

Republic of the Philippines  
HOUSE OF REPRESENTATIVES  
Quezon City

17<sup>th</sup> Congress  
Second Regular Session

House Bill No **6734**



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**Introduced by Representative MICHAEL L. ROMERO**

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### **EXPLANATORY NOTE**

The Land Bank of the Philippines (LBP) is a government financial institution with a social mandate of promoting countryside development, prioritizing the sector of small farmers and fisherfolks as its beneficiaries. On the other hand, Republic Act No. 10000, otherwise known as an "*Act Providing for an Agriculture and Agrarian Reform Credit and Financing System Through Banking Institutions*" or the "*Agri-Agra Reform Credit Act of 2009*" provides a requirement to all banking institutions, government or private, to set aside at least 25% of their total loanable funds for agriculture and fisheries credit in general. Based on this credit quota requirement, LBP is positioned in the same way as the other banking institutions that are merely required to set aside 25% of their loanable account for agriculture and fisheries, thereby negating LBP's above-stated social mandate.

Thus, and in order to give credence to LBP's social mandate and to further the improvement and upliftment of the lives of our farmers and fisherfolks in line with the thrust of the government to eradicate poverty in the countryside, there is a need to increase the abovementioned credit quota applicable to LBP to at least sixty percent (60%) under the Agri-Agra Reform Credit Act of 2009.

Approval of this bill is therefore sought.

  
**MICHAEL L. ROMERO**  
Representative, 1PACMAN Partylist

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**AN ACT**  
**AMENDING SECTION 6 OF REPUBLIC ACT NO 10000, OTHERWISE**  
**KNOWN AS THE "AGRI-AGRA REFORM CREDIT ACT OF 2009"**

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

**SECTION 1.** Article II, Section 6 of Republic Act No. 10000 is hereby amended to read as follows:

**"Section 6. Credit Quota** - All banking institutions, whether government or private, shall set aside at least twenty-five percent (25%) of their total loanable funds for agriculture and fisheries credit in general, of which at least ten percent (10%) of the loanable funds shall be made available for agrarian reform beneficiaries mentioned in Section 5 hereof: provided that in case of the Land Bank of the Philippines created under Republic Act No. 3844, otherwise known as the "*Agricultural Land Reform Code*" as amended, the amount to be set aside for fisheries and credit in general shall be at least sixty percent (60%); *Provided, however,* That total loanable funds as used in the section shall refer to funds

generated from the date of effectivity of this Act: *Provided, nevertheless,* That the twenty-five percent (25%) or, in the case of Land Bank of the Philippines, sixty percent (60%) credit quota is subject to a joint review by the Department of Agriculture (DA), the Department of Agriculture Reform (DAR) and the Bangko Sentral ng Pilipinas (BSP) after three (3) years of implementation to determine whether the law has been effective in accomplishing its goals. The findings shall be submitted to Congress.”

**SECTION 2. EFFECTIVITY** - This Act shall take effect fifteen (15) days from the date of its publication in the Official Gazette or in at least two (2) newspapers of general circulation.

Approved.