Republic of the Philippines  
HOUSE OF REPRESENTATIVES  
Quezon City  

Eighteenth Congress  
First Regular Session  

HOUSE RESOLUTION NO. 976  

Introduced by: REP. Allan Benedict S. Reyes  

A RESOLUTION URGING THE COMMITTEE ON BANKS AND FINANCIAL INTERMEDIARIES OF THE HOUSE OF REPRESENTATIVES TO CONDUCT AN INVESTIGATION IN AID OF LEGISLATION ON THE PATRIOTIC DUTY OF BANKS, QUASI-BANKS, FINANCING COMPANIES, LENDING COMPANIES AND OTHER FINANCIAL INSTITUTIONS, PUBLIC OR PRIVATE, TO CONTINUE TO HELP THE PUBLIC AMID THE ONGOING COVID-19 PANDEMIC  

WHEREAS, Section 4(aa) of Republic Act No. 11469, otherwise known as the Bayanihan to Heal as One Act (“Bayanihan Act”), requires banks, quasi-banks, financing companies, lending companies and other financial institutions, public or private, (for brevity, “covered institutions”) to implement a minimum thirty (30) day grace period for payment of all loans falling due within the period of the enhanced community quarantine (“ECQ”) without incurring interests, penalties, fees or other charges;  

WHEREAS, covered institutions are also prohibited from requiring their clients to waive the application of the provisions of the Bayanihan Act, including the said mandatory 30-day grace period. Furthermore, no documentary stamp tax (“DST”) can be imposed on credit extensions and credit restructuring, including those obtained from pawnshops and extensions thereof, during the ECQ period;  

WHEREAS, failure to comply with the provisions of the Bayanihan Act and its implementing rules and regulations (“IRR”) after its effectivity date may result in the imposition of a fine ranging from Ten Thousand Pesos (PhP 10,000.00) to One Million Pesos (PhP 1,000,000.00) and/or two-month imprisonment for responsible individuals;  

WHEREAS, in view of the imposition of either Modified Enhanced Community Quarantine (“MECQ”) or General Community Quarantine (“GCQ”) across the country until 31 May 2020, the initial 30-day grace period for the payment of loans under the Bayanihan Act was mandated to apply to all loans with principal and/or interest falling due within the MECQ/GCQ period, from 17 March 2020 to 31 May 2020.  

WHEREAS, according to the Bangko Sentral ng Pilipinas (“BSP”), consumer complaints about accrued interest as well as questions on suspension of loan payments rose during the Luzon-
wide ECQ. In particular, BSP Governor Benjamin Diokno said that BSP’s Consumer Assistance Mechanism (“CAM”) received a total of 21,913 complaints through electronic mails (e-mails) from March to May 2020;³

WHEREAS, while a grace period was mandated by the Bayanihan Act, the loan interest that accrued during the grace period would still be collected by covered institutions - only that the said accrued interest may be paid in lump sum on the new due date or on a staggered basis over the remaining term of the loan.⁴

WHEREAS, our citizens have not yet recovered from the economic effects of the ongoing public health crisis. Most still have difficulties fulfilling their financial obligations which could then lead to unmanageable bigger debts and/or foreclosure of their mortgaged properties;

WHEREAS, banks, quasi-banks, financing companies, lending companies and other financial institutions, public or private, must consider that they still have a patriotic duty to help the public even after the end of the extended grace period;

WHEREAS, in addition to observing the minimum grace period, covered institutions must also explore and provide the least burdensome payment options to their respective clients;

NOW THEREFORE, BE IT RESOLVED, as it is hereby resolved by the House of Representatives to direct the Committee on Banks and Financial Intermediaries to conduct an investigation in aid of legislation on the patriotic duty of banks, quasi-banks, financing companies, lending companies and other financial institutions, public or private, to continue to help the public amid the COVID-19 pandemic.

Adopted,

HON. ALLAN BENEDICT S. REYES
Representative, 3rd District, Quezon City

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⁴ Section 5.02, Implementing Rules and Regulations of Section 4(aa) of Republic Act No. 11469, Otherwise Known as the “Bayanihan to Heal As One Act” [hereinafter, “IRR”].