



12-26-79

MEMORANDUM CIRCULAR NO. 16-79
Series of 1979

RULES AND REGULATIONS ON LOAN ASSISTANCE

I. LEGAL BASIS

The General Appropriation Act for 1979 states that:

"The amounts allotted herein under sub-section 4.2.1 to 4.2.19 for loan assistance, which shall be in kind, shall include provisions for transportation for farmers/settlers (including their belongings, work animals and farm equipment), houses and housing materials, subsistence supplies, farm equipment, work animals, soil conditioners and fertilizers, seedlings and seed stocks, supplies and materials, staple and vegetable seeds, land titles and other direct assistance: PROVIDED, that all assistance granted under this section shall be subject to repayment, without interest based on the rules and regulations prescribed by the Ministry of Agrarian Reform." (Underscoring, ours)

II. DEFINITION OF TERMS:

A. Loan Assistance -

Refers to a package of material aids extended to duly approved settlers/beneficiaries such as provisions for transportations (including their belongings, work

A

"Hindi na matatalikuran pa ang pagbabago ng ayos ng pananakahan. Higit kong pangarap na makita ang ating mga magsasaka na pag-aari ang lupang kanilang binubungkal."

- PANGULONG FERDINAND E. MARCOS

12-26-79

animals and farm equipment), houses and housing materials, subsistence supplies, farm tools/implements, farm machinery, work animals, soil conditioners and fertilizers, seeds and seedlings, supplies and materials, staple and vegetable seeds, and other direct assistance which shall be subject to repayment, without interest.

1. Farm machinery - agricultural equipment which require engine power and use either gasoline, kerosene, diesel, or steam fed, like tractors and accessories, irrigation pumps, and the like.
2. Farm tools - agricultural implements with mechanical innovation using man or animal power for mobility like rotary weeders, seed planters, fertilizer applicators, plows, soil scrapers, and the like. Also include simple agricultural implements like hoes, shovels, rakes, mattocks, picks, spading forks, boloes, saws, and the like.
3. Fertilizer - any organic or inorganic materials such as farm manures, chemicals, etc. added to the soil to enhance plant growth and to increase the yield.
4. Housing - shelter constructed either thru MAR administration or by private contractor based on approved designs and specifications or by extending housing materials to settlers.

☆

135

5. Land preparation - the plowing, harrowing or rotivation of settlers' farmlots.
6. Medical assistance - refers to medicines and hospitalization.
7. Pesticides - chemical used for killing insects, weeds, etc.
8. Seeds and seedlings - refers to palay and/or corn, vegetable seeds, seedlings and saplings of fruit trees.
9. Soil conditioners - any mineral or organic substance mixed with the soil to produce a more favorable physical environment for plant growth.
10. Subsistence - provisions for subsistence such as rice, dried fish, etc. are rationed to settlers for twelve (12) months pursuant to Ministry Memorandum dated May 3, 1979.
11. Transportation - the assistance given to moved-in settlers to transport their families including their belongings, work animals, farm equipment, from their places of origin to the settlement project.
12. Work animals - animals ordinarily used by the settlers or beneficiaries in their farms such as carabaos, horses, bullocks, etc.

B. Areas

1. Landed estate - refers to private agricultural lands acquired by the government for redistribution to qualified beneficiaries not covered by Presidential Decree No. 27.
2. Settlement project - refers to public lands reserved



through proclamations and set aside under the administration and disposition of the Ministry of Agrarian Reform for settlement purposes.

C. Types of Settlers

A settler is an individual who is an allocatee of a tract of land in the settlement project.

1. Local settlers - refer to settlers who are actual residents in the settlement project or in its surrounding area and whose applications to become settlers are duly approved by the Minister of Agrarian Reform.
2. Moved-in settlers - settlers who are recruited, processed and screened and duly approved as settlers by the Ministry of Agrarian Reform, and are transported by the Ministry from their places of origin to the settlement project of their preference.
3. Pioneer settlers - settlers who have occupied portions of the settlement project prior to the proclamation of the area as a settlement reservation under the Ministry of Agrarian Reform. Their rights of occupancy are recognized and the areas allocated to them shall be subject to the provisions of the public land law or the rules, regulations, and policies of the Ministry of Agrarian Reform.
4. Rebel returnees - refer to surrendered dissidents as certified by military authorities, who have taken the oath of loyalty, and showed sincere allegiance and support to the constitution of the Philippines.



5. Self-propelled settlers - settlers who have recruited, processed, screened and approved as moved-in settlers but go to the settlement project at their own expense. Usually these settlers have relatives in the settlement project with whom they temporarily seek shelter and assistance.

D. Category of Clientele

1. Beneficiary - a farmer-awardee of a tract of land in the landed estate.
2. New settler - a settler who has just been resettled or has been in the settlement project for less than three years.
3. Old settler - a settler who has been resettled for more than three (3) years.

