



Republic of the Philippines
DEPARTMENT of AGRARIAN REFORM

ADMINISTRATIVE ORDER NO. 3
Series of 1989

SUBJECT: RULES AND PROCEDURES GOVERNING
VOLUNTARY OFFER TO SELL LANDS
UNDER THE COMPREHENSIVE AGRARIAN
REFORM PROGRAM

I. PREFATORY STATEMENT

In order to ensure the smooth and expeditious acquisition of and compensation for land voluntarily offered for sale by landowners pursuant to Republic Act No. 6657 dated June 10, 1988, and Executive Order 229 dated July 22, 1987, the following policy guidelines and operating procedures are hereby prescribed.

II. POLICIES

- A. A landowner may offer to sell his agricultural land to the government for redistribution under the Comprehensive Agrarian Reform Program (CARP);
- B. The government shall purchase all lands voluntarily offered for sale which are found suitable to agricultural production;
- C. The land value stated by the landowner in his voluntary offer shall be subject to the established procedures for determining land compensation as prescribed under Sections 17 and 18 of R.A. 6657;
- D. The DAR shall assist the landowner:
 1. In the preparation of and/or in securing the necessary technical documents relative to the land and its value;
 2. By undertaking the subdivision survey of the land, including the preparation and approval of the survey plan in coordination with the DENR-LMS; and
 3. By defraying the cost of the subdivision survey.
- E. In cases where the voluntarily offered land has

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no tenants/workers/occupants, the DAR shall assume the responsibility for the screening, selection and institution of the qualified farmer-beneficiaries (FBs) thereon.

- F. Landowners, other than banks and other financial institutions, who voluntarily offer their lands for sale shall be entitled to an additional five percent (5%) cash payment.
- G. The Land Bank of the Philippines (LBP) shall compensate the landowner within thirty (30) days after he executes and delivers a Deed of Transfer in favor of the government and surrenders the owner's Certificate of Title and other muniments of title.

III. COVERAGE

These Rules and Procedures shall apply to all agricultural lands voluntarily offered for sale to the government by their owners regardless of land area or size.

IV. OPERATING PROCEDURES

The following procedures shall be observed for every Voluntary Offer to Sell (VOS):

A. Landowner/Offeror

Fill up VOS documents (CARP Forms Nos. 1 and 1.1) and submit to any DAR unit concerned, preferably the MARO.

B. Municipal Agrarian Reform Officer (MARO)

- 1. Upon receipt of the duly accomplished Forms Nos. 1 and 1.1 and the supporting documents, prepare the Voluntary Offer Claim Folder (VOCF) and request the landowner to submit the following documents unless they have already been submitted with the VOS, to wit:

For Titled Property

- a) Certified photocopy of Certificate of Title of the land offered for sale.

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In case Certificate of Title is not yet in the name of landowner/offeree, request the landowner to submit instruments of acquisition such as Deed of Sale, Deed of Donation, etc. It shall be sufficient that, through the series of documents submitted, the landowner/offeree can establish his ownership of the land. After the documents of ownership have been submitted, assist the landowner in securing or transferring the Certificate of Title in his name to enable him to collect payment from LBP.

- b) Certified photocopy of the latest tax declaration.
- c) Copy of survey/sketch plan, if any
- d) Photocopy of Sworn Statement on Landowners' Registration (Listasaka I and II).

For Untitled Property

- a) Certified copy of Deed of Sale/Transfer and pertinent documents to prove ownership for a period of at least 10 years.
 - b) Certified photocopy of the latest tax declaration, including a history of tax assessments and/or a listing of declared owners for the last ten (10) years immediately preceding the VOS.
 - c) Copy of survey/sketch plan.
2. Schedule an investigation of the land being offered for sale, after which notify the local BARC accordingly and then invite the prospective beneficiaries to a conference at the site of the land.
 3. With the assistance of the BARC, determine the suitability/productivity of the land and prepare an investigation report with his findings and recommendations using CARP Form No. 2. If the subject landholding is found not suited for agricultural production, recommend the same for rejection.
 4. At the conference site, identify the land and the landowner and screen the prospective

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beneficiaries based on the applicants' duly accomplished information sheets (CARP Form No. 3).

5. With the assistance again of the BARC, determine the initial land value in accordance with the land valuation formula pursuant to Sections 17 and 18 of R.A. 6657.
6. Determine if the land has any encumbrance. If encumbered and the creditor resides within the municipality, secure a statement of account and recommend the settlement of the obligation through payment in Land Bank bonds.
7. Prepare a Land Valuation Summary (LVS) using CARP Form No. 4.
8. Cause the signing by the beneficiaries of the application to purchase and the Farmer's Undertaking (CARP Form No. 5).
9. Assist the DENR-LMS survey party in the conduct of a boundary/perimeter survey, if necessary.
10. Perform other applicable activities as enumerated in Paragraph IV-A of Administrative Order No. 2, series of 1989, on Compulsory Acquisition.
11. Prepare CARP Form No. 6 and forward VOSF to the PARO.

C. Provincial Agrarian Reform Officer (PARO)

1. Review and evaluate the MARO's report and all pertinent documents relative to the landowner's compensation as attached to the VOSF.
2. Determine the completeness of the required documents. If these are found to be in order, accomplish CARP Form No. 7 and forward it to the Regional Director (RD). Otherwise, gather all the necessary additional documents.
3. Arrange for the settlement of any loan or mortgage obligation, if any, to be paid in Land Bank bonds.
4. In case the VOS is rejected on the basis of the MARO's recommendation due to non-suita-

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bility of the land to agricultural produc-
tion, inform the landowner that his/her VOS
is not acceptable and, therefore, has been
disapproved (CARP Form No. 12).

