



S E N A T E

S. No. 1744*

PREPARED BY THE COMMITTEE ON BANKS, FINANCIAL
INSTITUTIONS AND CURRENCIES, WITH SENATORS GATCHALIAN,
PADILLA, VILLANUEVA, PANGILINAN, ZUBIRI, GO, TULFO (E.),
AND TULFO (R.) AS AUTHORS THEREOF

AN ACT REGULATING DEBT COLLECTION
PRACTICES TO PROTECT DEBTORS FROM
ABUSES, HARASSMENT, UNFAIR TREATMENT,
AND MISREPRESENTATION

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

1 SECTION 1. *Short Title.* – This Act shall be known as
2 the “Fair Debt Collection Practices Act”.

3 SEC. 2. *Declaration of Policy.* – The State shall prohibit
4 and eliminate the use of abusive, deceptive, and unfair debt
5 collection practices to protect debtors against abuse and
6 harassment from unscrupulous lenders and debt collectors.
7 Consistent with Republic Act No. 11765
8 or the “Financial Products and Services Consumer

1 Protection Act”, the State shall uphold the principles of fair
2 treatment, transparency, and accountability in debt collection.

3 SEC. 3. *Definition of Terms.* – As used in this Act:

4 (a) *Debt Collector* refers to any person (1) who uses
5 any instrumentality or business, the principal purpose of
6 which is the collection of debts; or (2) who regularly collects
7 or attempts to collect, directly or indirectly, debts owed or
8 asserted to be owed to another. It includes creditors who
9 have in-house collectors or employees/officers who, by
10 reason of their employment/office, engage in debt collection
11 for the former, or any creditor who, in the process of
12 collecting debts, uses any name other than one’s own to
13 give the impression that a third person is collecting or
14 attempting to collect such debt. It also includes a debt
15 collection agency or a third-party service provider engaged
16 by a creditor to collect debts owed by another. This
17 definition shall not include:

18 (i) A business that acquires a debt or debts through the
19 seizure of accounts receivable under a security agreement;

1 (ii) A corporation that acquires or merges with a
2 business and thereby acquires the latter's accounts
3 receivable;

4 (iii) A person to whom the contract that gave rise to the
5 debt was assigned for the purpose of financing the transaction;

6 (iv) Any officer or employee of the national or local
7 government to the extent that collecting or attempting to
8 collect any debt is in the performance of their official duties;

9 (v) Any person serving or attempting to serve legal
10 process on any other person in connection with the judicial
11 enforcement of any debt; and

12 (vi) Any attorney-at-law collecting a debt on behalf of
13 a client.

14 (b) *Contact* refers to any communication, whether in
15 person, by telephone, mobile phone, facsimile, e-mail,
16 automated call system, text messaging, voicemail,
17 answering machine, or any other electronic/digital mode,
18 including messages left for a debtor with another person,
19 by voicemail, on an answering machine, or any other form

1 of communication not specifically excluded. This definition
2 shall not include communications that the debtor expressly
3 consented to or solicited in advance.

4 (c) *Creditor* refers to a person who has extended
5 credit to a debtor, including credit in the form of a sale on
6 credit, a loan of money, or the provision of goods and
7 services on credit. It includes a financing company and a
8 lending company.

9 (d) *Debt* refers to a legally enforceable monetary
10 obligation owed by a debtor, including a purchase on credit,
11 accounts receivable, a loan of money, or the provision of
12 goods or services.

13 (e) *Debtor* refers to an individual who owes a debt,
14 personally or as the owner of a sole proprietorship, a
15 partner in a partnership, or an individual who has
16 provided a personal guarantee.

17 (f) *Express Consent* refers to consent verifiable
18 through writing, whether in electronic or printed form, or
19 audio recordings.

