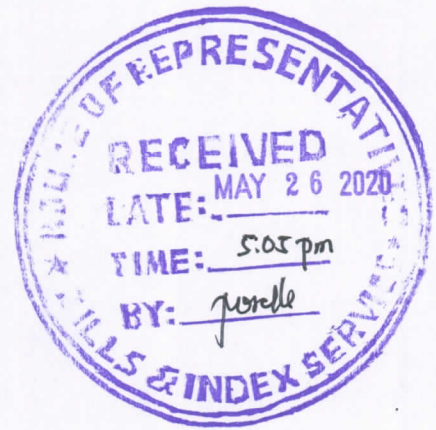




Republic of the Philippines  
**HOUSE OF REPRESENTATIVES**  
Quezon City

EIGHTEENTH CONGRESS  
First Regular Session

HOUSE BILL NO. 6818



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Introduced by **REP. AURELIO "DONG" D. GONZALES, JR.**

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#### **EXPLANATORY NOTE**

In December 2019, an unknown strain of virus (later named and identified as Novel Corona Virus/COVID-19) originated from the City of Wuhan, the capital of the Province Hubei in Mainland China has sparked a global anxiety and caused dramatic mischief worldwide because of its pernicious incurable character.

The COVID-19 pandemic has seriously disrupted business operations worldwide be it a small scale or large one, leading to a dramatic increase in job losses. This economic phenomena threatens the ability of many businesses to meet their financial obligations including monthly amortizations in commercial and business establishments. For many, they may not be able to meet monthly amortizations, rental payments, expenses incurred for their utilities, and even decent daily sustenance for their employees.

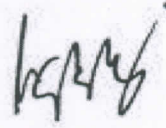
Emotional Stress, Mental and Emotional Anxiety, and Sleepless Nights often hound borrowers as their finances go off target. During these tough and trying times, a government that ensures an adequate protection and prompt assistance to struggling businesses is needed.

The proposed bill will provide a moratorium on the enforcement for the payment of principal loan or monthly amortizations be it a personal, business loan, or any kind of loan with interest bearing obligation, credit accommodation or financial obligations to aid individuals and businesses harmed by the pandemic.

The application of moratorium on the enforcement for the payment of all loans, credit accommodations, or financial obligations shall be applied to all public or private financial institutions or financial intermediaries engaged in lending and borrowing of money be it formal or informal one for the entire duration of the national public health emergency and for 180 days from the time of the lifting or termination of the national public health as declared by the President through the recommendation of NDRMMC or DOH as the case maybe.

These protections are designed to alleviate the economic and financial displacement of individuals and businesses due to the outbreak of Corona Virus.

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

A handwritten signature in black ink, appearing to read 'Aurelio D. Gonzales, Jr.', with a stylized flourish at the end.

**REP. AURELIO "DONG" D. GONZALES, JR**  
**3rd District, Pampanga**



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**AN ACT IMPOSING FOR A MANDATORY MORATORIUM ON THE ENFORCEMENT OF MONTHLY PRINCIPAL PAYMENTS OR MONTHLY AMORTIZATIONS ON ALL LOANS, CREDIT ACCOMMODATIONS, OR FINANCIAL OBLIGATIONS TO FINANCIAL INSTITUTIONS OR FINANCIAL INTERMEDIARIES ENGAGED IN THE LENDING AND BORROWING OF MONEY FOR THE ENTIRE DURATION OF THE NATIONAL HEALTH EMERGENCY AND FOR 180 DAYS FROM THE TIME OF ITS TERMINATION OR LIFTING**

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

**Section 1. Title.** – This Act shall be known as “**Monthly Amortization Moratorium Act of 2020**”

**Section 2. Declaration of Policy.** – It is hereby declared as national policy to:

1. Provide adequate relief and protection to those who are affected by the world wide pandemic as declared by the World Health Organization.
2. To aid individuals and businesses in their financial obligations during these catastrophic events and disasters.
3. Protect individuals and business operations due to the temporary suspension of economic and some commercial activities brought forth by COVID-19 pandemic.

**Section 3. Moratorium for the Payment of Loans.** A moratorium is hereby imposed on the enforcement of monthly principal payments or monthly amortization against all loans, credit accommodations or financial obligations of any kind be it formal or informal, from public or private financial institutions or financial intermediaries for the entire duration of the national public health emergency and for 180 days thereafter from the time of the lifting or termination of the national public health emergency as declared by the President through the recommendation of IATF, DOH, or NDRRMC as the case maybe.



**Section 4. *Payment of Accrued Interests and Interest Payments.*** During the enforceability of the moratorium, the borrower of loan, credit accommodation, or financial obligation shall pay the accrued interests and forthcoming monthly interest.

**Section 5. *Inapplicability of the Moratorium.*** This Act shall be inapplicable to borrower who defaulted payment or those who are not in good credit standing prior to the declaration of National Public Health Emergency or State of Calamity by the President.

**Section 6. *Voluntary Payments.*** Voluntary payments of all loans, credit accommodations or financial obligations including interest payments made by the borrower during the period of the moratorium shall be accepted by the financial institutions or financial intermediaries and shall be in writing.

**Section 7. *Post-Moratorium Payment of Loans.*** After the duration of the national public health emergency and for 180 days thereafter from the time of the lifting or termination of the national public health as declared by the President through the recommendation of IATF, DOH, or NDRRMC as the case maybe, the financial institution or financial intermediary may start the collection of monthly amortizations of all loans, credit accommodations or financial obligations including interest payments. The effect of this Act shall be carried over and added to the monthly payments due to the borrower.

**Section 8. *Implementing Rules and Regulations.*** Within sixty (60) days from the effectivity of this Act, the Department of Finance, in consultation with the other relevant government agencies and stakeholders, shall issue necessary rules and regulations to implement the provisions of this Act.

**Section 9. *Separability Clause.*** – If, for any reason, any part or provision of this Act is declared invalid or unconstitutional, the remaining parts or provisions not affected thereby shall remain in full force and effect.

**Section 10. *Repealing Clause.*** – All laws, decrees, executive orders, rules and regulations or other issuances or parts thereof contrary to or inconsistent with the provisions of this Act are hereby repealed, amended, or modified accordingly.

**Section 11. *Effectivity.*** – This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in any newspaper of general circulation.

***Approved,***