

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

23 JAN 30 P5:01

SENATE
S. No. 1804

RECEIVED BY: 

Introduced by SENATOR RONALD "BATO" DELA ROSA

**AN ACT
PROVIDING FOR THE CONDONATION OF ALL UNPAID PRINCIPAL
INTERESTS, PENALTIES, OR SURCHARGES ON LOANS SECURED BY
AGRARIAN REFORM BENEFICIARIES UNDER THE COMPREHENSIVE
AGRARIAN REFORM PROGRAM AND FOR OTHER PURPOSES**

EXPLANATORY NOTE

The first Prime Minister of India, Jawaharlal Nehru, is credited for stating: "Most things, except agriculture, can wait." Agriculture is urgent. It cannot wait. Its urgency, however, is something that is often taken for granted. We are now seeing the rise of generations that refuse to be farmers, that think farming is work that is poorly paid and meant only for the unskilled.¹ This gives us a picture of the value (or lack thereof) that our society gives to agriculture, thereby effectively forgetting that it is one that cannot wait.

Proof of our forgetting is the fact that our farmers have remained poor. According to data from 2018 of the Philippine Statistics Authority, the poverty incidence of farmers was at 31.6% while for fisherfolk it was at 26.2%.² Adding to our farmers' financial burden is the provision under Section 26 of Republic Act No. 6657, or the "Comprehensive Agrarian Reform Law of 1988." Although R.A. 6657 is well-intentioned, the implementation of the said section, among others, is

¹ Amy Booth, "Follow the food: the reason we're running out of farmers." Retrieved from: <https://www.bbc.com/future/bespoke/follow-the-food/the-reason-we-are-running-out-of-farmers/>, retrieved on January 24, 2022.

² "InfoBits on poverty incidence of farmers and fisherfolk in PH," retrieved from: <https://www.pids.gov.ph/details/resource/infographics-infobits/infobits-on-poverty-incidence-of-farmers-and-fisherfolk-in-ph>, retrieved on January 24 2022.

problematic. Under Section 26, the lands that are awarded to the Agrarian Reform Beneficiaries (ARBs) shall be paid for by the ARBs to the Landbank of the Philippines (LBP) in thirty (30) annual amortizations at an interest rate of six percent 6% per annum. A financial obligation which seems onerous and too much for our farmers. The pandemic has not made things any easier. In the midst of the rising prices of commodities, of the adverse effects of climate change, we continue to demand that our farmers strictly pay for the land they till hardworkingly, seeming to conveniently forget our urgent need for sustainable agriculture.

One by one, the reminders of agriculture's urgency catch up to us. As our farmers remain to be poor, we are also feeling the consequences of their poverty. The Philippines today is hardly food-secure, which means we have a long way to go in taking care of our farmers and the entire agricultural industry.

Agriculture cannot and must not be made to wait. One surefire way of doing this is to condone all unpaid principal, interests, penalties, or surcharges on loans of ARBs under CARP. With this, we shall be removing from our farmers' shoulders the burden of having to pay off lands awarded to them. At the same time, we are helping to ensure that the objective of the CARP is truly achieved – reform in the agrarian sector by addressing rural poverty and securing its development.

Most things, except agriculture, can wait. And because agriculture cannot wait, I seek the swift passage of this bill into law.


RONALD "BATO" DELA ROSA



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

Section 1. *Condonation of Unpaid Amortizations, Interest Payments, Penalties, or Surcharges.* - All unpaid principal and interests, including penalties or surcharges, if any, due from loans used for land acquisition secured under the Comprehensive Agrarian Reform Program are hereby condoned by the Government to relieve all agrarian reform beneficiaries from the payment thereof: *Provided*, That the condonation of such unpaid principal, interests, penalties, or surcharges shall be in conformity with the applicable banking laws and regulations of the *Bangko Sentral ng Pilipinas* (BSP): *Provided, further*, That the condonation of all unpaid principal, interests, penalties, or surcharges shall release all attached liens and encumbrances arising from the loans secured for land acquisition: *Provided, finally*, That upon the effectivity of this Act, the Land Bank of the Philippines (LBP) shall issue the certification necessary to facilitate the issuance of a certificate of land title ownership in favor of the agrarian reform beneficiary concerned.

Sec. 2. *Implementing Rules and Regulations.* – Within thirty (30) days from the effectivity of this Act, the Department of Agrarian Reform, in coordination with the Philippine Agrarian Reform Council, the Department of Finance, and the LBP, and upon consultation with relevant stakeholders, shall promulgate the necessary rules and regulations to effectively implement the provisions of this Act.

Sec. 3. *Repealing Clause.* – Section 26 of Republic Act No. 6657, as amended, otherwise known as the “Comprehensive Agrarian Reform Law of 1988,” is hereby repealed. All other laws, decrees, orders, rules and regulations or parts thereof inconsistent with any of the provisions of this Act are hereby repealed, amended, or modified accordingly.

Sec. 4. *Effectivity.* – This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in at least two (2) newspapers of general circulation.

Approved,