D. Regional Director (RD)

1. Review and evaluate the VOCF and supporting documents.
2. Refer the VOCF to the Regional Attorney for review and to determine completeness and legal sufficiency of the documents submitted.
3. If the VOS is in order, notify the landowner of DAR's decision to acquire the land. The notice shall be in writing and shall be served on the landowner by personal delivery or by registered mail, with copies thereof posted in a conspicuous place in the municipal building and the barangay hall where the property is located (CARP Form No. 8). The notice shall contain the following:
 - a) DAR's offer to pay a specified amount initially determined by the MARO and approved by the Regional Director, subject, however, to the final approval of the Secretary of Agrarian Reform.
 - b) If the amount stated in the notice is lower than the selling price indicated in the VOS, ask the landowner whether or not he/she accepts the DAR offered price. If the landowner rejects the offered price, or fails to answer the notice for acceptance within five (5) days from receipt thereof, the VOS shall be treated as a compulsory acquisition as prescribed under No. 6 below.
4. Prepare a Regional Resolution to acquire subject property, copy furnished the landowner (CARP Form No. 9).
5. Forward the VOCF to BLAD-DARCO together with the Regional Resolution to acquire subject property.
6. If the price in the VOS is not acceptable to DAR and the landowner is not amenable

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either to accepting DAR's offered price, the VOS shall be treated as a Compulsory Acquisition Claim Folder (CACF) to be processed under Paragraph IV-C (3) of Administrative Order No. 2, series of 1989, on Compulsory Acquisition.

E. Bureau of Land Acquisition and Development (BLAD)

Review and evaluate the VOFC and supporting documents. If these are found to be in order, forward the same to the DAR-Land Bank Compensation Clearing Committee.

F. DAR-LBP Compensation Clearing Committee (CCC)

1. Review and evaluate all compensation to be paid owners of land acquired under CARP.
2. Determine the legal sufficiency of documents.
3. Recommend to the Secretary of Agrarian Reform the final land value which LBP shall pay the landowner.
4. In case the value approved is lower than the value offered, inform the landowner of such value.
5. Prepare Order for Acquisition (CARP Form No. 11) and Deed of Transfer for the signature of the landowner, the DAR Secretary and LBP President.
6. Forward to the Office of the Secretary of Agrarian Reform (OSAR) the Order for Acquisition together with the Deed of Transfer for approval and signature of the Secretary.

G. Office of the Secretary of Agrarian Reform (OSAR)

1. Approve the recommended final land value and sign the Order for Acquisition of the land and the Deed of Transfer. The Order shall contain, among others, the following:
 - a) DAR's decision to acquire the land;
 - b) The amount of compensation to be paid the landowner;
 - c) A directive to LBP to pay the landowner.

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or deposit the compensation in his name, with the bank most accessible to the latter designated in the order;

- d) A directive to the landowner to turn over physical possession of the land to DAR for redistribution to the farmer-beneficiaries;
- e) A directive to the Land Bank to issue a certification that the compensation has been paid or deposited with the bank in the name of the landowner;
- f) A directive requiring the Register of Deeds (ROD) to cancel the title of the landowner and to issue a TCT in the name of the Republic of the Philippines;
- g) A directive to the PARO to take physical possession of the property and to redistribute the same to the identified beneficiaries.

- 2. Return the VOCF/CACF to the CCC for the preparation of a transmittal letter to LBP.

H. CCC

Upon receipt of the VOCF/CACF together with the Order and Deed of Transfer signed by the DAR Secretary, the CCC shall:

- 1. Prepare a transmittal letter to LBP;
- 2. Attach the letter to the VOCF/CACF for the signature of the Undersecretary for Field Operations.
- 3. Transmit the VOCF/CACF to the LCD II, LBP, through its liaison officer.

I. LBP Head Office

- 1. Cause the signing of the Deed of Transfer (DOT) by the LBP President.
- 2. Forward the Deed of Transfer together with the Title of the landowner to the LBP region concerned.

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J. LBP Regional/Provincial Office

Transmit the DOT to the ROD for registration together with the owner's duplicate Certificate of Title, and request issuance of TCT in the name of the Republic of the Philippines (RP).

K. Register of Deeds

1. Register the DOT and issue a TCT in the name of RP.
2. Forward the duly registered DOT to the LBP Regional/Provincial office together with the TCT issued in the name of RP.

L. LBP Regional/Provincial Office

Transmit the TCT and the duly registered DOT to the LBP head office.

M. LBP Head Office

1. Pay the landowner the value of the land compensation, or deposit the amount in his name with the bank designated by DAR.
2. In case the land is encumbered, pay the mortgagee creditor or establish a trust account in its name.
3. After compensation has been paid the landowner, furnish BLAD a copy of the DOT together with the TCT in the name of RP.

N. PARO

Upon payment of the landowner or deposit of the compensation with the bank designated by DAR, and upon receipt of the Title of the land in the name of RP, the PARO shall take over physical possession of the land and proceed with the redistribution of the same in favor of the qualified beneficiaries.

V. EFFECTIVITY

This Administrative Order shall take effect ten (10) days after publication in two (2) national news-

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papers of general circulation pursuant to Section 49 of R.A. 6657. All orders, circulars, rules and regulations inconsistent herewith are hereby revoked, amended, or modified as the case may be.

Quezon City Feb. 20 1989.

Philip Ella Juico
PHILIP ELLA JUICO
Secretary

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