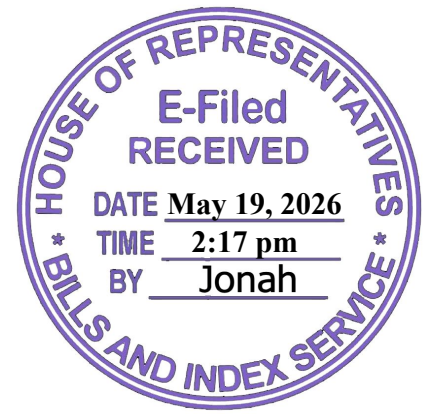


Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

TWENTIETH CONGRESS
First Regular Session

House Bill No. 9315



Introduced by **Representative ERIC G. YAP**

EXPLANATORY NOTE

This bill seeks to protect Filipino farmers from usurious lending practices by imposing a maximum effective interest rate of six percent (6%) per annum on agricultural loans, mandating the restructuring of existing agricultural debts under fair terms, and strengthening the regulatory authority of the Bangko Sentral ng Pilipinas (BSP) over agricultural credit allocation.

Despite their vital role in ensuring food security, many Filipino farmers continue to face limited access to formal credit facilities, forcing them to rely on informal lenders that impose exploitative interest rates that can reach as high as twenty percent (20%) to thirty percent (30%) monthly. The Philippine Statistics Authority confirm that farmers remain among the poorest sectors in 2021, with consistently high poverty incidence compared to other groups¹. At the national level, about 18.1% of Filipinos lived below the poverty threshold, reflecting persistent economic vulnerability in rural communities². Studies from the World Bank emphasize that limited access to credit, lack of farm inputs, and weak market access continue to constrain rural incomes and productivity³. Meanwhile, research from the Philippine Institute for Development Studies highlights that access to formal credit remains uneven and insufficient, leaving many farmers dependent on informal and often exploitative lending arrangements⁴. While the government has implemented various agricultural financing programs, such as the release of approximately Five

¹ Philippine Statistics Authority. (2023, March 24). *Fisherfolks and Farmers Remain to Have the Highest Poverty Incidences Among the Basic Sectors in 2021*. Republic of the Philippines. Accessed from: <https://psa.gov.ph/content/fisherfolks-and-farmers-remain-have-highest-poverty-incidences-among-basic-sectors-2021> on April 26, 2026.

² Philippine Statistics Authority. (2022, August 15). *Proportion of Poor Filipinos was Recorded at 18.1 Percent in 2021*. Republic of the Philippines. Accessed from: <https://psa.gov.ph/content/proportion-poor-filipinos-was-recorded-181-percent-2021> on April 26, 2026.

³ World Health Organization. (2021, March 31). *Reducing Poverty in Rural Areas: Increasing Productivity and Incomes of Farmers and Fisherfolk in the Philippines*. World Bank Group. Accessed from: <https://www.worldbank.org/en/results/2021/03/31/reducing-poverty-in-rural-areas> on April 26, 2026.

⁴ Galang, I. R. (2021, August 27). *Land Tenure, Access to Credit, and Agricultural Performance of Agrarian Reform Beneficiaries, Farmer-beneficiaries, and Other Rural Workers*. Philippine Institute for Development Studies. Accessed from:

<https://www.pids.gov.ph/publication/research-paper-series/land-tenure-access-to-credit-and-agricultural-performance-of-agrarian-reform-beneficiaries-farmer-beneficiaries-and-other-rural-workers> on April 26, 2026.

billion pesos (P5.39 Billion) in agricultural loans reaching only around ninety five thousand (95,000) beneficiaries, these remain insufficient relative to the number of individuals engaged in farming and food production.⁵

This proposed measure addresses these systemic challenges through the establishment of a clear legal ceiling on interest rates, effectively removing the space for usurious practices to persist. It likewise provides for the automatic restructuring of existing loans to align outstanding obligations with the prescribed interest cap rate, thereby extending immediate relief to heavily indebted farmers.

The bill further directs the BSP and the Monetary Board to determine appropriate loanable allocations for the agricultural sector in order to encourage participation in agricultural financing and improve farmers' access to formal credit mechanisms.

More importantly, this measure affirms the State's duty to protect farmers from exploitation and to promote a fair, accessible, and responsive agricultural credit system. Farmers, who toil under the harshest conditions to ensure food security, should not remain at the mercy of predatory lenders who profit from their vulnerability. The urgency of this bill cannot be overstated: every planting season delayed because of debt, every harvest diminished due to unjust interest, marks a step backward for national development. The passage of this measure affirms that the dignity of Filipino farmers deserves protection, their burdens demand relief, and their future calls for decisive action.

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



HON. ERIC G. YAP

⁵ Talavera, C. (2022, February 13). DA releases P5.4 billion agri loans in 2021. PhilStar Global. Accessed from: <https://www.philstar.com/business/2022/02/13/2160398/da-releases-p54-billion-agri-loans-2021>. Accessed on: April 26, 2026.

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House Bill No. **9315**

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AN ACT
PROHIBITING USURIOUS LENDING TO FARMERS, APPROPRIATING
FUNDS THEREFORE AND FOR OTHER PURPOSES

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

Section 1. *Title.* – This Act shall be known as the “*Anti-Usury Against Farmers Act*”.

SEC. 2. *Declaration of Policy.* – Article II, Sec. 9 of the 1987 Constitution states that:

“The State shall promote a just and dynamic social order that will ensure the prosperity and independence of the nation and free 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.”

Towards this end, it is hereby declared the policy of the State to protect the agricultural sector from systemic exploitation. It shall commit to a proactive stance in monitoring and dismantling usurious structures, replacing them with institutionalized credit reforms that uphold the dignity and economic well-being of the Filipino farmer.

SEC. 3. *Application of Interest Rates.* – Interest on loans to farmers whose landholding does not exceed seven (7) hectares, whether with collateral or without, shall not exceed an effective interest rate (EIR) of six per cent (6%) per annum. The same rate shall likewise apply to forbearance of any money, good or credit, and in judgments. Any figure above this shall be considered usurious and illegal.

SEC. 4. *Restructuring the Balance of Existing Loans.* – Upon the effectivity of this Act, all existing loans shall be automatically restructured at an EIR not exceeding six percent (5%) per annum.

SEC. 5. *Determination of Loanable Amounts.* – The Bangko Sentral ng Pilipinas and the Monetary Board shall determine the amount, or the percentage of loanable amounts to farmers in the portfolio of banks, public or private.

SEC. 6. *Implementing Rules and Regulations.* – The Department of Finance shall formulate the necessary rules and regulations to effectively implement the provisions of this Act within ninety (90) days of its effectivity.

SEC. 7. *Penalty.* – Any natural person, not a government official or employee, who violates any provision of this Act shall be punished with imprisonment of one (1) year and/or a fine not exceeding One hundred thousand pesos (P100,000.00).

Any government employee or official who violates any provision of this Act shall be punished with imprisonment of two (2) years and/or a fine not exceeding Two hundred thousand pesos (P200,000.00).

Any juridical person who violates any provision of this Act shall be punished with a fine of Five hundred thousand pesos (P500,000.00). Its directors and/or officers may also be punished with imprisonment of six (6) months to one (1) year if found liable of a violation under this Act.

SEC. 8. *Repealing Clause.* – All acts, decrees, letters of instruction, issuances, orders, or parts thereof inconsistent with any provision of this Act are hereby deemed repealed or modified accordingly.

SEC. 9. *Separability Clause.* – If any part of this Act is declared unconstitutional, the rest of the provisions shall remain in force and effect.

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

Approved,