



**DEPARTMENT OF AGRARIAN REFORM –
LAND BANK OF THE PHILIPPINES**



**JOINT DAR-LBP
MEMORANDUM CIRCULAR NO. 08
Series of 2003**

TO : All Concerned Officials and Personnel of DAR and LBP

**SUBJECT : Guidelines on the Creation of the Agrarian Reform
Receivables Coordinating Team to Facilitate the Collection
and Monitoring of Agrarian Reform Receivables**

I. Prefatory Statement

Republic Act (R.A.) No. 6657, Executive Order (E.O.) No. 229, Presidential Decree (P.D.) No. 27, E.O. No. 228 and R.A. No. 3844, as amended by R.A. No. 6389 prescribe that lands acquired and awarded by the Government shall be paid by the ARBs over a certain period of time. The guidelines and procedures governing the payment of land amortization of ARBs are provided under Department of Agrarian Reform (DAR) Memorandum Circular (M.C.) No. 19, Series of 1981 and DAR Administrative Order (A.O.) No. 2, Series of 1998. Furthermore, Section 26 of R.A. No. 6657 and Section 12 of E.O. No. 229 provide that the Land Bank of the Philippines (LBP) shall have a lien by way of mortgage on the land awarded to the beneficiary and this mortgage maybe foreclosed by the LBP for non-payment of an aggregate of three (3) annual amortizations.

On the other hand, R.A. No. 8532 provides that the amount needed to implement the Comprehensive Agrarian Reform Program (CARP) until the year 2008 shall be funded from the Agrarian Reform Fund (ARF). All income and collections arising from the agrarian reform operations, projects and programs of the CARP implementing agencies have been identified as one of the sources of funding or appropriations for the CARP.

In view of the foregoing, this Memorandum Circular is hereby promulgated to facilitate the collection of amortization payment which will accrue to the ARF.

II. Coverage

This Memorandum Circular shall cover all lands acquired under P.D. No. 27/E.O. No. 228, E.O. No. 229/R.A. No. 6657 and landed estates acquired under R.A. No. 3844, as amended by R.A. No. 6389.

III. Creation of Agrarian Reform Receivables Coordinating Team (ARRCT)

The Agrarian Reform Receivables Coordinating Team (ARRCT) shall be organized between the DAR and LBP for an effective collection and monitoring system of ARBs' amortizations.

A. Composition

The ARRCT shall be composed of the following:

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| Coordinator | - | Head, Farmer Remittances and Transaction Division (FRTD), Agrarian Operations Center (AOC), LBP |
| Members | - | designated Agrarian Reform Receivables Officer/s (ARRO/s) from the DAR Provincial Office (DARPO); and |
| | | Lead Field Collector/s (LFC/s) of Agrarian Operations Centers (AOCs) for the province. |

The Coordinator of the Team shall determine the number of team members based on the scope and area of coverage.

B. Duties and Functions of the Agrarian Reform Receivables Coordinating Team

The Agrarian Reform Receivables Coordinating Team (ARRCT), with the assistance of the concerned Municipal Agrarian Reform Officers (MAROs), shall be responsible for the following:

1. Ensures that the Status of Agrarian Reform Receivables (ARR) per Estate (Annex A) and Summary of Problems on Agrarian Reform Receivables by Municipality/Province (Annex B) are properly accomplished by the LBP;
2. Conducts briefings/orientations on agrarian reform receivables for ARBs or ARB cooperatives/associations regarding the process and schedule of collection, status of account, incentives for updated payments, sanctions to ARBs for non-payment, and adverse effect of non-payment of arrearages and other pertinent concerns;
3. Reviews and evaluates the Status of Agrarian Reform Receivables per Estate (Annex A) and Summary of Problems on Agrarian Reform Receivables by Municipality/Province (Annex B), and recommends appropriate actions to resolve/address the identified problems through

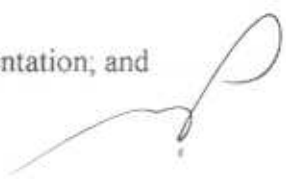
the Provincial Agrarian Reform Officer (PARO) and AOC Head of LBP; and

4. Conducts periodic monitoring of action plan to resolve problems and issues on agrarian reform receivables in Annex A; and
5. Report, through the Coordinator, all issues, problems and concerns encountered in the creation of ARRCT, and in the implementation of the collection and monitoring of agrarian reform receivables. All unresolved issues, problems and concerns shall be forwarded to the DAR-LBP Composite Policy Review and Formulation Group (CPRFG) for resolution.

C. Responsibilities of LBP and DAR Officers

1. The LBP Agrarian Operations Center shall:
 - 1.1 coordinate with the DAR PARO concerned for the organization of the ARRCT; and
 - 1.2 formulate plans, programs and strategies on collection of agrarian reform receivables.
2. The PARO shall:
 - 2.1 designate the ARRO per province who shall serve as members of the ARRCT;
 - 2.2 create a committee to facilitate the preparation and documentation of the Land Distribution and Information Schedule (LDIS); and
 - 2.3 assign at least one personnel for each municipality who shall assist in the delivery of Notice of Collection to the ARB concerned and in the conduct of other ARRCT activities.
3. The ARRCT Coordinator shall:
 - 3.1 convene the members of the ARRCT as necessary to evaluate the status of ARBs or ARB cooperatives/associations and the collection process, thresh out problems and issues related to the collection of ARB amortization, come up with appropriate actions/solutions;
 - 3.2 schedule the following activities in coordination with the team members:
 - ARB briefing/orientation; and

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- field inspections and preparation of schedule of collection of ARB amortization; and
- 3.3. ensure that the responsibilities of the Coordinating Team are properly undertaken.

IV. Monitoring

The ARRCT Coordinator shall submit quarterly report on agrarian reform receivables collection performance and status of resolution of issues, concerns and problems within fifteen (15) days from end of the preceding quarter to the Head LBP-AOC and the DAR-PARO concerned for information and appropriate action. The LBP Head office shall formulate the reporting format for this purpose.

V. Funding

All expenses related to the implementation of this Memorandum Circular is chargeable against the Agrarian Reform Fund (ARF) subject to the existing accounting and auditing rules and regulations.


VI. Repealing Clause


All Administrative Orders, Circulars, Memoranda, Rules and Regulations or portions thereof inconsistent herewith are hereby repealed, cancelled or modified accordingly.

VII. Effectivity

This Memorandum Circular 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.

Diliman, Quezon City. MAY 30, 2003


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1. THE PHILIPPINE STAR
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