

Comments on House Bill No. 3160, An Act Establishing a Credit Assistance Program for Persons with Disabilities (PWDs)¹

1. The House Bill “seeks to establish a credit assistance program for persons with disabilities. This credit window will facilitate the integration of persons with disabilities to the mainstream society through available credit windows and loan facilities that will help them venture into the micro business enterprise making PWDs entrepreneurs of micro economies” [*Explanatory Note of House Bill No. 3160*].
2. The Bill invokes in Section 2. *Declaration of Policy* a certain Article XIII, Section 11 [of an unnamed law or document] as justification for the proposed legislation. Section 2 quoting from Article XIII, Section 11 states: “The state shall adopt an integrated and comprehensive approach to health and other social services available to all people at affordable cost. There shall be priority for the needs of the underprivileged, sick, elderly, disabled, women and children.”
3. It is a good state policy to provide accessible services [health and other social services] to all people, especially the underprivileged, sick, elderly, disabled, women and children, at affordable cost. This is, however, subject to the capacity of the state to provide given limited resources and competing use for those resources.
4. The Bill has the good intention of providing PWDs with the means to operate a microbusiness enterprise. It will be safe to say that this objective will find support among policy [decision] makers and other stakeholders [civil society, the church, academics, others] but the question is how to do this efficiently within the limits of available public resources.
5. The Bill seems to make automatic the grant of a loan “of not more than fifty thousand pesos from the National Council on Disability Affairs” [*Section 3. Loans, HB No. 3160*]. The loan will be given on the basis of a “valid business permit issued by a local government unit.” [*Section 3. Loans, HB No. 3160*]. It may not be prudent to dispense with the proper loan screening and assessment as done by lending institutions that seek to provide sustainable financial services to their target clientele. A loan is a big responsibility on the part of the borrower and failure to repay the loan creates problems for the borrower as well as the lending institution. The defaulting borrower may face sanctions or penalties while the lending institution loses the opportunity to [a] expand its loan portfolio, [b] provide opportunities to other borrowers, and [c] generate sufficient resources to sustain its lending operation.
6. The proposed source of the loan is the National Council on Disability Affairs, a government agency dependent on the annual GAA enacted by Congress [*Senate and the House Representatives*]. Presumably, Congress would have to provide a budgetary appropriation for a lending program that it wants NCDCA to implement. It is noted the lending program proposed by HB No. 3160 will entail a recurrent fiscal cost on top of other spending items in the government annual budget.

¹ Submitted by Gilberto Llanto, Philippine Institute for Development Studies

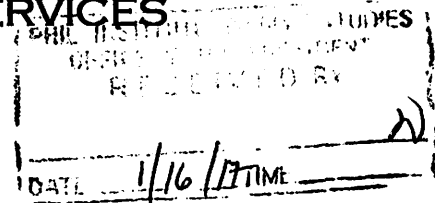


7. “The National Council on Disability Affairs (NCDA) is the national government agency mandated to formulate policies and coordinate the activities of all agencies, whether public or private, concerning disability issues and concerns. As such, the NCDA is the lead agency tasked to steer the course of program development for persons with disabilities and the delivery of services to the sector” [<http://www.ncda.gov.ph/about/> Accessed 18 January 2017]. The NCDA is neither geared nor structured to be a lending institution. It neither has the capacity nor the experience nor the expertise to engage in lending operations. The task of lending is best given to government lending institutions such as the Small Business Corporation under DTI, the Land Bank of the Philippines and the Development Bank of the Philippines. Policymakers may want to challenge these well-funded government lending institutions to formulate appropriate lending programs to meet the government’s inclusive development objectives.

8. Thank you for the opportunity to comment on this Bill.



REPUBLIC OF THE PHILIPPINES
HOUSE OF REPRESENTATIVES
COMMITTEE ON SOCIAL SERVICES



11 January 2017

DR. GILBERT M. LLANTO, Ph.D.
President
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Dear Dr. Llanto:

Greetings!

Rep. Gus S. Tambunting of the Second District of Parañaque City filed a legislative proposal which seeks to establish a credit assistance program aimed towards making persons with disabilities entrepreneurs of micro economies. Copy of which is hereto attached. The House Committee on Social Services, to which said measure was referred to, is set to deliberate on its merits soon.

In light thereof, may we request for your comments or position paper reflecting your stand on said proposals. The Committee will highly appreciate to obtain your comments/position paper on or before 26 January 2017 through e-mail (socserv_hrep@yahoo.com) or by courier (Committee on Social Services, 3rd Floor, RVM Building, House of Representatives, Batasan Hills, Quezon City).

