



Republic of the Philippines  
**DEPARTMENT of AGRARIAN REFORM**  
ELLIPTICAL ROAD, DILIMAN, QUEZON CITY • TELS. 928-7031 TO 39

ADMINISTRATIVE ORDER NO. 04

Series of 1997

**SUBJECT : GUIDELINES ON THE WITHDRAWAL OF FARMER-BENEFICIARIES' LEASE RENTAL/AMORTIZATION PAYMENTS DEPOSITED WITH THE LAND BANK OF THE PHILIPPINES (LBP)**

**I. PREFATORY STATEMENT**

Memorandum Circular No. 6, Series of 1978 provides that the tenant-farmers shall deposit the amount equivalent to the lease rental or amortization payment with the Land Bank of the Philippines (LBP), or its authorized agent, in the name of the landowner when the value of the land has already been established and to be withdrawn only upon proper authorization of the Provincial Agrarian Reform Officer (PARO), after proper investigation thereof.

There are requests from landowners and farmer beneficiaries for the withdrawal of lease rentals deposited with the Land Bank of the Philippines per M.C. No. 6, Series of 1978 or amortization payments for the following reasons: (1) lands are found to be exempt from coverage under P.D. No. 27; (2) lands are covered by areas retained by landowners; (3) excess payments have been made by the farmer-beneficiary; (4) a shift is made to a direct payment scheme under Administrative Order (A.O.) No. 13, Series of 1991, as amended by A.O. No. 2, Series of 1995; and (5) adjustment of area due to erosion based on final survey.

These guidelines are hereby prescribed for the guidance of all concerned in order to address the withdrawals of payments/rentals.

**II. COVERAGE**

This Administrative Order shall cover the withdrawal of lease rentals or amortization payments made by the farmer-beneficiary with LBP pursuant to Presidential Decree No. 27, as implemented by Memorandum Circular No. 6, Series of 1978.



*"Tulong-tulong sa pagsulong"*

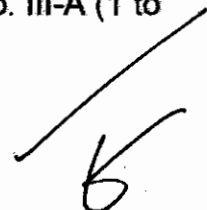


### III. POLICY STATEMENT

- A. The lease rentals or amortization payments made by a farmer-beneficiary with the LBP in accordance with the provisions of P.D. No. 27, as amended by E.O. No. 228 may be withdrawn upon the request of the landowner or farmer-beneficiary, as the case may be, based on the following reasons:
1. lands are found to be exempt from the coverage;
  2. lands are covered by areas retained by the landowners;
  3. excess payments have been made by the beneficiaries;
  4. a shift is made to a direct payment scheme; and
  5. adjustment of area due to erosion based on final survey.
- B. The amount to be released by the LBP to the landowner or farmer-beneficiary, as the case may be, shall be to the extent of the total lease rentals or amortization payments made by the farmer-beneficiary, including a six percent (6%) interest per annum.
- C. The six percent (6%) interest per annum on a withdrawal shall accrue to the claimant reckoned from the date he/she made the deposit/payment to LBP.
- D. The lease rental or amortization payment may be withdrawn only upon favorable endorsement by the DAR Provincial Agrarian Reform Officer (PARO).

### IV. OPERATING PROCEDURES

- A. The landowner or farmer-beneficiary must file a written request through the MARO, attaching the following supporting documents:
1. Certified photocopies of receipts of payment;
  2. Certified photocopy of either of the following documents based on specific claims as mentioned in Item No. III-A (1 to 5) of this A.O.:
    - a. Order of exemption



- b. Certificate of retention
  - c. Approved segregation survey and certification on the adjustment of area
  - d. Deed of transfer under the Direct Payment Scheme
  - e. Certificate of excess payment to be issued by concerned LBP field office
- B. The MARO shall review and evaluate documents submitted by the landowner and/or farmer-beneficiary and submit his/her recommendation to the PARO for endorsement to the LBP.
- C. The PARO shall:
- 1. Upon receipt of the documents, make the necessary verifications;
  - 2. If the documents are found to be in order, prepare endorsement to the LBP; otherwise, require the party to submit additional documents; and
  - 3. Forward the claim to the LBP for appropriate action.

**V. EFFECTIVITY**

This Administrative Order shall take effect ten (10) days after publication in two (2) national newspapers of general circulation pursuant to Section 49 of R.A. No. 6657. All other Orders, Circulars, Memoranda, and other Issuances inconsistent herewith are hereby revoked, canceled or modified accordingly.

Diliman, Quezon City, FEBRUARY 07, 1997.

  
**ERNESTO D. GARILAO**  
Secretary

Published in Two (2) national newspapers of general circulation;

- 1. THE PHILIPPINE DAILY INQUIRER
- 2. MALAYA

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