

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

EIGHTEENTH CONGRESS
First Regular Session

HOUSE BILL NO. 6773



**Introduced by HON. JESUS "BONG" C. SUNTAY, LORENZ R. DEFENSOR,
MANUEL DG. CABOCHAN III, CYRILLE F. ABUEG-ZALDIVAR,
FRANCISCO B. BENITEZ, and STELLA LUZ A. QUIMBO**

EXPLANATORY NOTE

The scourge of Covid-19 has caused unprecedented number of deaths, unemployment and economic loss in more than 100 countries of the world unseen in the last 100 years. The Philippines is no exception. Despite the early response of our President, our country has continued to experience growing number of Filipinos those afflicted by the coronavirus, with more than 10,463 total COVID-positive cases as of May 8, 2020. While the inherent right to life and to public health are paramount and thus take precedence over the enjoyment of certain specific rights, the adverse impact of the pandemic and our communities' decision to hunker down in order to save lives and humanity have also resulted in the inability of everyone to earn livelihood, among others.

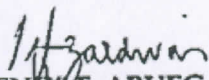
President Rodrigo Roa Duterte declared a Public Health Emergency throughout the country last March 16, and consequently placed the Philippines in a State of Calamity. Most parts of the country have also been placed under Enhanced Community Quarantine (ECQ) to contain the spread of coronavirus. With the imposition of the ECQ, a lot of Filipinos, especially those falling under the so called "No Work, No Pay" workers have been restrained from working and earning a living. While our government was quick to provide most of them some reliefs in the form of food packages and amelioration funds, they need respite and other form of reliefs and assistance to cope up with the need to pay utilities, rents, credit cards and other loans during this period.

With the economic misery brought by the coronavirus to this country and the unforeseen loss of households' monthly income, the settlement of these accumulated payables may be very difficult to many Filipinos. This bill seeks to address this concern by way of providing some grace period on the loan, credit card, and rental payment system freed of interests, penalties and other charges. This will also allow the people, ample time to settle their payables without compromising the interests of financial institutions and property owners.

In view of the foregoing, the immediate passage of this bill is earnestly sought.



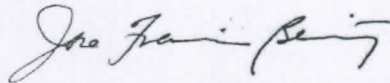
ATTY. JESUS "BONG" C. SUNTAY
4th District, Quezon City



CYRILLE "BENG" F. ABUEG-ZALDIVAR
2nd District, Palawan



LORENZ R. DEFENSOR
3rd District, Iloilo



FRANCISCO B. BENITEZ
3rd District, Negros Occidental



MANUEL DG. CABOCHAN III
MAGDALO Party List



STELLA LUZ A. QUIMBO
2nd District, Marikina City

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

EIGHTEENTH CONGRESS
First Regular Session

HOUSE BILL NO. 6773

Introduced by HON. JESUS “BONG” C. SUNTAY, LORENZ R. DEFENSOR,
MANUEL DG. CABOCHAN III, CYRILLE F. ABUEG-ZALDIVAR,
FRANCISCO B. BENITEZ, and STELLA LUZ A. QUIMBO

AN ACT
PROVIDING FOR THE PAYMENT SYSTEM OF ALL LOANS, CREDIT CARDS,
RENTALS, UTILITIES, MOBILE, CABLE AND INTERNET SERVICES IN THE
COUNTRY AFFECTED BY THE
COVID-19 PANDEMIC

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

1 **SECTION 1. Short Title.** – This act shall be known as the “*Post-COVID-19 Payment*
2 *System Act.*”

3
4 **SECTION 2. Declaration of Policy.** – The current national and global public
5 health situation caused by the Coronavirus (Covid-19) pandemic has greatly
6 affected the Philippines, both politically and economically. While the purpose of
7 the non-impairment clause of the Constitution is to safeguard the integrity of
8 contracts against unwarranted interference by the State, the police power
9 legislation adopted by the State to promote the health, morals, peace, education,
10 good order, safety, and the general welfare of the people prevail not only over
11 future contracts but even over those already in existence, for all private contracts
12 must yield to the superior and legitimate measures taken by the State to promote
13 public welfare.

