPENSION OF SESSION

Upon motion of Senator Zubiri, the session was suspended.

*It was 4:59 p.m.* *Ar*

*po*

## RESUMPTION OF SESSION

At 5:03 p.m., the session was resumed.

Upon resumption, Senator Zubiri clarified that Republic Act No. 6552 or the Maceda Law pertains to provisions for the cancellation of a contract between the developer and an installment buyer wherein the former is mandated to return 50% of the installment payments made for two years, while Republic Act No. 8501 or the Gonzales Law and Senate Bill No. 1987 deal with an ongoing contract between the GFIs and the borrowers.

Asked on the effect of the proposed Act on the buy-back agreement between GFIs and developers, Senator Zubiri said that the proposed Act deals only with the borrowers and GFIs; it does not provide any incentive for the developers.

As regards the profile of the borrowers, Senator Zubiri said that those who availed of Pag-IBIG housing loans are government employees or private individuals who earn about P12,000 a month. He added that 90,405 of the 96,544 borrowers of the NHA are delinquent, 50,609 of whom belong to displaced families who were directly affected by government projects and most of them are minimum wage earners.

Asked whether the bill would, in effect, also help delinquent borrowers who only make the down-payment and leave their monthly dues unpaid, and not only those who are in dire need of help, Senator Zubiri stated that Section 5 excludes certain accounts from the coverage of the proposed Act. However, he said that the Committee would amend Section 5 (b) to exclude from coverage an account whose housing unit has been abandoned by the borrower-owner for one year from the date of delinquency.

Senator Madrigal said that she would like to see the profiles of the different borrowers so that she could make the proper amendments, so as not to also disadvantage the developers who would be having double delinquencies. She also requested information on how this loan program would affect the financial position of the GFIs to show the full impact of the measure. Senator Zubiri said that he would furnish Senator Madrigal with the necessary data.

Asked if a P2.5-million housing loan can still be considered socialized or low-cost, Senator Zubiri stated that the HUDCC and other government agencies are guided by the following packages: Level

I-A. Socialized housing: P300,000 and below; Level I-B. Low-cost housing: between P300,000 and P500,000; Level II — above P500,000 to 1.250 million; and Level III — P1.250 to P3 million. He pointed out that this was based on the exemptions of the VAT Law, which includes homes costing P2.5 million and below. He said that a P2.5-million loan can build a modest bungalow in Cavite, Antipolo and Bulacan with three bedrooms, a kitchen and bathroom, and a floor area of 60 to 120 square meters. He stated that the GFIs require a 10%-down payment or P250,000 and 40% of the disposable monthly income for loan payments.

Senator Madrigal asked what financial strength the GFIs would be looking for.

## SUSPENSION OF SESSION

Upon motion of Senator Zubiri, the session was suspended.

*It was 5:24 p.m.*

## RESUMPTION OF SESSION

At 5:25 p.m., the session was resumed.

In reply, Senator Zubiri explained that the borrower and co-borrowers must have a combined monthly income of P40,000 to P45,000 and for a P2.5 million loan, the monthly amortization is P18,000 for a 30-year period, adding the title would be under the principal borrower. He said that in case the principal borrower defaults on his payment, the co-borrower would have to assume the loan.

Senator Madrigal suspended her interpellation until receipt of the requested document. Senator Zubiri gave assurance that the Committee would welcome any suggestions or amendments from Senator Madrigal.

## SUSPENSION OF CONSIDERATION OF SENATE BILL NO. 1987

Upon motion of Senator Pangilinan, there being no objection, the Body suspended consideration of the bill.

## COMMITTEE REPORT NO. 43 ON SENATE BILL NO. 2150

*(Continuation)*

Upon motion of Senator Pangilinan, there being no objection, the Body resumed consideration, on

*ps*

Second Reading, of Senate Bill No. 2150 (Committee Report No. 43), entitled

AN ACT GRANTING THE RIGHT OF  
REPLY AND PROVIDING PENAL-  
TIES FOR VIOLATION THEREOF.

Senator Pangilinan stated that the parliamentary status was the period of interpellations. He manifested that with the consent of Senator Revilla, the Sponsor, Senator Pimentel, the principal author, would defend the bill.

Thereupon, the Chair recognized Senator Pimentel, cosponsor, and Senator Legarda for her interpellation.

**INTERPELLATION OF SENATOR LEGARDA**

At the outset, Senator Legarda stated that she believes in the spirit of fair play and that media practitioners should be responsible for their stories, whether in print and in broadcast.

To Senator Legarda's concern that the bill would work against the constitutional provision that no law shall be passed abridging the freedom of expression considering that it somehow imposes an obligation on media to provide free space or free airtime to persons accused or criticized in broadsheets, radio or television to reply, Senator Pimentel asserted that the constitutional guarantees of freedom of speech and freedom of the press are not absolute because they carry some obligations, one being that media practitioners must be responsible for what they write or broadcast. On the contrary, he argued, the right to reply is not an infringement at all on the freedom of the press as it ensures that the individual's right to free speech would be respected by media.

Noting that it is incumbent upon media practitioners to get both sides of a story they print or broadcast, Senator Legarda queried why there is a need for a separate law when media practitioners are responsible enough to get both sides of a story. Senator Pimentel replied that while media practitioners do so, it has been his experience as a public official that quite often his written replies to articles that appear on the front pages of broadsheets are not given equal treatment and that, in fact, they are printed, for instance, on page 36.

