

DAR-Policy and Strategic Research Service. An Assessment of Payment of Land Amortization by Agrarian Reform Beneficiaries (ARBs). Diliman, Quezon City. February 1998.

The study generally aimed to assess the status of payment of land amortization by the ARBs to draw lessons from the repayment performance of ARBs who were awarded lands under the agrarian reform program. The sample areas were selected through multi-stage purposive sampling based on the highest number of agrarian reform receivables accounts reported by the Land Bank of the Philippines (LBP). A random sample of 15 percent of the total number was drawn from ARBs covered by Agrarian Reform Receivables (ARR) accounts in the sample areas. The findings show that the aggregate land value already subject of land amortization nationwide was PhP2,227,327,190 involving 224,904 accounts covering 389,522.51 hectares (as of January 1996 LBP report). Out of the 224,904 accounts, 81.5 percent have deficient payments or arrearages; 62 percent have not moved for more than three years; and only 18.4 percent have updated payments. Of the total amount of arrearages for ARBs with deficient amortization payments, 43.6 percent constitute the principal amount and 56.4 percent, the interest. Notably, the amount of interest arrearages has already exceeded the amount of principal amount. The main reason for the delinquent payment of land amortization is the ARBs' low farm production. Moreover, the payment of land amortization depends on the attitude of ARBs and their understanding of their rights and obligations as awardees of lands. The study also cites some deficiencies in the collection system: 1) ARB respondents' unawareness of the amount of their annual amortizations; 2) absence of LBP collectors; 3) non-receipt by ARB respondents of notices of collection from LBP; 4) infrequent visit of LBP personnel to collect amortization payments in the area; and 5) lack of documents on the total land value and the amount of annual amortization to be paid by the ARBs.