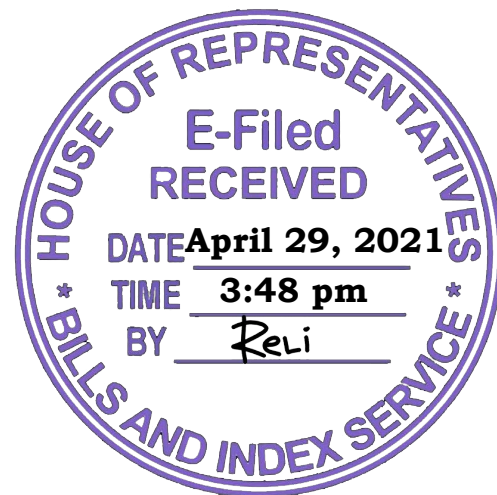


Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

EIGHTEENTH CONGRESS
Second Regular Session

HOUSE BILL NO. 9280



Introduced by **ANG PROBINSYANO**
Party-List Representative Alfred Delos Santos

EXPLANATORY NOTE

Article II, Section 9 of the 1987 Constitution requires the State to “promote a just and dynamic social order” that is inclusive, “free[ing] 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 connection, under Section 10 of the same Article, the State is mandated to “promote social justice in all phases of national development.”

To carry out these responsibilities, the government enacted the following measures, under R.A. No. 11469 (Bayanihan Heal as One Act):¹

All lending institutions are required to give a 30-day grace period for all loans with payment dues that fall within the month-long Luzon lockdown, according to implementing rules of a new law to address the COVID-19 pandemic.

It covers all banks, quasi-banks, non-stock savings and loan associations, credit card issuers and pawnshops, according to implementing rules and regulations signed by Finance Secretary Carlos Dominguez.

Also covered are financial institutions under Bangko Sentral ng Pilipinas, Securities and Exchange Commission, Cooperative Development Authority, Government Service Insurance System, Social Security System and Pag-IBIG, based on the IRR.

"All covered institutions shall implement a 30-day grace period for all loans with principal and or interest falling due within the ECQ (Enhanced Community Quarantine) period without incurring interest on interest, penalties, fees and other charges," the IRR said.

¹ “All loans due during lockdown period get 30-day payment extension, gov’t says,” ABS-CBN News, last updated April 1, 2020, available at <https://news.abs-cbn.com/business/04/01/20/loans-lockdown-30-days-payment-grace-period-coronavirus-philippines>.

1 Covered loans include, but are not limited to salary, personal, housing, auto
2 loans, as well as credit card payments, the IRR said. No incurring interest,
3 penalties, fees and other charges should be imposed, it said.
4

5 The entire island of Luzon was placed under the enhanced community
6 quarantine to stop the spread of COVID-19, from March 17 to April 12. Loan
7 payment extensions should be "automatically extended" if President Rodrigo
8 Duterte extends the quarantine period, it said.
9

10 Waivers previously executed by borrowers covering the period will be deemed
11 invalid, it said. However, borrowers who opt to pay their obligations during
12 the period can do so, it said.
13

14 Last month, business groups expressed support for the continuation
15 of similar measures under Bayanihan 2, provided that the moratorium
16 settled upon would not "exacerbate the adverse economic effects of the
17 pandemic to...industries' financial and capital positions, such that [the]
18 industries [would be] permanently unable to recoup the consequent losses
19 during this period":²
20

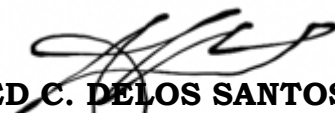
21 Business groups lauded the compromise both houses of Congress reached on
22 the moratorium on debt payments to ease the difficulties of Filipinos during
23 the COVID-19 quarantine in many parts of the country.
24

25 Francis Lim, president of the influential Management Association of the
26 Philippines (MAP), said over the weekend that the 60-day freeze on loan
27 repayments was a good compromise after an earlier version of the Bayanihan
28 to Recover as One Act (Bayanihan 2) proposed a freeze on loan payments for
29 as long as one year.
30

