

TWENTIETH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
First Regular Session)



HOUSE OF REPRESENTATIVES
HOUSE BILL No. 9022

Introduced by REP. CLAUDINE DIANA D. BAUTISTA-LIM

AN ACT
PROVIDING A THIRTY (30)-DAY GRACE PERIOD FOR THE REPAYMENT OF LOANS AVAILED UNDER THE PUBLIC TRANSPORT MODERNIZATION PROGRAM, FORMERLY KNOWN AS THE PUBLIC UTILITY VEHICLE MODERNIZATION PROGRAM, DURING PERIODS OF EXTRAORDINARY OIL PRICE INCREASES, WITHOUT THE IMPOSITION OF PENALTIES, INTEREST, OR OTHER CHARGES, AND FOR OTHER PURPOSES

EXPLANATORY NOTE

The Public Transport Modernization Program (PTMP), formerly known as the Public Utility Vehicle Modernization Program (PUVMP), is a key reform aimed at improving the safety, efficiency, and sustainability of the country's public transport system. However, the success of this program is closely tied to the financial capacity of its beneficiaries, such as the public utility drivers, operators, and transport cooperatives, many of whom rely on loans to acquire modernized units.

In recent years, the transport sector has been severely affected by persistent and unpredictable increases in oil prices, mostly due to global market volatility and geopolitical tensions. Empirical studies show that fuel price increases significantly elevate operational costs in the transport sector, directly affecting income and livelihood stability. A 2024 study found that rising fuel prices "significantly affect livelihoods and lifestyles" of transport workers, underscoring the vulnerability of the sector to oil price shocks.¹

Moreover, research on the transport sector demonstrates that fuel price hikes have broader economic consequences, as increases in fuel costs are transmitted across sectors and ultimately passed on to consumers, worsening inflation and

¹ Conchas, C.A., & Apas, R. (2024). Fuel price increase: unveiling the torments and agonies of the transportation sector — basis for policy formation. *Journal of Interdisciplinary Perspectives*, 2(8), 217-231. <https://doi.org/10.69569/jip.2024.0240>

reducing household purchasing power.² These dynamics place transport workers in a particularly precarious position, as they face rising operating expenses while their income remains constrained.

While existing support mechanisms provide limited relief, they are often temporary, delayed, or insufficient, leaving borrowers vulnerable to penalties, additional interest, and potential default. This situation not only threatens the livelihood of transport workers but also undermines the long-term viability of the PTMP itself.

This bill seeks to address these challenges by mandating a thirty (30)-day grace period for the repayment of loans availed under the PTMP during periods of extraordinary oil price increases, without the imposition of penalties, surcharges, or additional interest. More importantly, it introduces an automatic extension mechanism, ensuring that the grace period continues for as long as the oil crisis persists, as determined by the Department of Energy (DOE).

By institutionalizing a responsive and predictable financial relief measure, this proposal ensures that assistance is not only timely but also sustained throughout periods of economic distress. It prevents the compounding of financial burdens on borrowers, allows them to stabilize their operations, and safeguards them from default or repossession of modernized units.

Ultimately, this bill recognizes that transport workers are among the most directly affected by fuel price volatility, and that their ability to comply with loan obligations must be aligned with prevailing economic realities. By passing this measure, we reinforce the State's commitment to protecting livelihoods, sustaining transport services, and ensuring the success of the modernization program.

In view of the foregoing, the immediate passage of this measure is earnestly sought.


REP. CLAUDINE DIANA BAUTISTA-LIM
DUMPER PTDA Party-List

² Roquer, K. I. D., Fillone, A., & Yu, K. D. (2018). *Estimating Effects of Fuel Price Hikes on the Transport Sector* (AYRF 2018-005).

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OR OTHER CHARGES, 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 “PTMP Loan Grace Period Act.”