1 (g) *Financing company* refers to a corporation
2 primarily organized to extend credit facilities to consumers
3 and to industrial, commercial, or agricultural enterprises,
4 whether by direct lending; by discounting or factoring
5 commercial papers or accounts receivable; by buying and
6 selling contracts, leases, chattel mortgages, or other
7 evidence of indebtedness; or by financial leasing of movable
8 as well as immovable property. It does not include banks,
9 investment houses, savings and loan associations,
10 insurance companies, cooperatives, and other financial
11 institutions organized and operating under other special
12 laws.

13 (h) *Lending company* refers to a corporation engaged
14 in granting loans from its own capital funds or from funds
15 sourced from not more than nineteen (19) persons. It does
16 not include banking institutions, investment houses,
17 savings and loan associations, financing companies,
18 pawnshops, insurance companies, cooperatives, and other
19 credit institutions already regulated by law. The term shall
20 be synonymous with lending investors.

1 (i) *Online Lending Platform (OLP)* refers to mobile
2 lending applications, websites, and other financial
3 technology (FinTech)-enabled programs or systems where
4 the services and products of financing companies and
5 lending companies are available.

6 (j) *Representative* means a person duly authorized
7 by the debtor or creditor, as applicable, to contact or be
8 contacted in relation to the debt.

9 SEC. 4. *Acquisition of Location Information.* – Any
10 creditor or debt collector communicating with any person
11 other than the debtor for the purpose of locating the latter
12 shall ensure, prior to collection of personal data, that the
13 processing is specific for the declared purpose and is
14 authorized by the debtor, or is otherwise not protected
15 under Republic Act No. 10173 or the “Data Privacy Act of
16 2012”, or other applicable laws, and that the acquisition is
17 not otherwise prohibited by law;

18 They shall identify themselves, state that they are
19 collecting, confirming, or correcting location information

1 concerning the debtor, and if requested, identify their
2 employer.

3 They shall not:

4 (a) Access, use, or process the debtor's phone contact
5 list and shall only communicate with the representative of
6 the debtor as defined in this Act;

7 (b) State any detail about the debt or loan contract,
8 except the fact of its existence;

9 (c) Communicate with any such person more than
10 once unless the person requests it or unless such creditor
11 or debt collector reasonably believes that the earlier
12 response was erroneous or incomplete and that the person
13 now has correct or complete location information;

14 (d) Communicate by post card; and

15 (e) Use any language or symbol on any envelope or
16 in the contents of any communication indicating that the
17 debt collector is in the debt collection business or that the
18 communication relates to the collection of debt.

1 The foregoing notwithstanding, should a creditor or
2 debt collector discover that, with regard to the subject debt,
3 the debtor is represented by an attorney whose name and
4 address can be readily ascertained, such creditor or debt
5 collector shall be prohibited from communicating with any
6 other person under this section, unless the attorney fails to
7 respond within a reasonable period of time to the
8 communication from the debt collector.

9 SEC. 5. *Allowable Debt Collection Practices.* –
10 Creditors and debt collectors may use all reasonable and
11 legally permissible means to collect amounts due them
12 under the loan agreement such as undergoing mediation,
13 arbitration, or other forms of alternative dispute
14 resolution, or filing the appropriate complaint before the
15 proper court, among other reconciliatory or judicial means:
16 *Provided*, That in the exercise of their rights and
17 performance of their duties, they observe good faith and
18 reasonable conduct, and not engage in unduly intrusive,
19 abusive, unfair, and untoward conduct prohibited under
20 this Act.

1 SEC. 6. *Prohibition Against Harassment or Abuse.* –

2 Financing companies, lending companies, and debt
3 collectors shall not harass or engage in oppressive or
4 abusive conduct in connection with the collection of a debt.

