



Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City



TWENTIETH CONGRESS
Second Regular Session

COMMITTEE REPORT NO. 580

Submitted by the Committee on Agrarian Reform on August 12, 2026

Re: House Bill No. 10750

Recommending its approval in substitution of House Bills Numbered 2414, 5051, and 6950

Sponsors: Representatives Eleanor C. Bulut-Begtang, Felimon M. Espares, Kristine Singson-Meehan, and Dale B. Corvera

Mr. Speaker:

The Committee on Agrarian Reform, to which were referred House Bill No. 2414, introduced by Representative Felimon M. Espares, entitled:

“AN ACT PROVIDING FOR THE RESTRUCTURING AND CONDONATION OF UNPAID INTERESTS, PENALTIES, AND SURCHARGES ON LOANS SECURED BY FARMERS, FISHERFOLKS, CDA-REGISTERED COOPERATIVES AND AGRARIAN REFORM BENEFICIARIES FROM THE DEPARTMENT OF AGRARIAN REFORM, THE DEPARTMENT OF AGRICULTURE, THE PEOPLE'S CREDIT AND FINANCE CORPORATION, THE COOPERATIVE DEVELOPMENT AUTHORITY, THE NATIONAL FOOD AUTHORITY, AND THE QUEDAN AND RURAL CREDIT GUARANTEE CORPORATION;”

House Bill No. 5051, introduced by Representative Kristine Singson-Meehan, entitled:

“AN ACT PROVIDING FOR THE RESTRUCTURING AND CONDONATION OF UNPAID INTERESTS, PENALTIES, AND SURCHARGES ON LOANS SECURED BY FARMERS, FISHERFOLKS, AND AGRARIAN REFORM BENEFICIARIES FROM THE DEPARTMENT OF AGRARIAN REFORM, THE DEPARTMENT OF AGRICULTURE, THE PEOPLE’S CREDIT AND FINANCE CORPORATION, THE COOPERATIVE DEVELOPMENT AUTHORITY, THE NATIONAL FOOD AUTHORITY, AND THE QUEDAN AND RURAL CREDIT GUARANTEE CORPORATION;”

and House Bill No. 6950, introduced by Representative Dale B. Corvera, entitled:

“AN ACT PROVIDING FOR THE RESTRUCTURING AND THE CONDONATION OF UNPAID INTERESTS, PENALTIES, AND SURCHARGES ON LOANS SECURED BY FARMERS, FISHERFOLKS, AGRARIAN REFORM BENEFICIARIES, AND CDA-REGISTERED COOPERATIVES FROM GOVERNMENT LENDING AGENCIES;”

has considered the same and recommends that the attached House Bill No. 10750, entitled:

AN ACT PROVIDING FOR THE CONDONATION AND WRITE-OFF OF UNPAID INTERESTS, PENALTIES, AND SURCHARGES, AND THE RESTRUCTURING OF LOANS SECURED BY FARMERS, FISHERFOLK, AGRARIAN REFORM BENEFICIARIES AND THEIR COOPERATIVES, ORGANIZATIONS, AND ASSOCIATIONS FROM THE DEPARTMENT OF AGRARIAN REFORM, THE DEPARTMENT OF AGRICULTURE – AGRICULTURAL CREDIT POLICY COUNCIL, THE PEOPLE’S CREDIT AND FINANCE CORPORATION, THE COOPERATIVE DEVELOPMENT AUTHORITY, THE NATIONAL FOOD AUTHORITY, AND THE QUEDAN AND RURAL CREDIT GUARANTEE CORPORATION

be approved in substitution of House Bills Numbered 2414, 5051, and 6950 with Representatives Eleanor C. Bulut-Begtang, Felimon M. Espares, Noel “Bong” N. Rivera, John Tracy F. Cagas, Jesus “Jess” R. Marquez, Francisco Paolo P. Ortega V, Kristine Singson-Meehan, Carlos Andes Loria, Dale B. Corvera, Sarah Jane I. Elago, and Caroline B. Agyao, M.D., as authors thereof.

