

[REPUBLIC ACT NO. 10878, July 17, 2016]

AN ACT STRENGTHENING AND INSTITUTIONALIZING DIRECT CREDIT SUPPORT OF THE LAND BANK OF THE PHILIPPINES TO AGRARIAN REFORM BENEFICIARIES, SMALL FARMERS AND FISHERFOLK, FURTHER AMENDING REPUBLIC ACT NO. 3844, OTHERWISE KNOWN AS THE "AGRICULTURAL LAND REFORM CODE", AS AMENDED

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

SECTION 1. Section 74 of Republic Act No. 3844, as amended by Republic Act No. 10374, otherwise known as the "Agricultural Land Reform Code", is hereby further amended to read as follows:

"SEC. 74. *Creation.* – To finance the acquisition by the Government of landed estates for division and resale to small landholders, as well as the purchase of the landholding by the agricultural lessee from the landowner, there is hereby established a body corporate to be known as the 'Land Bank of the Philippines', hereinafter called the 'Bank', which shall have its principal place of business in Manila. The legal existence of the Bank is extended for a period of fifty (50) years from the expiration of its original term on 08 August 2013, renewable for another fifty (50) years. The Bank shall be subject to such rules and regulations as the Banko Sentral ng Pilipinas may from time to time promulgate.

"The Bank shall allocate five percent (5%) of its regular loan portfolio (net of loans to the Banko Sentral ng Pilipinas, interbank loans and availments from domestic bills purchase line), for socialized credit to qualified small farmers, fisherfolk and agrarian reform beneficiaries (ARBs). This facility shall solely finance agricultural projects pursuant to the provisions of Section 4 of Republic Act No. 10000, otherwise known as 'The Agri-Agra Reform Credit Act of 2009'.

"Credits extended to the beneficiaries named therein under this facility shall be based on the feasibility of the project and their paying capacity, their estimated production, and/or securities they can provide as well as assets as may be acquired by them from the proceeds of the loan.

"This facility will be funded through the operations of the Bank itself and will not require additional government funding.

"All loans extended through this special socialized credit facility shall qualify as part of the Bank's compliance with the Agri-Agra Law.