5 They shall not:

6 (a) Use or threaten violence or other criminal means
7 on the person, reputation, or property of the debtor or their
8 family;

9 (b) Use insults, obscene or profane language that
10 abuses or shames the debtor or their family, or which
11 amounts to a criminal act or offense under applicable laws;

12 (c) Disclose, publish, or post the names and other
13 personal information of the debtor who allegedly refuses to
14 pay debts, except as may be allowed under Section 11 of
15 this Act;

16 (d) Advertise for sale any debt to coerce payment;

17 (e) Call, repeatedly and incessantly, the debtor, their
18 family, or any person other than the debtor or engage any
19 such person in telephone or mobile phone conversation

1 repeatedly or continuously, with intent to annoy, abuse, or
2 harass;

3 (f) Make telephone or mobile phone calls without
4 meaningful disclosure of the caller's identity, except where
5 such disclosure is specifically prohibited under this Act;

6 (g) Send text blasts or indiscriminate messaging to a
7 debtor's phone contact list for the purpose of collecting an
8 outstanding loan; and

9 (h) Other analogous circumstances.

10 SEC. 7. *False or Misleading Representations.* —
11 Creditors and debt collectors shall not use any false,
12 deceptive, or misleading representation or means in
13 connection with the collection of any debt. The following
14 acts shall be considered violations of this section:

15 (a) The unauthorized use of any badge, uniform, or a
16 facsimile thereof;

17 (b) The false representation on the following: (1) the
18 character, amount, or legal status of any debt; or (2) any

1 service rendered or compensation which may be lawfully
2 received by any debt collector for the collection of the debt;

3 (c) The false representation or implication that an
4 individual is: (1) an attorney or that any communication is
5 from an attorney; or (2) an employee or personnel of the
6 government, or that any communication is from such
7 government agency or office;

8 (d) The representation or implication that non-
9 payment of any debt will result in the arrest or
10 imprisonment of any person, or in the seizure,
11 garnishment, attachment, or sale of any property or wages,
12 unless such non-payment is unlawful and the debt collector
13 or creditor intends to take legal action;

14 (e) Threatening to take any action that cannot be
15 legally taken;

16 (f) The false representation or implication that a
17 sale, referral, or other transfer of interest in a debt shall
18 cause the debtor to:

1 (1) Lose any claim or defense in relation to the
2 payment of the debt; or

3 (2) Become subject to any practice prohibited by this Act;

4 (g) The false representation or implication that the
5 debtor committed any crime or other similar conduct
6 contrary to the provisions of this Act;

7 (h) Communicating or threatening to communicate
8 to any person false credit information, including the failure
9 to communicate the fact that a debt is disputed;

10 (i) The use or distribution of any written
11 communication which simulates, or is falsely represented
12 to be, a document authorized, issued, or approved by any
13 court, official, or agency of the national or local
14 government, or which creates a false impression as to its
15 source, authorization, or approval;

16 (j) The use of any false representation or deceptive
17 means to collect or attempt to collect any debt, or to obtain
18 information concerning a debtor;

1 (k) The failure to clearly disclose in all
2 communications that any information obtained will be
3 used for that purpose, except in instances where disclosure
4 of such information is specifically prohibited in this Act;

5 (l) The false representation or implication that accounts
6 have been turned over to innocent purchasers for value;

7 (m) The use of any business, company, or
8 organization name other than the true name of the creditor
9 or debt collector's business, company, or organization;

10 (n) Giving any person, directly or indirectly, by
11 implication or otherwise, any false or misleading
12 information in relation to the collection of debt, including
13 references to the police, a law firm, prison, credit history,
14 court proceedings, or a lien or garnishment; and

15 (o) Any analogous circumstances.