Respectfully submitted,



ELEANOR C. BULUT-BEGTANG

Chairperson

Committee on Agrarian Reform

THE HONORABLE SPEAKER
HOUSE OF REPRESENTATIVES
QUEZON CITY



Republic of the Philippines
House of Representatives
Quezon City, Metro Manila

Twentieth Congress
Second Regular Session

HOUSE BILL NO. **10750**
(In substitution of House Bills Numbered 2414, 5051 and 6950)

Introduced by Representatives Eleanor C. Bulut-Begtang, Felimon M. Espares, Noel “Bong” N. Rivera, John Tracy F. Cagas, Jesus “Jess” R. Marquez, Francisco Paolo P. Ortega V, Kristine Singson-Meehan, Carlos Andes Loria, Dale B. Corvera, Sarah Jane I. Elago, and Caroline B. Agyao M.D.

AN ACT
PROVIDING FOR THE CONDONATION AND WRITE-OFF OF UNPAID INTERESTS, PENALTIES AND SURCHARGES, AND THE RESTRUCTURING OF LOANS SECURED BY FARMERS, FISHERFOLK, AGRARIAN REFORM BENEFICIARIES AND THEIR COOPERATIVES, ORGANIZATIONS, AND ASSOCIATIONS FROM THE DEPARTMENT OF AGRARIAN REFORM, THE DEPARTMENT OF AGRICULTURE-AGRICULTURAL CREDIT POLICY COUNCIL, THE PEOPLE’S CREDIT AND FINANCE CORPORATION, THE COOPERATIVE DEVELOPMENT AUTHORITY, THE NATIONAL FOOD AUTHORITY, AND THE QUEDAN AND RURAL CREDIT GUARANTEE CORPORATION

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 “Agrarian and
2 Agricultural Loan Restructuring and Condonation Act.”

3 SEC. 2. **Declaration of Policy.** – It is hereby the declared policy of the State
4 to advance comprehensive rural development and agrarian reform by adopting
5 measures that will liberate farmers, fisherfolk, and agrarian reform beneficiaries from
6 the burden of indebtedness. To this end, the State shall endeavor to restore their
7 access to government and commercial credit facilities, promote financial stability,
8 reestablish creditworthiness, and enhance productivity. This objective shall be

pursued through the condonation of unpaid interests, penalties, and surcharges on existing loans obtained under government lending programs, together with the corresponding write-off of such amounts from the accounts of the concerned government agencies.

SEC. 3. **Definition of Terms.** – As used in this Act:

(a) *Agrarian reform beneficiaries* refer to farmers who were awarded lands under Presidential Decree No. 27, entitled: Decreeing the Emancipation of Tenants from the Bondage of the Soil, Transferring to Them the Ownership of the Land They Till and Providing the Instruments and Mechanism Therefor, Republic Act No. 6657, otherwise known as the “CARL of 1988,” as amended by RA 9700, and other existing agrarian reform laws, including landless regular farmworkers, regardless of tenure, who benefited from land redistribution or alternative arrangements such as production or profit sharing, labor administration, or stock distribution, ensuring a just share in the fruits of the land. The term also covers agrarian reform organizations and cooperatives of such beneficiaries that have availed of credit programs under Section 5 hereof;

(b) *Agricultural and agrarian reform credit* refers to loans and other credit accommodations granted to farmers, fisherfolk and agrarian reform beneficiaries and their organizations or cooperatives for agricultural production, agribusiness, and export promotion. This includes financing for the acquisition of work animals, farm equipment and machinery, seeds, fertilizers, and other farm inputs, poultry, livestock, and animal feeds; as well as the construction, acquisition, improvement and repair of agricultural facilities;

1 (c) *Condonation* refers to the act of the National Government of waiving or
2 relinquishing its right to collect from the loan account owner any unpaid interest,
3 penalties, and surcharges from loans extended under government lending programs;

4 (d) *Delinquent borrower* refers to a person who has failed to pay at least
5 three (3) consecutive amortizations or whose total unpaid amortizations has reached
6 twenty percent (20%) of the total outstanding balance of the loan regardless of the
7 number of unpaid amortizations as of the effectivity of this Act;

8 (e) *Farmers* refer to any natural person whose primary livelihood is the
9 cultivation of land or the production of agricultural crops, livestock, and agricultural
10 products, either by themselves primarily or with the assistance of their immediate
11 farm household or workers, whether the land is owned by them or by another
12 person, under a leasehold agreement or other similar arrangements;

