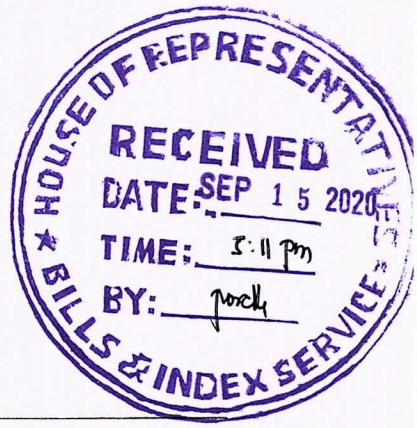

EIGHTEENTH CONGRESS)
REPUBLIC OF THE PHILIPPINES)
Second Regular Session)

HOUSE OF REPRESENTATIVES

Introduced by Representative Rufus B. Rodriguez

House Res No. 1212

A RESOLUTION
URGING THE BANGKO SENTRAL NG PILIPINAS TO MANDATE THAT PAWNSHOPS CHARGE LOWER INTEREST RATES DURING THIS COVID-19 PANDEMIC

WHEREAS, during this COVID-19 pandemic and due to the quarantine restrictions being imposed by the government, many Filipinos are unable to work and some have lost their jobs;

WHEREAS, because of this, many are deprived of their opportunity to earn resulting in them being unable to pay their bills, including rent and utilities;

WHEREAS, one recourse that they have is to go to pawnshops and pawn their belongings;

WHEREAS, an opportunity arises for unscrupulous pawnshops to take advantage and raise interest rates being charged;

WHEREAS, many Filipinos see pawnshops as being more accessible compared to banks because they require fewer requirements;

WHEREAS, during recent months when the country was placed in different degrees of quarantine, one can see long lines in pawnshops;

WHEREAS, under the Bangko Sentral ng Pilipinas (BSP) Circular 938, it is provided that "The rate of interest including surcharges on any loan or forbearance of money extended by a pawnshop shall be in accordance with market conditions. However, such interest rate shall not be iniquitous, unconscionable, or contrary to morals, if not against the law as may be determined by the Court. These shall also be properly declared in accordance with the Truth in Lending Act";

WHEREAS, during this pandemic, it is just proper for the BSP to help our fellow Filipinos and mandate that pawnshops charge lower interest rates;

WHEREAS, there are already many problems facing Filipinos right now and high interest rates should not be one of them.

NOW THEREFORE BE IT RESOLVED, by the House of Representatives to urge the Bangko Sentral ng Pilipinas to mandate that pawnshops charge lower interest rates during this COVID-19 pandemic

Adopted,

RUFUS B. RODRIGUEZ