IMPLEMENTING GUIDELINES FOR THE AMNESTY PROGRAM ON LIVELIHOOD LOANS

Read online (full-text search, related cases, audio case brief): https://batas.org/library/3978c9eb0b35/

In the interest of the service and pursuant to Executive Order No. 329 dated December 29, 2000 declaring an amnesty program for the agency's direct-lending operations in livelihood development, the following guidelines and procedures are hereby issued for the guidance of all concerned.

I. Coverage and Applications

1. The Amnesty Program shall apply to livelihood loans released under the following loan facilities: a) National Livelihood Support Fund (NLSF), b) Expanded Livelihood Fund (ELF), and c) Non-collateralized Loan Fund.

2. OFW livelihood availees, including dependents, who have availed of livelihood loans on behalf of OFWs, with arrearages as of effectivity of this Memorandum of Instruction shall be entitled to benefit from the amnesty program subject to processing and action according to policies and rules stated herein.

3. Applications for penalty condonation are to be addressed to the Regional OWWA Units (ROU) where the livelihood loan accounts originated.

II. Amount to be Condoned

The amount to be condoned shall include all penalties on delinquent loans or the remainder of the total outstanding balance and the sum of unpaid principal and interests.

III Precondition for Amnesty

In order to qualify for penalty condonation, delinquent borrowers shall be required to settle a minimum of 20% of their unpaid principal and interests as a precondition for acceptance to the Amnesty Program.

Payment of this amount may be made in the following manner:

1. Payment in full of the required fraction upon application for amnesty; or

2. Staggered payment of the required fraction over a specified period, commensurate to the amount of unpaid principal and interests, following application for amnesty. Payment options are as follows:

Unpaid Principal & Interest

Payment Period

a) P100,001.00 and above

-

six months

b) P80.001 -P100.000.00

-

five months

c) P60.001 - P80,000.00

-

four months

d) P40.001 - P60,000.00

-

three months

e) P20.001 - P40,000.00

-

two months

f) P20.000 and below

-

one payment only

Example:

Principal

Interest

Penalties

Outstanding Balance

P23,573.00

P2,425.00

P37,760.00

P63,758.00

In the above example, the client - who has an outstanding balance of P63.758.00 -had accumulated a total of P37,760.00 in penalties over years of non-payment.

These penalties will be excluded in determining the base amount.

The base amount, which is the sum of the unpaid principal and interest, will also be used in computing for the required fraction as a precondition for acceptance to the Amnesty Program.

Thus:

Step 1

Bar review courses, mock exams and a study planner that keeps you on pace - batas.org

n1

=

B

-

P

=

63,758.00

-

37,760.00

n1

=

25,998.00

After arriving at the base amount, the proponent may now choose his or her option to complete the payment of the required 20%. In this example, aside from paying in full, option 2 is also open to the proponent.

Step 2

n2

=

n1

*

.20

=

25,998.00

*

.20

n2

=

5,199.60

Following the formal approval of the application for amnesty and the payment of the required 20% what remains of the base amount will then be restructured according to the cashflow of the business or the proponent's capacity to pay.

Step 3

n3

=

n1

-

n2

=

25,998.00

-

5,199.60

n3

=

20,798.40

In this example, the remaining amount of P20.798.40 is restructured for a one year term of payment.

Loan Amount:

20,798.40

12

Interest Rate:

0.09

Mode of Payment:

Monthly

Term of Payment:

12 equal monthly amortization

1,818.85

Grace Period:

0 mo/s.

Amortization:

1,818.85

1,818.85 1,818.85

Beginning

Principal

Interest

Amortization

Ending

Period

Balance

Payment

Payment

Balance

1

20,798.40

1,662.86

155.99

1,818.85

19,135.54

1,818.85

2

19,135.54

1,675.33

143.52

1,818.85

17,460.20

3

17,460.20

1,687.90

130.95

1,818.85

15,772.30

4

15,772.30

1,700.58

118.29

Bar review courses, mock exams and a study planner that keeps you on pace - batas.org

1,818.85

14,071.75

5

14,071.75

1,713.31

105.54

1,816.85

12,358.43

6

12,358.43

1,726.16

92.69

1,818.85

10,632.27

7

10,632.27

1,739.11

79.74

1,818.85

8,893.16

8

8,893.16

1,752.15

66.70

1,818.85

7,141.01

9

7,141.01

1,765.29

53.56

1,818.85

5,375.72

10

5,375.72

1,778.53

40.32

1,818.85

3,597.18

11

3,697.18

1,791.87

26.98

1,818.85

1,805.31

12

1,805.31

1,805.31

13.54

1,818.85

0.00

TOTAL

20,798.40

1,027.81

21,826.21

IV. Procedures for Program Availment

The Amnesty Program shall be implemented in the following stages:

1. The loan availee applies in writing for acceptance to the Amnesty Program at the appro-priate ROU.

2. After thorough orientation on the guidelines of the amnesty program, the loan availee selects his preferred means to settle the initial 20% of unpaid principal and interests.