31 "While the MAP supports the 30-day moratorium under the Senate version, 60
32 days will be a good compromise if 30 days is not doable, provided that it is a
33 one time and nonextendible payment moratorium," Lim said.
34

35 Hence, this bill, which seeks to pursue that direction, but for utility
36 bills. This Bill provides for: 1) a moratorium on all residential utility bills
37 during the entire duration of a state of calamity; and 2) installment payment
38 for the deferred liability, without interest, accruing a month after the
39 cessation of a state of calamity.
40

41 It is for the foregoing premises that the approval of this Bill is earnestly
42 sought.
43
44

45 
46 **ALFRED C. DELOS SANTOS**

Representative, Ang Probinsyano Party-List

² Ben de Vera and Roy Stephen Canivel, "60-day debt moratorium backed," *Inquirer*, August 17, 2020, available at <https://business.inquirer.net/305425/60-day-debt-moratorium-backed>.

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AN ACT
INSTITUTIONALIZING AN INSTALLMENT PAYMENT SCHEME ON BASIC
UTILITY BILLS DURING CALAMITIES, AND FOR OTHER PURPOSES, TO
BE KNOWN AS THE “THREE-GIVES LAW”

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 “Three-Gives
2 Law.”

3
4 SECTION 2. *Declaration of Policy.* – It is hereby declared the policy of
5 the State to promote the general welfare, public safety, health and economic
6 security of the Filipino people in times of calamity, natural, or man-made.

7
8 SECTION 3. *Coverage.* – The law shall cover all residential electric,
9 water, and telephone bills, and shall apply when a state of calamity is
10 declared.

11
12 SECTION 4. *Declaration of State of Calamity.* – The declaration by the
13 President of the Philippines or the local sanggunian, as the case may be, of a
14 state of calamity, and the lifting thereof, shall be the basis for the effectivity
15 of the socio-economic amelioration measures provided under Sections 5 and
16 6 of this Act.

17
18 SECTION 5. *Moratorium.* – There shall be a moratorium on all
19 residential utility bills during the entire duration of a state of calamity.
20 Holders of public utility franchises and all service providers are prohibited
21 from exacting payment or from disconnecting the service due to non-payment
22 during the entire duration of the moratorium. Provided, That nothing in this
23 law shall prevent voluntary payment by customers.

24
25 SECTION 6. *Installment Payment for the Deferred Liability.* – Any
26 amount due and demandable during the moratorium period shall be payable

1 in three (3) equal monthly installments, without interest, which shall accrue
2 a month after the cessation of a state of calamity.
3

4 SECTION 7. *Penalty.* – Public utility franchise holders and service
5 providers found in violation of this law shall be punishable with a fine of not
6 less than Five Hundred Thousand Pesos (P500,000.00) and not more than
7 One Million Pesos (P1,000,000.00) per infraction.
8

9 SECTION 8. *Implementation.* – This law shall be implemented by the
10 public utility regulatory agencies concerned, such as the Metropolitan
11 Waterworks and Sewage System, Local Water Utilities Administration,
12 National Telecommunications Commission, Energy Regulatory Commission,
13 and the National Electrification Administration.
14

15 SECTION 9. *Separability Clause.* – If any provision of this Act shall be
16 declared unconstitutional or invalid, such declaration shall not invalidate
17 other parts thereof which shall remain in full force and effect.
18

19 SECTION 10. *Repealing Clause.* – All laws, executive orders,
20 presidential decrees or issuances, letters of instruction, administrative orders,
21 rules, and regulations contrary to or inconsistent with the provisions of this
22 Act are hereby repealed, amended, or modified accordingly.
23

24 SECTION 11. *Effectivity Clause.* – This Act shall take effect fifteen (15)
25 days after its publication in the Official Gazette or in a newspaper of general
26 circulation.
27

28 Approved,