

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



23 AUG 22 P3:58

SENATE
P.S. RES. No. 746

RECEIVED BY: _____

Introduced by Senator Raffy T. Tulfo

A RESOLUTION
DIRECTING THE APPROPRIATE SENATE COMMITTEE TO CONDUCT AN
INQUIRY, IN AID OF LEGISLATION, ON THE RAMPANT UNFAIR DEBT
COLLECTION PRACTICES OF LENDING COMPANIES, WITH THE END IN
VIEW OF STRENGTHENING MEASURES THAT PROTECT THE CONSUMERS'
RIGHT TO PRIVACY, SECURITY, AND PROPERTY

1 WHEREAS, the 1987 Philippine Constitution recognizes the need to protect the
2 rights of the consumers from trade malpractices, substandard products, false and
3 misleading advertisements and other types of misinterpretations;

4 WHEREAS, Section 2 of Republic Act No. 3765 or the "Truth in Lending Act"
5 sets as the policy of State the protection of "its citizens from a lack of awareness of
6 the true cost of credit to the user by assuring full disclosure of such cost with a view
7 of preventing the uninformed use of credit to the detriment of the national economy";

8 WHEREAS, Section 1 of Securities and Exchange Commission (SEC)
9 Memorandum Circular No. 18, series of 2019, in relation to Section 4.4 of the
10 Implementing Rules and Regulations of Republic Act No. 11765 or the "Financial
11 Products and Services Consumer Protection Act" specifically prohibits financial service
12 providers from making use of threats to take any action against their clients,
13 as well as contacting persons in the borrower's contact list other than those who
14 were named as guarantors or co-makers, among others;

1 WHEREAS, despite the foregoing laws and regulations, there is still an alarming
2 number of lending companies failing to disclose their online lending platforms and
3 employing abusive debt collection practices to the detriment of consumers;

4 WHEREAS, there is a rising number of complaints against abusive lenders in
5 the country;

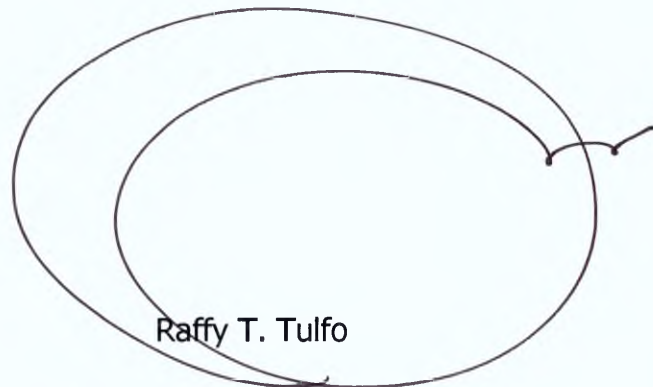
6 WHEREAS, these lending companies also commit significant violations of
7 Republic Act No. 10173 or the "Data Privacy Act of 2012", with most of the companies
8 facing numerous complaints with the National Privacy Commission;

9 WHEREAS, these companies are also posting libelous and defamatory posts on
10 social media buy and sell groups, collecting payments from random contacts of their
11 borrowers, and sending coffins and death threats;

12 WHEREAS, some of these companies have already been raided by law
13 enforcement agencies but was were not duly prosecuted and were able to return and
14 operate again afterwards;

15 NOW THEREFORE BE IT RESOLVED, as it is hereby resolved, to direct the
16 appropriate Senate Committee to conduct an inquiry, in aid of legislation, on the
17 rampant unfair debt collection practices of lending companies, with the end in view of
18 strengthening measures that protect the consumers' right to privacy, security, and
19 property.

Adopted,



Raffy T. Tulfo