13 (f) *Fisherfolk* refer to people directly, personally, and physically engaged in
14 harvesting or culturing and processing fishery and/or aquatic resources;

15 (g) *Loan restructuring* refers to a process where the principal terms and
16 conditions of the original loan are modified pursuant to an agreement between the
17 borrower and the lending agency, setting forth a new repayment plan or schedule of
18 payment;

19 (h) *Terminated lending programs* refer to lending programs instituted by
20 the government which are no longer existing and operational yet with intractable
21 records of loans; and

22 (i) *Write-off* refers to the elimination of uncollectible account receivables
23 recorded in the general ledger or books of government lending agencies, of accounts
24 for the past ten (10) years or older prior to the effectivity of this Act.

1 SEC. 4. ***Condonation of Loan Charges.*** – All unpaid interests, penalties,
2 and surcharges on agricultural and agrarian reform loans secured by farmers,
3 fisherfolk, agrarian reform beneficiaries, their respective cooperatives, organizations,
4 and associations, as recorded in the general ledgers or books of account of the
5 Department of Agrarian Reform (DAR), Department of Agriculture (DA), Agricultural
6 Credit Policy Council (ACPC), People’s Credit and Finance Corporation (PCFC),
7 Cooperatives Development Authority (CDA), National Food Authority (NFA), and the
8 *Quedan* and Rural Credit Guarantee Corporation (QUEDANCOR) prior to the
9 effectivity of this Act, are hereby condoned, including those that have matured, and
10 already undergoing judicial foreclosure: *Provided*, That a graduation process shall be
11 observed in accordance with the plan of payment, such that a borrower shall be
12 granted a one-time condonation only to encourage borrowing discipline and enhance
13 credit-worthiness: *Provided, further*, That accumulated payments of not less than two
14 percent (2%) of the loan principal shall have been made at the time of the
15 condonation: *Provided, finally*, That the condonation of unpaid interests, penalties,
16 and surcharges from loans acquired through conduit banks, financial institutions, and
17 the agencies mentioned above shall conform to the applicable general banking laws
18 and regulations of the *Bangko Sentral ng Pilipinas*.

19 This Act shall likewise apply to all unpaid interests, penalties, and surcharges
20 on agricultural and agrarian reform credit that may accrue in favor of the national
21 government, its agencies, or government-owned and-controlled corporations upon
22 the abolition, dissolution, or cessation of any of the foregoing entities from which
23 such was principally availed.

24 SEC. 5. ***Coverage.*** – All unpaid interests, penalties, and surcharges
25 pertaining to the accounts enumerated in Section 6 of this Act shall be granted a

one-time condonation. The corresponding loan accounts shall thereafter be subject to restructuring in accordance with the terms and conditions prescribed by the implementing rules and regulations.

SEC. 6. **Write-off.** – The Agricultural and Agrarian Reform Loans secured by farmers, fisherfolk, agrarian reform beneficiaries, their respective cooperatives, organizations, and associations incurred from the following terminated lending programs of government agencies are hereby written off, including those that have acquired maturity and already undergoing judicial foreclosure:

(a) Agricultural and agrarian reform credit secured through the Credit Assistance Program – Program Beneficiaries Development (CAP-PBD) of the DAR;

(b) Agricultural and agrarian reform credit secured through the terminated credit program schemes of the DAR, such as the Dutch Rural Development Assistance Program, DAR Direct Lending Financing Program, DAR Special Projects Office (SPO) Direct Financing Program, and the SPO Window III Financing Program for Agrarian Reform Beneficiaries of the DAR and the Development Bank of the Philippines, DAR-Knowledge Management Information –Peasant Development Fund, CAP-PBD, and loans secured under the Comprehensive Agrarian Reform Program – Barangay Marketing Center and all the agri-credit guarantee programs of the QUEDANCOR;

(c) Loans secured under the Resettlement Loan Assistance Program of the DAR for individual agrarian reform beneficiaries;

(d) Agricultural credit secured through the High Yield Crop Loan Assistance Program of the DA;