III. KINDS OF LOAN ASSISTANCE EXTENDED

A. For moved-in settlers

- | | |
|--------------------------------------|-----------------------------------|
| 1. Transportation | 6. Pesticide |
| 2. Subsistence | 7. Land preparation |
| 3. Housing | 8. Work animals |
| 4. Soil conditioners and fertilizers | 9. Farm tools |
| 5. Seeds and seedlings | 10. Farm machinery |
| | 11. Medical and dental assistance |

B. For self-propelled settlers

- | | |
|--------------------------------------|-----------------------------------|
| 1. Subsistence | 6. Land preparation |
| 2. Housing | 7. Work animals |
| 3. Soil conditioners and fertilizers | 8. Farm tools |
| 4. Seeds and seedlings | 9. Farm machinery |
| 5. Pesticides | 10. Medical and dental assistance |



PC1

C. For local settlers

- | | |
|--------------------------------------|----------------------------------|
| 1. Soil conditioners and fertilizers | 6. Farm tools |
| 2. Seeds and seedlings | 7. Farm machinery |
| 3. Pesticides | 8. Medical and dental assistance |
| 4. Land preparation | |
| 5. Work animals | |

D. For Pioneer settlers

- | | |
|--------------------------------------|----------------------------------|
| 1. Soil conditioners and fertilizers | 5. Work animals |
| 2. Seeds and seedlings | 6. Farm tools |
| 3. Pesticides | 7. Farm machinery |
| 4. Land preparation | 8. Medical and dental assistance |

E. For rebel returnees

- | | |
|--------------------------------------|-----------------------------------|
| 1. Housing | 6. Land preparation |
| 2. Subsistence (rice only) | 7. Work animals |
| 3. Soil conditioners and fertilizers | 8. Farm tools |
| 4. Seeds and seedlings | 9. Farm machinery |
| 5. Pesticides | 10. Medical and dental assistance |

F. For Beneficiaries

Loan assistance may be granted to beneficiaries only in cases of extreme necessity and/or on a case-to-case basis as may be approved by the Management Committee.

IV. PERIOD OF EXTENSION OF LOAN ASSISTANCE

1. Loan assistance is normally extended to new settlers within the first three (3) years of their resettlement. When necessary, additional loan assistance may be extended to old settlers subject to the repayment scheme enumerated in this rules and regulations.
2. Subject to the approval of the Minister, subsistence rations may be extended to a maximum period of three (3) months because of crop failure due to natural calamities like typhoons, floods, draught, infestations or other causes beyond their control.
3. Medical assistance may be extended to old settlers on a case-to-case basis only in areas where no medical services are extended by the Ministry of Health. Medicines donated by the Ministry of Health or civic groups shall be issued free of charge.

V. METHODS OF EXTENSION OF LOAN ASSISTANCE

A. By Request

Upon request of the settlers and subject to the availability of funds, loan assistance is extended to settlers. This includes the following:

1. soil conditioners and fertilizers
2. seeds and seedlings
3. pesticides

B. By filing an application

Loan assistance on land preparation shall be extended to a settler upon approval of his application for land preparation. (See Standard Operating Procedure on Tractor Pool Operations.)



191

C. By Petition

Loan assistance for work animals, farm tools, and farm machinery shall be extended upon filing of petitions by the settlers together with a feasibility study showing that the petitioners have the capacity to pay back the loan and/or upon signature of the contracts by the settlers-petitioners and the Minister. (See SOP on the Acquisition of Work Animals, SOP on Farm Tools, and the SOP on Farm Machinery.)

VI. REPAYMENT SCHEME

A. The following kinds of loan assistance shall be subject to repayment commencing at the beginning of the 4th year of date of resettlement, payable within ten (10) years without interest.

- | | |
|-----------------------|-------------------|
| 1) Housing | 4) Transportation |
| 2) Medical assistance | 5) Work animals |
| 3) Subsistence | |

B. The following kinds of loan assistance should be paid in full immediately after the next harvest:

- 1) Pesticides
- 2) Fertilizers and soil conditioners
- 3) Land preparation
- 4) Seeds and seedlings

C. Farm tools - The repayment scheme for this item shall be as follows:

1. For new settlers - repayment shall commence on the fourth year payable within three (3) years, without interest.
2. For old settlers - 5% downpayment and the balance pay-



Handwritten red initials or signature.

able within two (2) years, without interest.

3. For Beneficiaries - 5% downpayment and the balance payable within two (2) years subject to the approval of the Management Committee.

D. Farm Machinery (To be covered by contracts)

1. 4-wheeled tractors from 60 hp. and up

For new settlers - No downpayment. Repayment shall commence on the 4th year payable within 10 years or 20 semi-annual payments.

For old settlers/beneficiaries - 5% downpayment and the balance in 10 years or 20 semi-annual payments.

2. Hand tractors (power tillers) and small agricultural with primemover (gasoline, kerosene, diesel)

For new settlers - No downpayment. Repayment shall commence on the 4th year, payable within seven (7) years or 15 equal semi-annual payments.

For old settlers - 5% downpayment and the balance in seven (7) years or 15 semi-annual payments.

VII. RECORDING AND COLLECTIONS

1. All items issued to a settler shall be covered by Settlers' Charge Invoice (SCI) and reflected in the Settlers' Passbook. The SCI shall contain the following:
 - a. Names of settlers to which items are issued
 - b. The quantity or number of items issued
 - c. The unit price of each item
 - d. The total amount of the items issued



- e. The date of issuance
 - f. Signature of the settlers signifying receipt of the items
 - g. Name of issuing officer
 - h. Signature of the approving officer (Team Leader)
2. There shall be a complete accounting records of all loans granted to settlers/beneficiaries. Subsidiary ledgers for each settler/beneficiary shall be regularly maintained and updated.
 3. The Team Accountant shall from time to time send the settlers statement of their accounts.
 4. The Team Leader shall see to it that collections of outstanding and due accounts shall be made regularly by bill collectors. Letters of collection, when necessary, shall be sent to the settlers/beneficiaries.

VIII. PENALTY CLAUSE

All accounts not paid after the ten-year period shall bear a legal rate of interest beginning on the eleventh year until such time that the said accounts shall be fully paid.

This rules and regulations shall take effect immediately.

December 5, 1979, Diliman, Quezon City.


 ENRADO P. ESTRELLA
 Minister

For mailing
 All Regional Directors / 10 copy each.
 PO11080

R-81 - *Maginista*

154