

Republic of the Philippines  
**HOUSE OF REPRESENTATIVES**  
Constitution Hills, Quezon City

**SIXTEENTH CONGRESS**  
First Regular Session

House Bill No. 2236



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**Introduced by: REPRESENTATIVE ERIC L. OLIVAREZ**

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**EXPLANATORY NOTE**

Disasters whether attributed to natural causes or fortuitous events, the most recent of which is the killer typhoon "Ondoy", result in great damage to property both public and private including loss of lives which bring untold sufferings to the people living in the areas affected in various magnitudes. Undoubtedly, these disasters trigger temporary suspension of commercial activities and bring about economic stagnation for some time in the areas affected, not to mention the emotional stress by those families who lost their relatives.

This economic dislocation and stagnation and the emotional stress and mental anguish cause extreme difficulties on the part of borrowers from financial institutions and other private persons to meet payments falling due during this period of calamity. Consequently, these loans are subjected to harsh and onerous penalties and surcharges including the interests which accrue during the period of commercial inactivity when all efforts are exerted to relief operations, rehabilitation and restoration of facilities, thereby resulting in closure of business and/or foreclosures of collaterals.

In effect, the borrowers are being penalized for acts beyond their control instead of giving them the chance to resume their business or professional/occupation, when under Article 1174 of the New Civil Code, XXX, "no person shall be responsible for those events which could not be foreseen, or which through foreseen, were inevitable."

It is for the foregoing reasons that this bill is being proposed to impose a compulsory moratorium on the accrual and collection of interests, penalties and surcharges, by financing institutions both public and private, including natural or juridical persons, within a period of six (6) months from the time the areas are declared by the President of the Philippines as calamity areas.

Considering its practical merits, humanitarian value and aforeqouted legal and factual basis, support for the enactment of this bill is earnestly solicited.



ERIC L. OLIVAREZ

Republic of the Philippines  
**HOUSE OF REPRESENTATIVES**  
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**2236**

House Bill No. \_\_\_\_\_

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**Introduced by: REPRESENTATIVE ERIC L. OLIVAREZ**

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**AN ACT IMPOSING A MANDATORY MORATORIUM ON THE ACCRUAL AND COLLECTION OF PRINCIPAL INTERESTS, PENALTIES AND SURCHARGES ON ALL LOANS FROM PUBLIC AND PRIVATE FINANCIAL INSTITUTIONS PERSONS FOR A PERIOD OF SIX MONTHS FROM THE TIME ANY AREA WITHIN THE TERRITORIAL JURISDICTION OF THE REPUBLIC OF THE PHILIPPINES IS DECLARED A CALAMITY AREA BY THE PRESIDENT OF THE PHILIPPINES AND FOR OTHER PURPOSES.**

*Be it enacted by Congress in Session assembled:*

Section 1. This act shall be otherwise known as the Moratorium in "Calamity Act of 2013".

Section 2. A moratorium is hereby imposed on the principal payments, accrual and collection of interests, penalties and surcharges on all loans, credit accommodations or financial obligations of any kind from public or private financial institutions for a period of six months from the time the area is declared a calamity area by the President of the Philippines due to natural calamities or disasters.

Section 3. However, payments for principal and interest thereto may be made by the borrower during the six (6) month, which voluntary intention shall be made in writing.

Section 4. Any violation of this act shall subject the erring financial institution or private lender to a fine equivalent to five (5) times the interests, penalties and surcharges collected in violation of the provisions of this act for the first offense; then (10) times the amounts in interests, penalties and surcharges collected for the second offense and suspension of the license to operate for the third and subsequent offense.

Section 5. The fines imposed under this Act will be automatically applied/offset against the principal loan of the borrower, upon final conviction by the appropriate court.

Section 6. The Banko Sentral ng Pilipinas is hereby mandated to enforce the provisions of this act and to issue such implementing rules and regulations as may be necessary to enforce the provisions of this act.

Section 7. All existing laws, rules, regulations inconsistent with this act are hereby deemed modified, amended, supplemented or repealed.

Section 8. This act shall become effective after publication once a week for two consecutive weeks in three newspapers of general circulation.

Approved,