



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

EIGHTEENTH CONGRESS
First Regular Session

House Bill No. 3675

Introduced by Hon. Faustino Michael Carlos T. Dy III

EXPLANATORY NOTE

Everyone goes through a time of need; perhaps one of the saddest tales is of the farmer who pawns his land for much less than what it is worth, in order to meet his family's needs.

The humble farmer does this at the risk of losing his prized possession to pay for the cost of his children's schooling, sudden illness in the family, etc. It is rare that he will do so to pay for something he would consider a mere luxury.

The image of a farmer begging for help from usurious lenders is a familiar one, and supported by studies. For instance, the Congressional Policy and Budget Research Department, in its published paper, "Uplifting the Life of Every Filipino through Enhanced Productivity and Social Equity," stated that about 39% of small farmers and fisherfolk borrowers did not have access to formal credit due to lack of acceptable collateral and limited information about loan products. Where/who would these people turn to in their times of need?

This bill aims to eliminate this sad picture from memory.

Since private banks loathe the idea of losing potential earnings, and thus close their doors to customers with limited resources for collateral, it is incumbent upon the government to open other avenues that will help respond to their situation.

The government should look upon this effort as akin to an investment, and just one of the ways it accomplishes its Constitutional mandate of serving the people by promoting social justice in all phases of national development.

Hence, it is exhorted that the government allocates resources to enable farmers to obtain loans during their usual times of necessity: periods of enrollment, Christmas, etc.; and times of sudden need: when a loved one dies, is hospitalized, etc. It should be the refuge that never fails its people when the storms come.

The loan facility shall enable the farmer to fully pay his obligation by allowing repayments to be made after every cropping season rather than monthly or other usual frequencies.

Through this measure, it is hoped that concrete, measurable changes in our farmers' lives may become apparent and felt. And with prayers that it is not yet too late for most of those for whom this measure is meant.

In view of this representation's burning desire to correct the neglect of this sector and restore their dignity, immediate approval of this bill is earnestly sought.



FAUSTINO MICHAEL CARLOS T. DY III
5th District, Isabela

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

EIGHTEENTH CONGRESS
First Regular Session

House Bill No. 3675

INTRODUCED BY REP. FAUSTINO MICHAEL CARLOS T. DY III

AN ACT TO MANDATE THE TIMELY PROVISION OF LOANS TO FARMERS,
APPROPRIATING FUNDS THEREFOR AND FOR OTHER PURPOSES

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

SECTION 1. Title. – This Act shall be known as "Farmers' Refuge Act."

SECTION 2. Declaration of Policy. – Article II, Sec. 10 of the 1987 Constitution states, "The State shall promote social justice in all phases of national development."

Section 9 of the Constitution states that it shall also "promote a just and dynamic social order that will ensure the prosperity and independence of the nation and free the people from poverty through policies that provide adequate social services, promote full employment, a rising standard of living, and an improved quality of life for all." In support of these policies, the State further shall ensure that the State shall make available loans to our farmers when they need it.

SECTION 3. The following agencies are tasked with the following duties and responsibilities:

- a. Department of Finance – to determine the usual needs, and amounts of loans that may be needed and applied for by our farmers, and the approximate timings during which such needs may arise
- b. Departments of Agriculture, and Agrarian Reform – to supply data and information regarding our farmers that may be required by other agencies involved in this Act
- c. Landbank – to administer the loans to farmers, and ensure the availability and sufficiency of funds

SECTION 4. Loan and Repayment Scheme. – The government, through the Landbank of the Philippines, shall anticipate loan applications and make sure that funds are available therefor. Repayment shall be made after every cropping, and

interest shall not exceed six per cent (6%) per annum. The loans shall be available in variable tenors. An applicant may apply for a second loan even if the first is not yet fully paid.

SECTION 5. Reportorial Requirements. – The Department of Finance and/or Landbank shall submit an annual report to the House of Representatives Committee on Agriculture and Food on the relevant information pertaining to the accomplishment of the purposes of this Act.

SECTION 5. Appropriation. – An initial funding of PhP 500,000,000 shall be allocated for this purpose. Subsequent requirements shall be determined by the DoF and shall be included in its annual budget.

SECTION 6. Implementing Rules and Regulations. – The DoF, as lead, in collaboration with the DA and DAR, shall formulate the rules and regulations of this Act within ninety (90) days of its effectivity.

SECTION 7. Penal Provision. – Any person, not a government official or employee, who violates any provision of this Act shall be punished with imprisonment of one (1) year and/or a fine not exceeding PhP 100,000.00.

Any government employee or official who violates any provision of this Act shall be punished with imprisonment of two (2) years and/or a fine not exceeding PhP 200,000.00.

SECTION 8. Repealing Clause. – All acts, decrees, letters of instruction, issuances, orders, or parts thereof inconsistent with any provision of this Act are hereby deemed repealed or modified accordingly.

SECTION 9. Separability Clause. – If any part of this Act is declared unconstitutional, the rest of the provisions shall remain in force and effect.

SECTION 10. Effectivity. – This Act shall take effect 15 days after its publication in two (2) newspapers of general circulation or in the Official Gazette.

APPROVED.