16 SEC. 8. *Unfair Collection Practices.* – Creditors and
17 debt collectors shall not use unfair or unconscionable
18 means to collect or attempt to collect any debt. The
19 following acts shall be considered violations of this section:

1 (a) The collection of any amount other than the
2 principal obligation, including any interest, fee, charge, or
3 incidental expense, unless such amount is expressly
4 authorized by the agreement creating the debt or
5 permitted by law;

6 (b) The acceptance by a debt collector from any
7 person of a check or other payment instrument postdated
8 by more than five (5) days, unless such person is notified in
9 writing of the debt collector's intent to deposit such check
10 or instrument not less than three (3) working days prior to
11 such deposit;

12 (c) Threatening to deposit any postdated check or
13 instrument prior to the date on such check or instrument;

14 (d) Causing communication fees or charges to be
15 imposed on any person by concealing the true purpose of
16 the communication, including through collect telephone
17 calls, telegrams, or similar means;

1 (e) Taking or threatening to take any non-judicial
2 action to effect dispossession of property or to render it
3 inoperable if:

4 (1) There is no present right to possession of the
5 property claimed as collateral through an enforceable
6 security interest;

7 (2) There is no present right to take possession of
8 the property; or

9 (3) The property is exempt by law from such
10 dispossession or from being rendered inoperable;

11 (f) Using any language or symbol, other than the
12 debt collector's address on any envelope when
13 communicating with a debtor by mail or by telegram; and

14 (g) Processing or disclosure of debtor's personal data
15 without lawful basis or in a manner that is unnecessary,
16 inadequate, irrelevant, unsuitable, or excessive, in relation
17 to the specified and declared purpose.

18 SEC. 9. *Other Prohibited Acts and Practices.* – No debt
19 collector shall:

1 (a) Collect or attempt to collect money for a creditor
2 except on the belief in good faith that the money is due and
3 owed by the debtor to the creditor;

4 (b) Fail to provide a contact number for the debtor to
5 call when the debt collector uses an automated call system
6 to contact the debtor;

7 (c) Collect or attempt to collect a debt without
8 providing the real name of the agent or representative of
9 the debt collector, the contact number, the registered
10 name, and address of the debt collector;

11 (d) Make any arrangement with a debtor to accept,
12 as final settlement, a sum of money, that is less than the
13 amount of the balance due and owing to a creditor without
14 the prior express consent of the latter;

15 (e) Fail to provide a written report on the account
16 status of any person with whom the debt collector
17 transacts;

18 (f) Make a call to the debtor or any person other
19 than the debtor for the purpose of collecting or attempting

1 to collect a debt on any day outside the window of 6AM to
2 10PM unless the debtor has given express consent or
3 unless said hours are the only reasonable or convenient
4 opportunities for contact;

5 (g) Directly or indirectly threaten or state an
6 intention to proceed with any action for which the debt
7 collector does not have the prior express consent of the
8 creditor or for which there is no lawful authority;

9 (h) Continue to collect or attempt to collect money
10 from, or to communicate with:

11 (1) A person who has informed the debt collector
12 that he or she is not the debtor, unless the debt collector
13 has taken all reasonable precautions to ensure that the
14 person is in fact the debtor; or

15 (2) The debtor, after he or she has informed the debt
16 collector, through verifiable means, that the debt is in
17 dispute and that either the creditor or the debtor has taken
18 the matter to court;

1 (i) Contact the debtor's spouse, relative, neighbor,
2 friend, or acquaintance unless the contact is limited to the
3 purpose of confirming or correcting the debtor's residential
4 address or contact details;

5 (j) Contact the debtor's employer for any purpose
6 other than to confirm the debtor's employment status,
7 business title, and the address of the business, in
8 preparation for legal proceedings;

9 (k) Contact the debtor directly after the latter has
10 notified the debt collector in writing to communicate only
11 with the debtor's representative, providing therein the
12 current address and telephone number of such
13 representative for the purpose of:

14 (1) Making reasonable arrangements to discuss the
15 debt with the debt collector; and

16 (2) Discussing the debt with the debt collector in
17 accordance with such arrangements;

18 (l) Contact a debtor at his or her place of
19 employment after the debtor has requested the debt

1 collector not to do so: *Provided*, That the debtor makes
2 reasonable arrangements to discuss the debt with the debt
3 collector and actually discusses the debt in accordance with
4 such arrangements;