SEC. 2. **Declaration of Policy.** – It is hereby declared the policy of the State to protect public utility drivers and operators from the adverse economic effects of extraordinary increases in oil prices, to ensure the continued viability and sustainability of the Public Transport Modernization Program (PTMP), formerly known as the Public Utility Vehicle Modernization Program (PUVMP), or by whatever name it may hereafter be called, and to provide timely and appropriate temporary financial relief mechanisms to mitigate the impact of such economic disruptions.

SEC. 3. **Definition of Terms.** – For purposes of this Act, the following terms shall be defined as follows:

- a. **PTMP Loans** – loans extended to public utility vehicle operators, cooperatives, or corporations under the government’s Public Transport Program (PTMP), formerly known as Public Utility Vehicle Modernization Program (PUVMP) Utility Vehicle Modernization Program.
- b. **Oil Crisis** – a period of extraordinary increase in global or domestic oil prices, as determined by the Department of Energy (DOE), based on criteria to be defined in the Implementing Rules and Regulations (IRR).

- c. **Lending Institutions** – government financial institutions (GFIs), private banks, and other entities extending loans under the PTMP.

SEC. 4. Coverage. – This Act shall apply to all PTMP beneficiaries, including Individual operators, transport cooperatives; and corporations participating in the modernization program.

SEC. 5. Mandatory Grace Period. – During the occurrence of an Oil Crisis, all banks, quasi-banks, financing companies, lending companies, and other financial institutions, public and private, are directed to implement a minimum of a thirty (30)-day grace period for the payment of motor vehicle loans acquired through the PTMP falling due within the period of oil crisis without incurring interests, penalties, fees, or other charges, persons with multiple loans shall likewise be given the minimum thirty (30)-day grace period for every loan. The grace period shall apply to both principal and interest payments.

In the event that the Oil Crisis persists beyond the initial thirty (30)-day period, the grace period shall be automatically extended for successive thirty (30)-day periods until such time that the DOE officially declares the cessation of the Oil Crisis.

SEC. 6. Deferment of Payments. – Loan payments due during the grace period shall be deferred and shall be payable after the end of the grace period. Provided, That, such deferment shall not result in the compounding of interest or additional financial burden on the borrower.

SEC. 7. Role of Government Agencies. – The DOE shall determine and declare the existence of an Oil Crisis. The Department of Transportation (DOTr), in coordination with the Land Transportation Franchising and Regulatory Board (LTFRB), shall ensure proper dissemination and implementation of this Act. The Bangko Sentral ng Pilipinas (BSP) shall issue the necessary guidelines to all lending institutions for compliance.

SEC. 8. Penalties. – Refusal by any lending institution to provide the thirty (30)-day grace period as required under Section 4 of this Act shall constitute a violation of this Act.

If the offender is a natural person, such person shall, upon conviction, be punished with imprisonment of not less than two (2) months or a fine of not less than Ten Thousand Pesos (₱10,000.00) but not more than One Million Pesos (₱1,000,000.00), or both, at the discretion of the court.

If the offender is a juridical person, the penalty shall be imposed upon the responsible officers, including but not limited to its president, directors, managers, or

other officers who knowingly participated in or allowed the commission of the violation. The juridical entity shall likewise be subject to a fine of not less than Ten Thousand Pesos (₱10,000.00) but not more than One Million Pesos (₱1,000,000.00), without prejudice to the imposition of administrative sanctions by the appropriate regulatory authority.

SEC. 9. Implementing Rules and Regulations. – Within sixty (60) days from the effectivity of this Act, the DOE, DOTr, BSP, and other relevant agencies shall promulgate the necessary IRR.

SEC. 10. Separability Clause. – If any provision of this Act is declared unconstitutional, the remainder shall remain in full force and effect.

SEC. 11. Repealing Clause. – All laws, rules, and regulations inconsistent with this Act are hereby repealed or modified accordingly.

SEC. 13. Effectivity. – This Act shall take effect fifteen (15) days after publication in the Official Gazette or in a newspaper of general circulation.