(e) Agricultural credit secured through Microfinance Program for Small Farmers and Fisherfolk and the Household of the PCFC;

- 1 (f) Loans secured under the Cooperative Authority Development Loan Fund of
2 the CDA;
- 3 (g) Loans secured under The Farmers' Level Grain Center of the NFA;
- 4 (h) Aurora Integrated Area Development Project ;
- 5 (i) Agri-Fishery Microfinancing Program;
- 6 (j) Catanduanes Agricultural Support Program;
- 7 (k) Central Cordillera Agricultural Program;
- 8 (l) Development Assistance Program for Cooperatives and People's
9 Organizations;
- 10 (m) Direct Market Linkage Development Program;
- 11 (n) Micro Credit for Rural Enterprise Development;
- 12 (o) Agrarian Production Credit Program;
- 13 (p) Loans under the Agro-Industry Modernization Credit and Financing Program;
14 and
- 15 (q) Loans from Direct Credit Programs now under Philippine Deposit Insurance
16 Corporation receivership:

17 *Provided, That* (a) loans with collateral under the foregoing loan programs and
18 (b) loan accounts which have been in the agencies' books of account for less than
19 ten (10) years, shall be excepted from being written off but their corresponding
20 interests, penalties, and surcharges shall also be subject to a one-time condonation
21 and the loan accounts shall be subject to restructuring.

22 **SEC. 7. *Transfer Of All Loan Accounts To The Agricultural Credit Policy***
23 ***Council: Mandatory Provisions.*** - All remaining loan accounts of entities above
24 enumerated that are not covered by loan write-offs shall be transferred to the ACPC
25 for management, collection, and disposition:

1 *Provided*, That the ACPC shall be exempt from court filing fees and other
2 related expenses, including costs associated with transfer of titles:

3 *Provided, further*, That funds that are collected under the accounts of the CDA
4 shall be remitted to the CDA for use in providing project grants to agricultural
5 cooperatives, after deduction of two percent (2%) for ACPC operational expenses.

6 All government lending agencies mentioned in this Act shall transfer remaining
7 loan records, including corresponding loan collaterals, to the ACPC within one
8 hundred eighty (180) days from the effectivity of this Act.

9 Account owners shall apply for condonation and loan restructuring with the
10 ACPC, and once approved, subsequent payment of three (3) successive
11 installments shall operate to restore the account to good standing, to which the
12 ACPC shall issue a certification to this effect.

13 A periodic review of covered programs shall be undertaken, to account for
14 evolving credit schemes and agency mandates.

15 SEC. 8. ***Qualified Beneficiaries.*** – Delinquent farmers, fisherfolk, agrarian
16 reform beneficiaries, and their respective cooperatives, organizations, and
17 associations that have obtained agricultural and agrarian reform credit under any of
18 the accounts enumerated in Section 6 of this Act, may apply for condonation of
19 unpaid interests, penalties, and surcharges and loan restructuring with the
20 concerned agency or corporation.

21 SEC. 9. ***Approval of Application for Condonation.*** – The government
22 agency or corporation managing the accounts secured under the programs and
23 agencies enumerated in Section 6 of this Act shall, in coordination with the
24 Commission on Audit (COA) and Office of the President (OP), review and approve
25 applications for condonation and loan restructuring. The approval of such

1 applications shall serve as the basis for the concerned government agency or
2 corporation to write off the unpaid interests, penalties, and surcharges.

3 SEC. 10. **Collection of Payment.** – All annual collections from loan
4 payments under this Act shall accrue to the Agrarian Reform Fund, and be remitted
5 to the Bureau of Treasury. After remittance, two percent (2%) of the total annual
6 collection shall be deducted and allocated to the ACPC to cover its operational
7 expenses.

8 SEC. 11. **Establishment Of An Asset Recovery Fund** - The concerned
9 government agencies including the DAR, DA, and CDA shall utilize appropriate
10 recovery or asset management mechanisms to ensure that principals remain viable
11 and that revolving or development-oriented funds are not depleted.

