



Republic of the Philippines  
**DEPARTMENT of AGRARIAN REFORM**

OCT 20 1988

Administrative Order No. 12  
Series of 1988

SUBJECT: An Order Amending The Procedures Under DAR  
Administrative Order No. 2, Series of 1987

To accelerate the land transfer processes in the tenanted rice/corn lands under PD 27 (E.O. No. 228), there is a need to revise and update the existing implementing guidelines. Under DAR Administrative Order No. 2, Series of 1987, it requires that: 1) the Municipal Agrarian Reform Office (MARO) shall call upon Land Bank field representative for assistance in the revalidation of data pertaining to the lands, the landowners and the farmer-beneficiaries under PD 27; and 2) the Regional Agrarian Reform Office (RARO) shall refer the claim folders (CF) to the Regional Manager of Land Bank for review, and verification whether the land involved has any mortgage encumbrance and to settle such encumbrance, if any.

In order to minimize delay caused by inter-agency referrals, the matters of revalidation of data, verification of encumbrances and the settlement of those encumbrances if there is any, shall be performed by the DAR personnel.

To achieve the desired revision, this Order is issued as follows:

1. Sub-Paragraphs 4, 5, 6 and 7, Par. III (Procedures), Administrative Order No. 2, Series of 1987, are hereby amended to read as follows:

"4. The MARO shall revalidate the data pertaining to the lands, the landowners, the farmer-beneficiaries and their respective farmholdings and prepare the Land Valuation Summary and Farmer Undertaking (LVS-FU) to pay LBP and to require FBs to affix their signatures or thumbmarks thereon [Refer to OLT Form No. C-25 (Annex "C")].

"5. After the required documents (as indicated in Sections 3.1, 3.2 and 3.3) and the LVS-FU have been completed by the MARO, the CF shall be forwarded to the Provincial Agrarian Reform Office (PARO) for appropriate action [Refer to OLT Form No. C-26 (Annex "D")].

"6. The PARO shall, upon receipt of the CF, review and complete the supporting documents required under Annex "J". If the documents cannot be completed due to non-cooperation of the landowner, or due to other causes, the PARO shall issue a certification to that effect.

"The PARO shall likewise verify if the subject land has any mortgage encumbrance and if encumbered, to arrange/negotiate with the mortgagee for the settlement of the outstanding obligation with LB bonds, or the substitution of LB bonds as collateral security for the unpaid obligation.

"If the offer to pay is accepted, the PARO shall require the mortgagee to sign an agreement for the release of the mortgage encumbrance upon the payment of the obligation, or upon the substitution of LB bonds as collateral security. But if the offer is refused, or no arrangement is reached settling the obligation, the PARO shall issue a certification to that effect, or to include in the certification mentioned in the preceding paragraphs in case it is issued a statement that the offer to pay was refused or that no settlement was reached with the mortgagee.

"The PARO shall see to it that all requirements obtainable at its level are submitted and all required forms properly accomplished before transmitting the CF to the RARO [Refer to OLT Form No. C-27 (Annex "E")].

"7. The RARO shall, within five (5) days from receipt of the CF, review, evaluate and process the same and determine if all the rules and regulations governing the preparation of CFs are complied with. If the CF is in order, the RARO shall issue a resolution [Refer to OLT Form No. 28 (Annex "F")] recommending payment to the claimants (landowners and/or mortgagees) or the establishment of trust deposits with the Trust Department of the Land Bank of the Philippines in the name of the landowner and/or mortgagee as the case may be. The RARO shall transmit the CF together with the resolution to BLAD, DARCO for final processing and resolution [Refer to OLT Form No. 29 (Annex "G")]."

2. Sub-Paragraphs "7.1, 7.2, 7.3, 7.4, 7.5 and 7.6" are hereby repealed.
3. All DAR rules and regulations and memoranda/circulars inconsistent with this Order are hereby amended and/or modified accordingly.

This Order shall take effect immediately.

Approved: October 19, 1988.

  
PHILIP ELLA QUICO  
Secretary