5 (m) Communicate information about the debt or the
6 existence of the debt with a person other than the debtor, a
7 guarantor of the debt, the debtor's representative, or the
8 creditor, unless the debtor has expressly consented to
9 communicating such information to persons other than
10 those enumerated herein;

11 (n) Refuse to provide sufficient information on the
12 identity of the original and current creditor, as well as the
13 details of the debt, upon request of the debtor;

14 (o) Enter into or arrange automatic wage or salary
15 assignments with a debtor or the employer of a debtor
16 without the debtor's consent;

17 (p) Cancel or alter a payment agreement with a
18 debtor after the latter has complied with the terms of the
19 agreement and the debtor's financial circumstances have

1 not changed materially, unless the debtor has
2 misrepresented his or her financial circumstances;

3 (q) Process debtor's contact list, in whatever form, in
4 a manner that is unconstrained, excessive, and
5 disproportional to the specified and declared purpose; or

6 (r) Treat the debtor's representative as defined in
7 this Act as a guarantor or a surety.

8 SEC. 10. *Prohibited Agreements.* – Any agreement
9 entered into by the debtor and the debt collector shall be
10 deemed void if that agreement:

11 (a) Misrepresents the rights and powers of a person
12 collecting or attempting to collect a debt;

13 (b) Misrepresents the obligations or legal liabilities
14 of a debtor;

15 (c) Is misleading as to its true nature and purpose; or

16 (d) Requires or results in the debtor's waiver of any
17 of his or her rights under this Act.

1 SEC. 11. *Confidentiality of Information.* – Creditors
2 and debt collectors shall keep the data on the debtor
3 strictly confidential, except under the following
4 circumstances:

5 (a) Disclosure of information with the written
6 consent of the debtor specific to the declared purpose, or
7 when authorized under existing laws;

8 (b) Release, submission, or exchange of customer
9 information with other financial institutions, credit
10 information bureaus, lenders, their subsidiaries and
11 affiliates in accordance with relevant provisions of
12 Republic Act No. 10173;

13 (c) Upon order of a court of competent jurisdiction or
14 any government office or agency authorized by law;

15 (d) Disclosure by creditors to debt collectors,
16 counsels, and other agents to enforce their rights against
17 the debtor; and

18 (e) Disclosure to third parties, such as insurance
19 companies, solely to insure the creditor from default of the

1 debtor or other credit loss, or insuring the debtor from
2 fraud or unauthorized charges.

3 In any case, creditors shall retain ownership and
4 accountability for debtors' data handled by their debt
5 collectors, collection agents, or third-party service providers.

6 SEC. 12. *Issuance of Receipts.* – Every debt collector
7 shall issue an acknowledgment receipt for all cash
8 transactions, payments made in person, or payments made
9 by the debtor. Such acknowledgment receipt shall contain
10 the following information:

11 (a) The date the amount is collected or received;

12 (b) The name of the debtor;

13 (c) The name of the person on whose behalf the debt
14 collector acts;

15 (d) The amount received from the debtor; and

16 (e) The signature of the debt collector.

17 SEC. 13. *Settlement Agreement.* – Once a debt collector
18 reaches a settlement agreement with a debtor and the

1 amount in such agreement has been paid in full, the debt
2 collector shall issue to the debtor an invoice containing the
3 following information:

4 (a) The amount paid;

5 (b) The name of the creditor or creditors;

6 (c) A statement that the amount received is in final
7 settlement of the debt/s owed; and

8 (d) The signature of the debt collector.

9 SEC. 14. *Request for Accounting.* – Upon the request
10 of the debtor, the debt collector shall provide a complete
11 accounting of all the details of the debt: *Provided*, That if
12 such accounting is not in the possession of the debt
13 collector, the latter must request the creditor to provide the
14 same: *Provided, further*, That if the creditor fails to provide
15 a complete accounting of the debt within thirty (30) days
16 after receiving a request therefor, the debt collector must:

17 (a) Inform the debtor in writing that it cannot
18 provide the accounting and the reasons for the same; and

1 (b) Cease all collection activity for that account and not
2 resume collection activity until the accounting is provided.

