



S E N A T E

S. No. 1850

PREPARED BY THE COMMITTEES ON AGRICULTURE, FOOD
AND AGRARIAN REFORM; FINANCE; WAYS AND MEANS
WITH SENATORS ESCUDERO, MARCOS, LAPID, REVILLA
JR., VILLANUEVA, DELA ROSA, VILLAR, ANGARA,
LEGARDA, EJERCITO, BINAY AND GO AS AUTHORS
THEREOF.

AN ACT CONDONING ALL PRINCIPAL AND
INTERESTS OF LOANS ARISING FROM THE
AWARD OF AGRICULTURAL LANDS UNDER THE
COMPREHENSIVE AGRARIAN REFORM
PROGRAM AS OF DECEMBER 31, 2022 AND FOR
OTHER PURPOSES

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

1 SECTION 1. *Condonation of the Agrarian Reform*
2 *Debt.* – This Act shall cover the condonation of ₱57.557
3 billion principal debt of 610,054 Agrarian Reform
4 Beneficiaries (ARBs), tilling a total of 1,173,101.57
5 hectares of agrarian reform lands.

1 The principal loan of ₱14.5 billion, including
2 interests, penalties and surcharges, of the 263,622 ARBs,
3 tilling 409,206.91 hectares of agrarian reform lands, whose
4 names and other loan details were already submitted by
5 the Land Bank of the Philippines (LBP) to Congress, shall
6 be condoned outright under this Act. However, the
7 inclusion of the remaining ₱43.057B loan in this Section
8 shall take effect only upon submission by the LBP and the
9 Department of Agrarian Reform (DAR) of details of the
10 indebtedness to government of the 346,432 ARBs, tilling
11 763,894.66 hectares of agrarian reform lands, contained in
12 a list, as provided for in the next paragraph of this Section.

13 Upon the effectivity of this Act, the individual loans
14 of ARBs, including interests, penalties and surcharges,
15 secured under the Comprehensive Agrarian Reform
16 Program (CARP) or from other agrarian reform programs
17 or laws, are hereby condoned and written off by the
18 Government, thereby relieving them from the burden of
19 payment thereof: *Provided*, That these ARBs shall have
20 been indebted to government as of December 31, 2022:

1 *Provided, further,* That the LBP and the DAR shall submit
2 the detailed list of their actual loans subject for
3 condonation, together with the pertinent information such
4 as name of ARBs; amount of loan plus penalties, interests,
5 and surcharges; location; hectarage; and other relevant
6 information, to the concerned Committees of the Senate
7 and House of Representatives, within the three (3)-year
8 period from the effectivity of this Act, which shall then
9 make the submission part of the Congressional Records of
10 this Act: *Provided, furthermore,* That the DAR shall
11 thereafter issue, whenever necessary, a Certificate of
12 Condonation which shall be annotated on the
13 Emancipation Patent (EP), Certificate of Land Ownership
14 Award (CLOA), or on any other title based on the
15 applicable agrarian reform law: *Provided, finally,* That
16 condonation as provided herein shall lift all mortgage liens,
17 attached to the land acquired, in favor of the National
18 Government, as represented by the LBP.

1 SEC. 2. *Termination of Payment of Compensation by*
2 *ARBs Under Voluntary Land Transfer (VLT) and Direct*
3 *Payment Schemes (DPS).* – All direct payments of
4 compensation by the 10,201 ARBs, tilling 11,531.24
5 hectares of agrarian reform lands, to landowners under
6 VLT and DPS, amounting to ₱206,247,776.41M are hereby
7 terminated, and payments of the remaining balance of
8 compensation due the concerned landowners shall be paid
9 by the Government through the LBP and charged against
10 the Agrarian Reform Fund: *Provided*, That they shall have
11 been indebted to government as of December 31, 2022.

12 SEC. 3. *Coverage.* – For purposes of this Act, the term
13 Agrarian Reform Beneficiaries (ARBs) shall refer to
14 farmers or farmworkers who were granted lands under
15 Presidential Decree No. 27, Republic Act No. 6657 and
16 Republic Act No. 9700, and who have outstanding loan
17 balances payable to the LBP and to private landowners as
18 of December 31, 2022.

19 SEC. 4. *Mandatory Inclusion of the ARBs in the*
20 *Registry System for Basic Sectors in Agriculture (RSBSA)*

1 *of the Department of Agriculture (DA).* – The ARBs are
2 Filipino farmers entitled to support from government
3 agencies, particularly from the DA. The DA is hereby
4 mandated to include the ARBs beneficiaries of this Act in
5 the Registry System for Basic Sectors in Agriculture
6 (RSBSA) and shall provide to them all support services
7 that are due our farmers.

8 *SEC. 5. Preference to Credit Facilities and Support*
9 *Services for Beneficiaries with Paid Amortizations.* – ARBs
10 who have completed payment of the amortization schedule
11 and the payment of interest charges under Section 26 of
12 Republic Act No. 6657, as amended, Section 6 of Executive
13 Order No. 228 of 1987, and other agrarian reform laws
14 shall be given preference in the provision of credit facilities
15 and support services as provided in this Act, in Section 37
16 of Republic Act No. 6657, as amended, and in relevant
17 programs and projects implemented by the DA and
18 government financial institutions concerned.