12 SEC. 12. **Implementing Rules and Regulations.** – Within sixty (60) days
13 after the effectivity of this Act, the Secretary of the Agrarian Reform shall, in
14 consultation with the secretaries and heads of offices of the DA, CDA, NFA,
15 QUEDANCOR, ACPC, COA, and the OP, promulgate rules and regulations for the
16 effective implementation of this Act.

17 SEC. 13. **Separability Clause.** – If any part or provision of this Act is held
18 invalid or unconstitutional, the remaining parts or provisions not affected shall remain
19 in full force and effect.

20 SEC. 14. **Repealing Clause.** – All laws, executive orders, issuances or parts
21 thereof inconsistent with the provisions of this Act are hereby amended, repealed or
22 modified accordingly.

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

25 Approved,

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

TWENTIETH CONGRESS
Second Regular Session

HOUSE BILL NO. **10750**
(In substitution of House Bills Numbered 2414, 5051, and 6950)

AN ACT PROVIDING FOR THE CONDONATION AND WRITE-OFF OF UNPAID INTERESTS, PENALTIES AND SURCHARGES, AND THE RESTRUCTURING OF LOANS SECURED BY FARMERS, FISHERFOLK, AGRARIAN REFORM BENEFICIARIES AND THEIR COOPERATIVES, ORGANIZATIONS, AND ASSOCIATIONS FROM THE DEPARTMENT OF AGRARIAN REFORM, THE DEPARTMENT OF AGRICULTURE-AGRICULTURAL CREDIT POLICY COUNCIL, THE PEOPLE'S CREDIT AND FINANCE CORPORATION, THE COOPERATIVE DEVELOPMENT AUTHORITY, THE NATIONAL FOOD AUTHORITY, AND THE QUEDAN AND RURAL CREDIT GUARANTEE CORPORATION

Introduced by Representatives **FELIMON M. ESPARES, NOEL "BONG" N. RIVERA, JOHN TRACY F. CAGAS, JESUS "JESS" R. MARQUEZ, FRANCISCO PAOLO P. ORTEGA V, KRISTINE SINGSON-MEEHAN, CARLOS ANDES LORIA, DALE B. CORVERA, SARAH JANE I. ELAGO, AND CAROLINE B. AGYAO, M.D.**

Committee Referral: **COMMITTEE ON AGRARIAN REFORM**
Committee Chairperson: **REP. ELEANOR C. BULUT-BEGTANG**

OBJECTIVE:

To reestablish access to government and commercial credit facilities, attain financial stability, restore creditworthiness, and enhance productivity to farmers, fisherfolk and agrarian reform beneficiaries.

KEY PROVISIONS:

- Condones all unpaid interests, penalties, and surcharges of agricultural and agrarian reform loans secured by farmers, fisherfolk, agrarian reform beneficiaries, and their respective cooperatives, organizations, and associations, to encourage borrowing discipline and enhance creditworthiness.
- Provides that the condonation shall be limited to the enumerated loans from the Department of Agrarian Reform, Department of Agriculture, Agricultural Credit Policy Council (ACPC), People's Credit and Finance Corporation, Cooperatives Development Authority, National Food Authority, and the Quedan and Rural Credit Guarantee Corporation.

- Mandates that the above enumerated loans shall also be written off, except for those with collateral, and those which have been in the agencies' books of account for less than ten (10) years (their corresponding interests, penalties, and surcharges shall still be condoned).
- Provides that loan accounts of agencies not covered by loan write-offs shall be transferred to the ACPC for management, collection, and disposition.
- States that delinquent farmers, fisherfolk, agrarian reform beneficiaries, their respective cooperatives, organizations, and associations that secured agricultural and agrarian reform credit are qualified for the condonation.
- Requires that the above condonation and write-off shall be in conformity with the applicable general banking laws and regulations of the Bangko Sentral ng Pilipinas.

RELATED LAWS:

- Republic Act No. 6657, otherwise known as the "CARL of 1988"
- Republic Act No. 9700, entitled: An Act Strengthening the Comprehensive Agrarian Reform Program (CARP), Extending the Acquisition and Distribution of All Agricultural Lands, Instituting Necessary Reforms, Amending for the Purpose Certain Provisions of Republic Act No. 6657, Otherwise Known as the Comprehensive Agrarian Reform Law Of 1988, As Amended, and Appropriating Funds Therefor