3 A debtor may request a complete accounting only
4 once every six (6) months, unless the debt collector fails to
5 provide the complete accounting as requested: *Provided*,
6 That in the case of short-term loans offered by creditors,
7 the Securities and Exchange Commission (SEC) may
8 prescribe the appropriate periods for the provision of the
9 accounting and the frequency of such requests by the debtor.

10 SEC. 15. *Loan Cost Transparency and Calculator.* –
11 All creditors utilizing OLPs that are operating in the
12 Philippines shall integrate within their application or
13 digital platform a Loan Cost Calculator that:

14 (a) Allows prospective and existing debtors to
15 compute, in real time, the total amount payable for any
16 debt or loan product offered or outstanding, including, but
17 not limited to:

18 (1) The principal amount;

1 (2) The interest charges, expressed both as a rate
2 and monetized amount;

3 (3) All fees, penalties, charges, and other costs
4 associated with the debt or loan contract; and

5 (4) The schedule of amortization or payment
6 breakdown over time.

7 (b) Must be accessible, clearly visible before the
8 prospective debtor executes or signs any loan agreement, and
9 available at any time during the existence of the loan;

10 (c) Must dynamically update calculations when any
11 changes in the debt or loan terms occur, including, but not
12 limited to, restructuring, refinancing, and imposition of
13 additional fees; and

14 (d) Must present results in a user-friendly format,
15 with clear, itemized breakdowns and plain language
16 explanations.

17 SEC. 16. *Administrative Penalties.* – The SEC shall
18 issue rules and regulations for the implementation of the

1 provisions of this Act and for the imposition of reasonable
2 administrative penalties for violations thereof.

3 For this purpose, the SEC may prescribe and impose
4 penalties such as monetary fines not exceeding One million
5 pesos (P1,000,000.00); suspension of financing and lending
6 activities; and/or revocation of the erring creditor's
7 Certificate of Authority to Operate as a Financing or
8 Lending Company.

9 *SEC. 17. Civil Liability. –*

10 (a) *Amount of Damages. –* Any creditor or debt
11 collector who violates any of the provisions of this Act with
12 respect to any person shall be liable to such person in an
13 amount equal to the sum of:

14 (1) The damages sustained by such person as a
15 result of the violation;

16 (2) In the case of any action by an individual, such
17 additional damages as the court may allow, but not
18 exceeding Thirty thousand pesos (P30,000.00); or

1 (3) In the case of a class action, such amount for
2 each named plaintiff as could be recovered under
3 paragraphs (1) and (2), as well as such additional amount
4 as the court may allow for all other class members:
5 *Provided*, That such additional damages shall not exceed
6 Sixty thousand pesos (P60,000.00) or one percent (1%) of the
7 net worth of the creditor or debt collector, whichever is higher.

8 (b) *Factors to be Considered by the Courts.* – In
9 determining the amount of liability under paragraph (a) of
10 this section, the courts shall consider, along with other
11 relevant factors, the following:

12 (1) In any individual action under paragraph (a)(2)
13 of this section, the frequency and persistence of non-
14 compliance by the creditor or debt collector, the nature of
15 such non-compliance, and the extent to which such non-
16 compliance was intentional; and

17 (2) In any class action under paragraph (a)(3) of this
18 section, the frequency and persistence of non-compliance
19 by the creditor or debt collector, the nature of such non-

1 compliance, the resources of the creditor or debt collector,
2 the number of persons adversely affected, and the extent to
3 which the creditor or debt collector's non-compliance was
4 intentional.

5 (c) *Intent.* – A creditor or debt collector may not be
6 held liable in any action brought under this section if the
7 creditor or debt collector shows by a preponderance of
8 evidence that the violation was not intentional and
9 resulted from an error in good faith.

