



REPUBLIC OF THE PHILIPPINES

DEPARTMENT OF AGRARIAN REFORM

Tunay na Pagbabago sa Repormang Agraryo

ADMINISTRATIVE ORDER NO. 05
Series of 2019

SUBJECT: AMENDMENT TO ADMINISTRATIVE ORDER NO. 07, SERIES OF 2011 ENTITLED "REVISED RULES AND PROCEDURES GOVERNING THE ACQUISITION AND DISTRIBUTION OF PRIVATE AGRICULTURAL LANDS UNDER REPUBLIC ACT (R.A.) NO. 6657, AS AMENDED"

PREFATORY STATEMENT

The empowerment of the farmer-beneficiaries is central to the success of the Comprehensive Agrarian Reform Program (CARP) mandated under Republic Act (R.A.) No. 6657. The law aims for an improved quality of life of farmers through greater productivity of agricultural lands. In turn, R.A. No. 6657 implements the constitutional mandate to undertake an agrarian reform founded on the right of landless farmers and farmworkers to own the land they till.

However, under the present regime of property, occupation and possession of an agricultural land are not enough to liberate a farmer from the bondage of the soil which the agrarian reform laws seek to address.

The unhampered exercise of the rights, privileges, and prerogatives of ownership is necessary to make the awarded land an effective economic tool by which a farmer-beneficiary can adequately provide for the needs of the family.

A farmer's actual and physical possession of the title to the awarded land embodies his unrestricted exercise of ownership and control over it. The proofs of ownership over these awarded lands are the Certificates of Land Ownership Awards (CLOAs) or the Emancipation Patents (EPs) issued under R.A. No. 6657 and Presidential Decree (P.D.) No. 27, respectively.

To many awardees of these CLOAs and EPs, the full control over their awarded lands and exercise of their rights as owners remain illusory, because the original owner's duplicate copies of these titles are not in their actual and physical possession.

This is due to Department of Agrarian Reform (DAR) Administrative Order (A.O.) No. 07, Series of 2011, and Joint DAR-LBP Memorandum Circular (M.C.) No. 11, Series of 2008, which require the original owner's duplicate copies of the CLOAs and EPs to be surrendered to the Land Bank of the Philippines (LBP) as the mortgagee-bank.

These issuances were based on Section 24 of R.A. No. 6657, as amended, which states that the LBP shall have a lien by way of mortgage on the land awarded to the farmer-beneficiaries, and the mortgage may be foreclosed for non-payment of an aggregate of three (3) annual amortizations. However, while the law specifically imposes a lien on

the land, it never required that the original owner's duplicate copies of the CLOAs or EPs should be pledged with or placed in the custody of the LBP or with any entity.

On the contrary, Section 27 of R.A. No. 6657, as amended, specifically mandates that what should be issued to a farmer-beneficiary must be a title.

That title which should come in the possession of the farmer-beneficiary is not a mere photocopy, but the original owner's duplicate copy itself of the CLOA or EP, which is a recognized valuable commercial instrument. To be constitutionally sound, Sections 24 and 27 of R.A. No. 6657 must refer to a CLOA or EP not held under pledge or in the custody of any entity, but one in the physical possession and control of the farmer-beneficiary.

The provisions of A.O. 07, Series of 2011, and related issuances which place the original owner's duplicate copies of the CLOAs or EPs under pledge or in the custody of the LBP have no basis in the law or the Constitution.

To date, due to these issuances, farmer-beneficiaries are unable to enjoy the full benefits of our agrarian reform laws from the 201,604 titles that are so pledged/deposited, broken down, as follows: 187,573 CLOAs and 14,031 EPs.

With reputable banks and financial institutions accepting only the original of the owner's duplicate copies of CLOAs or EPs as security for loans, releasing them to the farmer-beneficiaries could mean greater economic liberty or freedom to engage in productive ventures and collaboration that will uplift their lives and fulfill the CARP objectives.

In view of the foregoing, the following rules are hereby prescribed:

Section 1. Release of CLOAs/EPs to Farmer-Beneficiaries Pending Amortization

Henceforth, the original owner's duplicate copies of all registered CLOAs or EPs issued subsequent to the effectivity of the Administrative Order shall not be subject to a pledge or placed in the custody of another entity, pending the full payment of the amortizations to the land. They shall be released immediately by the Provincial Agrarian Reform Office (PARO) to the farmer-beneficiaries upon registration and receipt thereof from the Register of Deeds.

Section 2. Release of CLOAs/EPs in the Custody of the Land Bank of the Philippines

Within one (1) month from the effectivity of this Administrative Order, all original of the owner's duplicate copies of CLOAs and EPs in the possession or custody of the LBP-Agrarian Operations Centers shall be turned over to the PARO for distribution, as follows:

- 1.1. Original of the owner's duplicate copy – farmer-beneficiary;
- 1.2. Certified photocopy of the owner's duplicate copy- PARO;
- 1.3. Certified photocopy of the owner's duplicate copy- Municipal Assessor's Office.

Section 3. Repealing Clause

Section 107 of DAR A.O. No. 7, Series of 2011, "Revised Rules and Procedures Governing the Acquisition and Distribution of Private Agricultural Lands Under Republic Act (R.A.) No. 6657, As Amended," Joint DAR-LBP Memorandum Circular No. 11, Series of 2008, and all other issuances or portions thereof that are inconsistent herewith are hereby repealed.

Section 4. Separability Clause

Any judicial pronouncement declaring as unconstitutional any provision of these Rules shall have no effect on the validity of the other provisions.

Section 5. Effectivity Clause

This Administrative Order shall take effect ten (10) days after its publication in two (2) newspapers of general circulation.

APR 08 2019

, Diliman, Quezon City.


Atty. JOHN R. CASTRICIONES
Secretary

Department of Agrarian Reform

Office of the Secretary



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CERTIFICATION

This is to certify that Administrative Order No. 05, Series of 2019 entitled **“AMENDMENT TO ADMINISTRATIVE ORDER NO. 07, SERIES OF 2011 ENTITLED REVISED RULES AND PROCEDURES GOVERNING THE ACQUISITION AND DISTRIBUTION OF PRIVATE AGRICULTURAL LANDS UNDER REPUBLIC ACT (R.A.) NO. 6657, AS, AMENDED”** was published today, 12 April 2019 in the Malaya Business Insight and Business Mirror newspapers.

Issued this 12th day of April 2019 for whatever purpose it may serve.


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Director, Public Assistance and
Media Relations Service