Should you have any clarifications, the Committee can be reached through the above-mentioned contact details or at Telefax 951-4317 and 9315001 loc 7150. Thank you.

Very truly yours,

REP. SANDRA YOUNG ERIGUEL, M.D.
Chairperson

For the Chairperson:

MS. CATHERINE N. MACAPAGAL
Committee Secretary

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

SEVENTEENTH CONGRESS
First Regular Session

HOUSE BILL NO. 3160

Introduced by **HON. GUS S. TAMBUNTING**

EXPLANATORY NOTE

This bill seeks to establish a credit assistance program for Persons with Disabilities. This credit window will facilitate the integration of Persons with Disabilities to the mainstream society through available credit windows and loan facilities that will help them venture in the micro business enterprise making PWDs entrepreneurs of micro economies.

Having in mind the best interest of our PWDs and in pursuant to Article XV, Section 4 of the Constitution, it is the duty of the family to take care of members with disabilities while the State may design programs of social security for them.

In addition to this, Section 10 in the Declaration of Principles and State Policies provides: "The State shall provide social justice in all phases of national development." Further, Article XIII, Section 11 provides: "The State shall adopt an integrated and comprehensive approach to health and other social services available to all people at affordable cost. There shall be priority for the needs of the under privileged, sick, elderly, disabled women and children.

Hence, immediate passage of this bill is earnestly sought.


GUS S. TAMBUNTING

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

SEVENTEENTH CONGRESS
First Regular Session

HOUSE BILL NO. 3160

Introduced by **HON. GUS S. TAMBUNTING**

AN ACT
ESTABLISHING A CREDIT ASSISTANCE PROGRAM
FOR PERSONS WITH DISABILITIES (PWDs)

Be it enacted by the Senate and House of Representatives of the Philippines in Congress as assembled:

SECTION 1. *Short Title.* – This Act shall be known as "The Persons with Disabilities Credit Assistance Program Act of 2016"

SECTION 2. *Declaration of Policy.* – Pursuant to Article XIII, Section 11 provides: "The state shall adopt an integrated and comprehensive approach to health and other social services available to all people at affordable cost. There shall be priority for the needs of the underprivileged, sick, elderly, disabled, women and children."

SECTION 3. *Loans.* – A PWD with a valid business permit issued by a local government unit may avail of a loan of not more than Fifty Thousand Pesos (Php 50,000.00) from the National Council on Disability Affairs (NCDA) to facilitate operation of a micro business enterprise. Provided, That any of the members of his/her family not otherwise disqualified by law shall participate in the loan as co-borrower and execute necessary documentation to that effect: Provided, further, That the loan as guaranteed and released by the NCDA upon proper submission of the following documents, duly certified to in writing by the local DSWD as to their authenticity and properly certified/verified by the local government unit concerned:

- (a) business permit; and
- (b) certification from the DSWD.

The loan shall be entered into by and between the PWD and the NCDA, with the next-of-kin as the guarantor.

SECTION 4. *Payment of Loan.* – The loan shall be paid in twenty four (24) equal monthly installments at a preferred interest rate not to exceed six percent (6%) per annum to be paid directly to the NCDA. For this purpose, the applicant PWD shall execute the necessary promissory agreement.

SECTION 5. *Sanctions.* – Failure to pay the loan and/or violations of the terms imposed herein shall be sufficient ground to bar the defaulting PWD from availing future benefits and privileges for PWD and liability falls on the co-borrower.

SECTION 6. *Implementation Rules and Regulations.* – The Secretary of the Department Social Welfare and Development (DSWD) and the NCDA within sixty (60) days from the approval of this Act, shall promulgate the implementing rules and regulations for the effective implementation of the provisions of this Act.

SECTION 7. *Appropriations.* – The amount necessary to carry out the provisions of this Act upon its effectively shall be changed out of the funds of the Office of the President. Thereafter, any such sum as shall be needed for the regular implementation of this Act shall be included in subsequent General Appropriations Act following its enactment into law.

SECTION 8. *Repealing Clause.* – All laws, presidential decrees, executive orders and rules and regulations or part thereof, contrary to, or inconsistent with the provisions of this Act, are hereby repealed or modified accordingly.

SECTION 9. *Separability Clause.* – If for any reason/s, any part or provision of this Act shall be declared unconstitutional or invalid, other parts or provisions hereof which are not affected thereby, shall continue to be in full force and effect.

SECTION 10. *Effectivity.* – This Act shall take effect fifteen (15) days after its publication in any two (2) national newspapers of general circulation.

Approved,