



Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

20th CONGRESS
1st Regular Session

HOUSE BILL NO. 7415



Introduced by **REPRESENTATIVE JENNIFER A. LAGBAS**

EXPLANATORY NOTE

Every December, Filipino consumers face heightened financial stress due to increased spending, travel, holiday obligations, and misaligned payroll schedules. Payment due dates for credit cards, salary loans, housing loans, and other credit facilities frequently fall within a period when banks and government agencies are closed or operating on limited schedules. This results in inadvertent delays that unfairly trigger penalties, interest surcharges, and additional fees, exacerbating the financial burden on households.

The State is constitutionally mandated to protect consumers and to promote social justice in all phases of national development. Congress has previously exercised this authority by mandating grace periods and adjusted payment terms for financial obligations under R.A. 11469 and R.A. 11494, which are valid expressions of police power and consumer protection.

This proposed measure establishes an automatic holiday extension for payment due dates falling between December 20 and January 3 and a once-a-year interest-free grace period upon request, providing relief to millions of borrowers without impairing the financial system's stability.

In view of the above, passage of this bill is earnestly sought.


HON. JENNIFER A. LAGBAS
Representative
First District, Misamis Oriental



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Introduced by **REPRESENTATIVE JENNIFER A. LAGBAS**

AN ACT
PROVIDING A MANDATORY HOLIDAY GRACE PERIOD FOR CREDIT CARD AND
LOAN PAYMENTS, PROHIBITING THE IMPOSITION OF LATE FEES, PENALTY
CHARGES, AND ADDITIONAL INTEREST DURING THE YEAR-END HOLIDAY
PERIOD, AND FOR OTHER PURPOSES

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

SECTION 1. *Short Title.* - This Act shall be known as the “Holiday Grace Period for Credit and Loan Payments Act.”

SEC. 2. *Declaration of Policy.* - It is the policy of the State to protect consumers, promote equitable financial practices, and ensure that borrowers and credit card holders are safeguarded from undue penalties, surcharges, and interest accumulation arising from payment due dates that fall within the year-end holiday period.

SEC. 3. *Coverage.* - This Act shall apply to all banks, quasi-banks, financing companies, lending companies, and other public or private financial institutions, including but not limited to the Government Service Insurance System (GSIS), Social Security System (SSS), and the Home Development Mutual Fund (Pag-IBIG Fund), which extend credit card facilities, loan products, or any form of credit accommodation.

SEC. 4. *Automatic Holiday Extension for Due Dates Falling Between December 20 and January 3.* - All banks, quasi-banks, financing companies, lending companies, and other financial institutions, public and private, including the Government Service Insurance System (GSIS), the Social Security System (SSS), and the Home Development Mutual Fund (Pag-IBIG Fund), shall provide an automatic extension of not less than seven (7) calendar days, without

imposition of late payment fees, penalty charges, or additional interest, for the payment of all loans, including but not limited to salary, personal, housing, and motor vehicle loans, as well as credit card payments with payment due dates falling between December 20 and January 3 of every year.

Borrowers with multiple loans or credit card accounts shall be granted the extension for each obligation falling within the covered dates.

SEC. 5. *Optional Interest-Free Grace Period Upon Request.* - In addition to the automatic extension above, anyone may request an interest-free grace period of fifteen (15) to thirty (30) calendar days for any billing cycle once within a calendar year.

Such requests shall not be unreasonably withheld and shall not result in adverse actions such as the lowering of credit limits, negative credit scoring, imposition of additional fees, or other punitive measures.

SEC. 6. *No Waiver of Financial Obligations.* - The holiday extension and optional grace period shall not be construed as a waiver of the underlying financial obligations. Payments shall resume after the lapse of the applicable period.

SEC. 7. *Implementing Rules and Regulations.* - The Bangko Sentral ng Pilipinas, in coordination with the Securities and Exchange Commission, the Insurance Commission, GSIS, SSS, and Pag-IBIG Fund, shall issue the necessary rules and regulations within sixty (60) days from the effectivity of this Act.

SEC. 8. *Separability Clause.* - If any part of this Act is declared unconstitutional or invalid, the remaining provisions shall remain in full force and effect.

SEC. 9. *Repealing Clause.* - All laws, presidential decrees, executive orders, rules, and regulations inconsistent with this Act are hereby repealed or modified accordingly.

SEC. 10. *Effectivity.* - This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in at least two (2) newspapers of general circulation.

Approved,