14
15 **SECTION 3. Definition of Terms.** – For purposes of this Act, the terms below shall
16 mean as follows:

- 1 a. "Client" refers to a borrower, tenant, renter, lessee, debtor, credit card
2 holder, customer, subscriber or the like, whether it is an individual, party,
3 business, etc., to which a loan payment, credit card payment, rental
4 payment or payment for utilities, mobile, cable and internet services is
5 due;
- 6 b. "Rent Payment" shall mean any amount paid by the client to a lessor or
7 concessionaire for the use or occupancy of a residential or commercial
8 unit, parking slot or lot whether residential or commercial, including
9 payment for utilities, mobile, cable and internet services, regardless of the
10 mode and terms of payment;
- 11 c. "Creditors" refer to banks, quasi-banks, financing companies, lending
12 companies, cooperatives, savings and loan associations (SLA's), provident
13 fund association other financial institutions, public and private, including
14 the Government Services Insurance System, Social Security System, and
15 Pag-Ibig Fund, that have entered to a loan agreement or a credit card
16 agreement, whichever is applicable, and financed the acquisition of money,
17 assets, property, goods or the like of a client;
- 18 d. "Concessionaires" refers to providers of mobile, cable, internet, water and
19 electric services;
- 20 e. "Enhanced Community Quarantine (ECQ)" refers to Presidential
21 Proclamation No. 929, s. 2020, completely restricting and prohibiting
22 mass gatherings and suspending all means of public transport, limiting
23 the movement of people in response to the growing pandemic of
24 coronavirus disease 2019 (COVID-19) in the country. The ECQ began on
25 the 12 midnight of March 16, 2020 until the 15 of May 2020, as declared
26 by President Rodrigo Duterte and may be extended as the exigencies
27 warrant. The ECQ as defined herein includes General Community
28 Quarantine and other variations of community quarantine;
- 29 f. "Lease Agreement" refers to the contract of rental between the lessor and
30 lessee, that allows the lessee rights to the use of a property owned or
31 managed by the lessor for a period of time;
- 32 g. "Maturity Date" refers to the settlement date on which the payment is due
33 on a loan amortization, lease, rent, or other financial instrument/s and
34 that for mobile, cable, internet, water and electric services;

1 h. "Moratorium Period" refers to: (i) the additional two (2) month period
2 following the maturity date of the client's loans or billings; or (ii) the
3 additional ninety (90) day period after the lifting of the community
4 quarantine, for credit card issuers by which clients should pay their
5 obligations or billings to their creditors or concessionaires.
6

7 **SECTION 4. Coverage of this Act.** — This Act shall cover all individual person's
8 monetary obligations, whether contracted singly or jointly with his or her spouse,
9 such as but not limited to salary, personal, housing and motor vehicle loans,
10 residential rents, commercial leases, and credit card bills as well as those for his
11 mobile, internet, water and electric consumptions, the payment of the whole or
12 part of which including accrued interests, penalties, fees and other charges have
13 become due during the period of the Enhanced Community Quarantine. Loans
14 of juridical entities and business loans of individuals are not covered by this act.

15 However, nothing in this Act shall prevent the creditors, lessors and
16 Concessionaires from offering a more advantageous system of payment to its
17 clients.
18

19 **SECTION 5. Loan Payment System** – All creditors and concessionaires shall allow
20 their clients an additional two (2) month period following the maturity date of
21 their loans, to settle all amortization payments of the principal and interests,
22 penalties, fees other charges thereof that have become due within the period of
23 the enhanced or general community quarantine in the country without incurring
24 interests, penalties, fees, or other charges, **Provided however**, that these clients
25 shall resume paying the regular monthly amortization that shall become due on
26 the month subsequent to the lifting of the enhanced community quarantine and
27 onwards.
28

29 **SECTION 6. Credit Card Payment System.** – All credit card issuers shall allow
30 their clients an additional ninety (90) day period after the lifting of the community
31 quarantine, to settle their credit card bills that have become due within the period
32 of the enhanced or general community quarantine in the country without
33 incurring interests, penalties, fees, or other charges, **Provided however**, that
34 these clients shall resume the payment of the current monthly billings that shall
35 have become due on the month subsequent to the lifting of the enhanced

community quarantine and onwards.

SECTION 7. Rental Payment System. – All lessors shall adjust the payment system for their lessees on rents that have become due within the period of enhanced or general community quarantine in this country, to wit:

a. Residential Rent – All clients of residential units such as but not limited to bedspaces, rooms, dormitories, apartments, houses, buildings, condominium units, parking slots and the like, shall be allowed an additional two (2) month period following the maturity date of such lease agreement, to pay the rents that have become due within the period of the enhanced or general community quarantine in the country without incurring interests, penalties, fees, or other charges, **Provided however,** that these clients shall resume the payment of the regular monthly rents on the month that have become due subsequent to the lifting of the enhanced community quarantine and onwards.

b. Commercial Rent – All clients of commercial units such as but not limited to land, offices, building, centers, shops, facilities, parking slots and the like, shall be allowed an additional two (2) month period following the maturity date of such lease agreement, to pay their rents that have become due within the enhanced or general community quarantine in the country without incurring interests, penalties, fees, or other charges, **Provided however,** that these clients shall resume the payment of the regular monthly rents on the month that have become due subsequent to the lifting of the enhanced community quarantine and onwards.

