

**CERTIFICATE OF LAND OWNERSHIP AWARD/FREE PATENTS; AS COLLATERAL FOR LOANS**

- *"CLOAs can be legally used as collateral for loans. While Section 27 of R.A. 6657 expressly provides that lands acquired by beneficiaries under said Act may not be sold, transferred or conveyed except thru hereditary succession, or to the government, or to the LBP, or to other qualified beneficiaries for a period of ten (10) years, such prohibition applies only to transactions where ownership is parted with. Said provision of law does not apply to the contract of mortgage, because ownership still remains with the mortgagor. As held by the Supreme Court in the case entitled "Eleazar and Elena Adlawan vs. Hon. Judge Ramon Torres" (G.R. Nos. 65957-58, July 5, 1994), by mortgaging a piece of property, a debtor merely subjects it to lien, but ownership is not parted with. Such being the case, a mortgage is not one of the transactions referred to in the aforementioned provision."*

DAR Opinion No. 01, s. 2005  
February 08, 2005

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- Since the PNOC is a Government-owned and controlled corporation (GOCC), it is one of those contemplated under Section 118 of the Public Land Act (**Commonwealth Act No. 141**) as exempt from the prohibition against encumbrance or alienation of lands covered by free patent titles.
- In view of the foregoing, PNOC may accept Certificates of Land Ownership Award (CLOAs) and free patent titles as collaterals for loan.

DAR Opinion No. 01, s. 2005  
February 08, 2005

**COMPENSATION; SUBJECT TO THE DETERMINATION OF DAR OFFICER/ADJUDICATOR**

- As to how much share the tenants should be entitled, sound judgment dictates that the DAR Officer/Adjudicator concerned should determine what would be just and equitable under the circumstances with due regard to the tenant-lessees.

DAR Opinion No. 15, S. 2005  
April 18, 2005

**COMPULSORY ACQUISITION; LANDS COVERED BY COMPULSORY ACQUISITION**

- Compulsory acquisition (CA) is mandatory for all private agricultural lands which become due for coverage under the phase of implementation provided in Section 7 of R.A. No. 6657. CA is also done in idle and abandoned lands regardless of their size and phasing and in lands whose commercial farm deferment is revoked. However, CA is suspended in those cases where the landowners opt for other modes of compliance, such as voluntary offer to sell or voluntary land transfer. However, CA is resumed once the negotiations in these other modes fail.

DAR Opinion No. 17, s. 2002  
June 07, 2002