3. The application is then evaluated by the Project Officer/EvaIuator and submitted with recommendations to the Regional Supervisor for pertinent action.

4. Upon approval of the application, all penalties are deemed condoned. However, non-compliance with or

Turn this case into an audio lecture - facts, issues, ruling and doctrine - at batas.org

non-completion of the succeeding provisions of the amnesty package shall render the penalty condonation ineffectual.

5. After condonation of penalties, the outstanding balance shall be restructured up to a maximum term of three (3) years, taking into consideration the following factors:

a) the amount of unpaid principal and interests to be settled; and

b) the cash flow of the assisted business, if still existing, or the loan availee's capacity to pay

6. The restructured account shall commence only after the completion of the 20% initial payment and the official approval of the application for penalty condonation.

7. Current interest rates of the modified livelihood program shall be applied for the adjusted repayment period.

8. A promissory note for the restructured account shall be prepared by the concerned ROU and shall be notarized at the expense of the applicant.

V. FORECLOSURE/CANCELLATION

The accounts of borrowers who fail to avail of the Amnesty Program or those who would undergo the initial phase of application but who fail to complete the process shall automatically become due and demandable and shall be subject to immediate foreclosure/ cancellation.

VI. APPLICATION OF PAYMENT FOR NON-COMPLETED TERMS

In the event of a non-completed term of payment under the Amnesty Program, the partial payments received shall be applied in the following order: 1) penalties, 2) interest, and 3) principal.

VII. OTHER PROVISIONS

Accounts already foreclosed with property titles or proofs of ownership in case of chattel mortgage, still not consolidated in the name of OWWA may avail of the program, provided that all expenses relative to the foreclosure are paid together with the accrued interest on the loan from the time of foreclosure.

Foreclosure proceedings shall likewise be suspended during the effectivity of the Amnesty Program to allow borrowers to avail of the benefits of the program.

Exceptional loan cases pertaining to the Amnesty Program that may not be resolved at the Regional Level may be referred to the Office of the Administrator for resolution.

VIII. PROCEEDS FROM THE AMNESTY PROGRAM

In consonance with MOI No. 2, Series of 2000, loan collections resulting from the implementation of the Amnesty Program shall be retained in the ROUs as part of the Expanded Livelihood Development Program's financial resources.

1. Collections from the NLSF and ELF accounts, whether individual or group projects, shall be utilized to augment existing funds of the LDPO's Direct Lending For Individual Entrepreneurs.

2. Collections from Non-collateralized accounts shall be used to augment existing funds of the Re-Entry Loan for Displaced Workers.

Bar review courses, mock exams and a study planner that keeps you on pace - batas.org

IX. FEES AND CHARGES

Consistent with its objectives, there shall be no processing or other fees to be charged to availees under the Amnesty Program.

X. EFFECTIVITY

Loan availees with arrears may avail of the Amnesty Program for a period of one year upon signing of this Memorandum of instruction and immediately following compliance with publication requirements.

Applications for the Amnesty Program shall be accepted until the last day of implementation of the Executive Order in order to accomodate all those who may wish to avail of its benefits.

This Memorandum of Instruction shall take effect immediately.

Adopted: 23 Feb. 2001

(SGD.) VIRGINIA DG.SON
Officer-in-Charge

ABOUT BATAS.ORG

Study smarter at BATAS.org

The Philippine bar review and law-school companion built around how your brain actually remembers.

The complete Philippine law library - free for everyone.

More than 100,000 Supreme Court decisions, Republic Acts, and executive issuances - full-text searchable, browsable by category and year, and always free. No paywall, no login. This PDF came from it.

Audio case-brief lectures.

Any decision becomes a podcast-style lecture - facts, issues, ruling, and doctrine - with read-along highlighting and a hands-free presentation mode. Study while commuting, working out, or resting your eyes.

Bar review built on the science of memory.

Complete, sequenced courses for all eight bar subjects, narrated like podcasts and reinforced with retrieval practice and spaced review - the study techniques with the strongest evidence behind them.

The full law-school curriculum.

One subscription unlocks the entire J.D. curriculum - every subject, every lesson, with your progress tracked down to the paragraph so you can pick up exactly where you left off, on any device.

Mock exams that tell you where you stand.

Timed multiple-choice exams graded instantly, with per-subject score breakdowns and focus suggestions that point you at your weakest topics first.

A study planner that keeps you on pace.

Set your schedule and BATAS tells you every day whether you are on track for bar day - and exactly which lesson to take next.

Start free at https://batas.org

The law library is free forever - and your first lesson is one click away.

The text of this document is an official public record and remains in the public domain. Formatting, presentation, and compilation © 2026 batas.org.

Downloaded free from the batas.org Law Library. Share it freely - the library is free for every law student, bar reviewee, and practitioner.