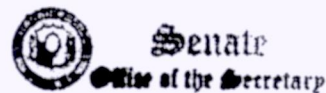


EIGHTEENTH CONGRESS OF THE )  
REPUBLIC OF THE PHILIPPINES )  
First Regular Session )



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SENATE

P.S.R. No. 136

RECEIVED BY:

Introduced by **Senator Risa Hontiveros**

**RESOLUTION**  
**CALLING FOR AN INVESTIGATION IN AID OF LEGISLATION INTO UPDATING**  
**THE EXISTING LEGAL FRAMEWORK REGULATING ONLINE LENDING TO**  
**PREVENT ABUSIVE COLLECTION PRACTICES WHILE IMPROVING ACCESS TO**  
**CREDIT**

**WHEREAS**, 921 formal complaints have been filed against online lenders by aggrieved consumers before the National Privacy Commission (NPC) as of August 31, 2019;

**WHEREAS**, these online lenders required prospective borrowers to provide access to the contacts, photos, documents, and other sensitive personal information stored on their mobile devices;

**WHEREAS**, debt collectors used this sensitive personal information to pressure delinquent borrowers into repaying their loans by repeatedly calling or messaging the borrowers' contacts;

**WHEREAS**, aside from causing embarrassment and reputational harm to consumers, the NPC also determined that this debt collection method constituted the unauthorized processing of personal data, processing data for unauthorized purposes, and malicious and unauthorized disclosure;

**WHEREAS**, this business model appears to have originated in China, whose regulators are currently in the midst of a crackdown against online lenders employing violent and invasive debt-collection methods;

**WHEREAS**, the NPC has determined that a number of individuals connected to these online lenders appear to be foreigners; and

**WHEREAS**, despite these abusive practices, innovation in this sector has the potential to boost financial inclusion in the Philippines by providing new channels of credit for small borrowers who might otherwise be unable to obtain loans from traditional banking institutions.

**NOW THEREFORE, BE IT RESOLVED AS IT IS HEREBY RESOLVED TO URGE THE PROPER SENATE COMMITTEE TO INQUIRE, IN AID OF LEGISLATION, INTO UPDATING THE EXISTING LEGAL FRAMEWORK REGULATING ONLINE LENDING TO PREVENT ABUSIVE COLLECTION PRACTICES WHILE IMPROVING ACCESS TO CREDIT.**

Adopted.

**RISA HONTIVEROS**  
Senator