Rather than pass a law, Senator Legarda asked whether it would be better if the Senate wrote the *Kapisanan ng mga Brodkaster sa Pilipinas* (KBP) or the Philippine Press Institute or the concerned

media organization to request all of its registered practitioners to abide by the KBP rules on fair play.

Senator Pimentel noted that during a public hearing on the measure, he learned that not all broadcasting stations are members of the KBP, hence, not all stations are obliged to follow the policies implemented by the KBP. Nevertheless, he pointed out that there is a sunset clause so that when there is no longer a need for the law, there is no need to extend its life. He expressed hope that the bill, once enacted into law, would help reduce the number of killings of media practitioners in the Philippines which, unfortunately, is one of the highest in the world. Similarly, Senator Legarda expressed hope that the measure would decrease the number of violations of the rights of media persons.

Upon further query, Senator Pimentel affirmed that the obligation to give the maligned person the same space on the same page where the undue criticism was made is being imposed on the print media.

Senator Legarda admitted that she actually struggles in both worlds because she has been a media practitioner for 25 years and in politics for 10 years. While she has been a victim of false and baseless stories, she opined that it may not be practical to give the reply of a maligned person the same space especially on the front page of a newspaper where ads are not usually seen.

Senator Pimentel clarified that a reply is not an ad but a right given to a person maligned by a newspaper to set the record straight by reflecting his reply on the same page. He affirmed that the reply would be published free of charge.

Asked how the law would be implemented during an election period when negative and paid advertisements are commonly aired or published, Senator Pimentel replied that one of the objectives of the bill is make the medium concerned a little bit discreet in publicizing items that cannot be backed up within reason, hence, it could still run criticisms but with more caution. He agreed that the bill would be a deterrent to reckless reporting.

Senator Pimentel acknowledged that there should be a companion measure to the present bill which is the bill decriminalizing libel. Senator Legarda agreed, as she recalled filing a similar bill in 1998. She believed said measure would minimize the problem of violence against media people, as well as the many libel cases that have piled up in the salas of various

judges. She agreed that it is high time Congress passed said measure.

Senator Legarda noted that the provision on page 2, Section 7, paragraph 4, line 15, giving the court the power to recommend proper sanctions, is open-ended and would give a lot of leeway to the court.

But Senator Pimentel pointed out that the judge can only suspend the license only on the third offense. He agreed to the suggestion to specify in the bill the sanctions or penalties that may be imposed by the judge so as to obviate any abuse on the part of the judge.

As regards the intent of Section 10, the sunset provision, Senator Pimentel clarified that by the seventh year after approval of the law, the self-policing mechanisms of the various media organizations would have already reached such a degree of expertise that there would be no longer a need for the law.

Asked whether the various media organizations were invited to the public hearings on the bill, Senator Pimentel replied in the affirmative, as he bared that they were essentially in agreement with the bill except that they did not want to be compelled to publish the reply, absent which he wondered how the person criticized in print or on the air could air his side. He stressed that the argument against restrictions on the freedom of the press does not stand because the people also has the right to enjoy it, not media alone.

For the Body's information, the Chair stated that Senate Bill No. 1403 (An Act Decriminalizing Libel) authored by Senator Escudero was referred to the Committee on Constitutional Amendments, Revision of Codes and Laws primarily and to the Committee on Committee on Public Information and Mass Media, secondarily, on July 31, 2007.

#### **INTERPELLATION OF SENATOR MADRIGAL**

Senator Madrigal expressed full support for the bill, believing that there is no justice when the reply of a person to an accusation against him on the front page of a broadsheet is buried on page 36. Saying that she has been victimized by this practice many times, she underscored that it is to everyone's interest to read or hear both sides of the story. She stated that print space is very limited so the editor decides whose side is printed on page 1 or page 2, where the spin is placed on the caption of the article, and whose side is printed elsewhere in the broadsheet as if an afterthought.

Asked how the right to reply would be instituted on radio and television, Senator Pimentel stated that radio and television programs are paid for by block timers or are part of the station's program, so if an unwarranted criticism was aired against an individual at a certain time slot, the individual could write the station a letter and the same shall be read on the air during the same time slot and be given equal time. He stated that if a number of individuals were maligned in the same program, individually each one has the right to reply within reason, meaning it could be a common reply so as not to wreak havoc on the program. Legal jurisprudence demands, he said, that the laws must be interpreted in a reasonable manner.

Asked if the letter of an offended party shall be published by the broadsheet in full so that the same cannot be taken out of context, Senator Pimentel stated that the length of the reply must be commensurate to the length of the criticism. He said that the editor of the broadsheet is given leeway to delete libelous statements from the reply.

#### **SUSPENSION OF CONSIDERATION OF SENATE BILL NO. 2150**

Upon motion of Senator Cayetano (P), there being no objection, the Body suspended consideration of the bill.

#### **REFERRAL OF SPEECH TO COMMITTEE**


Upon motion of Senator Cayetano (P), there being no objection, the Chair referred the privilege speech of Senator Angara entitled "Overcoming the Rice Problem" to the Committee on Agriculture and Food.

#### **ADJOURNMENT OF SESSION**

Upon motion of Senator Cayetano (P), there being no objection, Senate President Pro Tempore Ejercito Estrada declared the session adjourned until three o'clock in the afternoon of the following day.

*It was 6:00 p.m.*

I hereby certify to the correctness of the foregoing.

  
EMMA LIRIO-REYES  
Secretary of the Senate

Approved on April 29, 2008