10 (d) *Jurisdiction.* – An action to enforce any liability
11 under this Act may be brought in any court of appropriate
12 jurisdiction.

13 SEC. 18. *Solidary Liability.* – A creditor shall be
14 responsible for ensuring that its debt collectors, authorized
15 representatives, or third-party service providers engaged
16 in debt collection comply with this Act and all applicable
17 laws, rules, and regulations. The creditor shall be solidarily
18 liable with such agents or service providers for any violation
19 of this Act committed in the course of debt collection.

1 SEC. 19. *Debtor Complaints and Redress Mechanism.* –

2 Financing and lending companies shall establish and
3 maintain a customer service department, with actual
4 human agents and not merely machines or bots, who shall
5 be responsible for promptly addressing questions and
6 concerns of debtors and serve as an internal complaint-
7 handling and redress mechanism that is accessible,
8 transparent, and free of charge. The SEC shall oversee
9 compliance with this requirement and provide an external
10 redress mechanism for escalation of unresolved complaints,
11 including an accessible online platform for reporting
12 violations of this Act.

13 The SEC shall have a dedicated complaints desk to
14 address violations of this Act and shall act on complaints
15 received through such desk within five (5) working days
16 from receipt. Failure of the responsible public official or
17 employee to act on any complaint within the prescribed
18 period shall constitute simple neglect of duty, subject to
19 the filing of the appropriate administrative action based on
20 prevailing Civil Service Commission rules and regulations:

1 *Provided*, That in cases where the delay is due to *force*
2 *majeure* or other analogous circumstances, the prescribed
3 period shall be suspended, and appropriate adjustments
4 shall be made: *Provided, further*, That in such cases of
5 justifiable delay, the responsible public official or employee
6 shall notify the complainant of the reason for the delay and
7 the adjusted period to act on the complaint.

8 SEC. 20. *Information and Education Campaign.* – The
9 SEC shall conduct a continuing information and education
10 campaign to inform the general public of their rights under
11 this Act. It shall inform financial consumers on how to
12 identify abusive, deceptive, and unfair debt collection
13 practices and on how to avail of their rights including
14 requests for accounting or issuance of receipts, use of the
15 loan cost calculator, and other available redress
16 mechanisms.

17 SEC. 21. *Temporary Restraining Order.* – In cases
18 where the creditor or debt collector resorts to the use of
19 threat, intimidation, or commission of other crimes as a

1 means of effecting debt collection, the debtor may apply for
2 a temporary restraining order (TRO) or injunction against
3 such creditor or debt collector before the appropriate
4 courts. The application shall be supported by affidavits and
5 other evidence to establish the use of threat, intimidation,
6 or commission of other crimes.

7 SEC. 22. *Good Faith Requirement.* – The protections
8 under this Act shall only apply to debtors who invoke them
9 in good faith and shall not be available to those who invoke
10 such protections to evade payment of their obligation.

11 SEC. 23. *Interpretation.* – In case of doubt, the
12 provisions of this Act, including its implementing rules and
13 regulations and any subsequent issuances of the
14 implementing agencies, shall be construed in a manner
15 that accords the highest respect for human dignity, human
16 rights, and individual privacy.

17 SEC. 24. *Separability Clause.* – If any provision of
18 this Act is declared invalid or unconstitutional, the

1 remainder thereof not otherwise affected shall remain in
2 full force and effect.

3 SEC. 25. *Repealing Clause.* – All laws, presidential
4 decrees, executive orders, presidential proclamations, rules
5 and regulations, or parts thereof contrary to or inconsistent
6 with this Act are hereby repealed or modified accordingly.

7 SEC. 26. *Effectivity.* – This Act shall take effect after
8 fifteen (15) days following its publication in the *Official*
9 *Gazette* or in a newspaper of general circulation.

Approved,