1 SEC. 6. *Estate Tax Exemption.* – The land awarded
2 to ARBs shall be excluded from the gross estate for
3 purposes of estate tax.

4 The Department of Interior and Local Government
5 shall also encourage local government units to enact local
6 tax amnesty on real property taxes and other transfer
7 taxes of qualified ARBs under this section.

8 SEC. 7. *Issuance of Agrarian Reform Title.* – The
9 appropriate Registry of Deeds shall register the EP, the
10 CLOA, or any other title issued pursuant to the applicable
11 agrarian reform law within sixty (60) days from the
12 issuance thereof in the name of the ARB beneficiary. It
13 shall likewise annotate the Notice of Condonation on all
14 the affected EPs, CLOAs, or any other title issued
15 pursuant to the applicable agrarian reform law within
16 sixty (60) days from issuance by the DAR.

17 SEC. 8. *Restitution of the Agrarian Reform Award*
18 *Forfeited Solely due to Non-Payment of Annual Amortization*
19 *and Interest.* – Any pending administrative case involving
20 the forfeiture by the DAR of the agrarian reform award

1 solely due to the failure of an ARB to pay the thirty (30)-
2 year amortization plus six percent (6%) annual interest
3 shall immediately be dismissed *motu proprio*, by the DAR.

4 Citing this Act, the DAR shall move for the dismissal
5 of all actions pending with the courts relating to the
6 collection of unpaid principal and interests over
7 agricultural lands covered by agrarian reform laws.

8 The execution of a final and executory administrative
9 case decision due to the failure of an ARB to pay the thirty
10 (30)-year amortization plus six percent (6%) annual
11 interest resulting in the disqualification of the ARB, the
12 cancellation of the agrarian reform title, the
13 extinguishment of the rights of possession and ownership
14 of the awarded land, as well as the removal of the person
15 from the awarded land or the dismantling of any
16 improvements found therein, shall be immediately
17 terminated, the agrarian reform award immediately
18 restored, and the forfeiture decision accordingly reversed.

19 Any agrarian reform title cancelled as a result of the
20 final and executory administrative case decision shall

1 immediately be reconstituted. In the event that the
2 agricultural land has already been awarded to another
3 beneficiary, the DAR shall as far as equitable award
4 another land to the disqualified ARB.

5 SEC. 9. *Disqualification of Agrarian Reform*
6 *Beneficiaries due to Acts and Omissions Constituting*
7 *Violations of Agrarian Reform Laws.* – Any person
8 convicted by final judgment of any of the prohibited
9 acts and omissions under Sec. 73 and meted any of the
10 penalties under Sec. 74 of Republic Act No. 6657, as
11 amended, is disqualified to avail of the benefits under this
12 Act.

13 Disqualification shall likewise result as an outcome of a
14 determination by final judgment that the ARB, in violation
15 of Sec. 22 of Republic Act No. 6657, as amended, willfully
16 refused to make the awarded land as productive as
17 possible or deliberately neglected or abandoned the
18 awarded land continuously for a period of two (2) calendar
19 years: *Provided*, That non-cultivation of the land due to
20 non-installation of the ARBs, threats by other stakeholders

1 or entities, lack of facilities and support services, or
2 situations or conditions beyond the control of the ARBs not
3 due to their fault or actuations shall not be considered as
4 either neglect, abandonment, or grounds for
5 disqualification.

6 Pursuant thereto, the DAR shall thoroughly
7 investigate and revalidate allegations that will constitute
8 disqualification under this Section, in a manner that will
9 be construed liberally in favor of the ARBs.

10 SEC. 10. *Interpretation.* – Nothing in this Act shall
11 diminish the right of landowners to just compensation for
12 their agricultural lands acquired under the agrarian
13 reform program, nor shall it be interpreted to remove
14 existing limitations on the transfer, ownership, and
15 agricultural use of land.

16 SEC. 11. *Implementing Rules and Regulations.* –
17 Within sixty (60) days from the effectivity of this Act, the
18 DAR in coordination with the Executive Committee of the
19 Presidential Agrarian Reform Council (PARC), with the

1 technical assistance of the LBP, shall issue rules and
2 regulations for the effective implementation of this Act.

3 SEC. 12. *Agency Support.* – All other government
4 offices and agencies are directed to render such prompt and
5 necessary assistance, subject to applicable laws, rules and
6 regulations, to fully implement the provisions of this Act.

7 SEC. 13. *Funding.* – The amount necessary for the
8 implementation of this Act shall be charged against the
9 Agrarian Reform Fund, as certified by the Bureau of
10 Treasury, and the inclusion thereof in the annual General
11 Appropriations Act shall be subject to the existing
12 budgeting process, rules and regulations, and to such other
13 funds as may subsequently be authorized by Congress.

14 SEC. 14. *Separability Clause.* – If any provision of this
15 Act is declared unconstitutional, the remainder of this Act
16 or any provisions not affected thereby shall remain in full
17 force and effect.

18 SEC. 15. *Repealing Clause.* – Section 21 of Republic
19 Act No. 6657, as amended, is hereby modified. All laws,
20 executive orders, issuances or parts thereof inconsistent

1 with the provisions of this Act are hereby amended,
2 repealed or modified accordingly.

3 SEC. 16. *Effectivity.* – This Act shall take effect fifteen
4 (15) days after its publication in the *Official Gazette* or in a
5 newspaper of general circulation.

Approved,