

**[DAR JOINT DAR-LBP MEMORANDUM CIRCULAR
NO. 19, S. 2013, December 23, 2013]**

**GUIDELINES ON THE ISSUANCE OF CERTIFICATE OF FULL
PAYMENT AND RELEASE OF REAL ESTATE MORTGAGE BY THE
LBP TO AGRARIAN REFORM BENEFICIARIES**

In order to facilitate the issuance of Certificate of Full Payment (CFP) and Release of Real Estate Mortgage (ROREM) by the LBP to Agrarian Reform Beneficiaries (ARBs) who have fully paid their land amortizations, whether or not summary administrative proceedings or just compensation cases are pending, this Joint Memorandum Circular is hereby issued for the information and guidance of all concerned.

I. COVERAGE

These guidelines shall apply to ARBs who are:

- a) Awardees under R.A. No. 6657, as amended, who have fully paid the land amortizations and applicable interests to the LBP pursuant to Section 26 of this Act; and
- b) Awardees under Presidential Decree (P.D.) No. 27 who have fully paid the land amortizations and applicable interests to the LBP pursuant to Executive Order (E.O.) No. 228.

II. LEGAL BASES

- a) Section 26 of R.A. No. 6657, as amended, provides that lands awarded pursuant to this act shall be paid by the ARBs to LBP in thirty (30) annual amortizations at six percent (6%) interest per annum.
- b) Section 12 of Executive Order (E.O.) No. 229 states that lands acquired and redistributed by the government shall be paid for by the beneficiaries in thirty (30) equal annual payments at six percent (6%) per annum interest, with the first repayment due one year after resale, and a two percent (2%) interest rebate for amortizations paid on time, provided that in no case shall the annual amortizations exceed ten percent (10%) of the land's annual value of gross production. Should the amortization exceed ten percent (10%), the LBP shall reduce the interest rate and/or reduce the principal obligation to make the repayments affordable.
- c) Section 6 of E.O. No. 228 provides that the total cost of the land awarded pursuant to P.D. No. 27, including interest at the rate of six percent (6%) per annum with a two percent (2%) interest rebate for amortizations paid on time, shall be paid by the farmer-beneficiary or his heirs to the LBP over a period of up to twenty (20) years in twenty (20) equal amortizations. Lands already valued and financed by the LBP are likewise extended a 20-year period of payment of twenty (20) equal annual amortizations. However, the farmer-beneficiary if he so elects,