SECTION 8. Mobile, Cable, Internet and Utilities Payment System. – All Concessionaires shall allow their clients an additional ninety (90) day grace period after the lifting of the community quarantine, to settle their bills that have become due within the period of the enhanced or general community quarantine in the country without incurring interests, penalties, fees, or other charges, **Provided however,** that these clients shall resume the payment of the current monthly billings that shall have become due on the month subsequent to the lifting of the enhanced community quarantine and onwards.

1 **SECTION 9. Non-Interruption of Service.** Notwithstanding any stipulations in the
2 contract or agreement or any provisions of the law to the contrary. within the
3 period of the ECQ and during the period of moratorium referred to in Sections 5,
4 6, 7 and 8, no Creditor or concessionaire shall do any act that will result in any
5 service interruption or disconnection of, or imposition of penalties or similar
6 charges on the electric, water, telephone utility services, credit cards and other
7 loans of their clients, due to their latter's non-payment or delay in the payment
8 of their loans, bills and/or similar obligations that have become due within the
9 period of the ECQ or moratorium. Neither shall the lessors cause the eviction of
10 their tenants for non-payment or delay in the payment of the latter's rentals
11 during the ECQ or the period of moratorium, notwithstanding any stipulations
12 in the Contract of Lease or any provisions of law to the contrary.

13
14 **SECTION 10. Additional Period of Moratorium for Retrenched Workers.** Should
15 the clients referred hereto have been retrenched or lost their jobs as a result of
16 any shutdown, closure or suspension of operations of their companies whether
17 locally or abroad, an additional one (1) month of grace period shall be afforded to
18 them **Provided**, the separated employee must present proof of his retrenchment
19 or separation from employment.

20
21 **SECTION 11. Immunity from Suit.** The Client, who is unable to pay his loan,
22 billings, rentals or credit card obligations that have become due during the
23 periods of the ECQ or moratorium referred hereto, shall be immune from any
24 civil, criminal or administrative cases. In addition, said Client shall be freed from
25 any other investigations or suits insofar as they relate to his inability to pay his
26 loan, rentals, billings or credit card obligations during the ECQ and the
27 moratorium periods, notwithstanding any law or contract to the contrary.

28
29 **SECTION 12. Exclusions.** The Immunity and the period of moratorium referred to
30 herein above, shall not apply to commercial establishments, which continued to
31 operate either fully or partially during the period of ECQ or moratorium.

32
33 **SECTION 13. Penalties.** - In addition to acts or omissions already penalized by
34 existing laws, refusal to comply shall be punishable with imprisonment of two

1 (2) months or a fine of not less than Ten Thousand Pesos (Php10,000.00) but not
2 more than One million pesos (Php1,000,000.00), or both, such imprisonment and
3 fine, at the discretion of the court.

4
5 Provided, however, That if the offender is a corporation, association,
6 partnership or any other juridical person, the penalty shall be imposed upon the
7 president, directors, trustees, managers, managing partners, as the case may be,
8 who participated in the commission of the offense or who shall have knowingly
9 permitted or failed to prevent the commission of the same. If the offender is an
10 alien, he shall, in addition to the penalties herein prescribed, be deported without
11 further proceedings: Provided, further, That if the offender is a public official or
12 employee, he shall, in addition to the penalties prescribed herein, suffer perpetual
13 or temporary absolute disqualification from office, as the case may be.
14

15 **SECTION 14. Implementing Rules and Regulations.** – The Department of Trade
16 and Industry, with the assistance of the Bangko Sentral ng Pilipinas, shall
17 promulgate the IRR, within fifteen (15) days upon the effectivity of this Act.
18

19 **SECTION 15. Separability Clause.** – If any provision or part of this Act is held
20 invalid or unconstitutional, the remaining parts or provisions not affected shall
21 remain in full force and effect.
22

23 **SECTION 16. Repealing Clause.** – All laws, executive orders, presidential decrees
24 or issuances, letter of instruction, administrative orders, rules, and regulations
25 as well as local ordinances contrary to or inconsistent with the provisions of this
26 Act are hereby repealed, amended, or modified accordingly.
27

28 **SECTION 17. Effectivity Clause.** – This Act shall take effect immediately after its
29 publication in the *Official Gazette* or in a newspaper of general circulation.

Approved,