

**[ REPUBLIC ACT NO. 66, October 18, 1946 ]**

**AN ACT TO AMEND COMMONWEALTH ACT NUMBERED SIX HUNDRED AND EIGHTY-NINE, ENTITLED "AN ACT TO PENALIZE SPECULATION ON RENTS OF BUILDINGS DESTINED FOR DWELLING PURPOSES."**

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

SECTION 1. Sections one, two, three, four, five, eight, nine, ten, eleven, and fourteen of Commonwealth Act Numbered Six hundred and eighty-nine are hereby amended to read as follows:

"SECTION 1. A lease for the occupation as dwelling of a building or part thereof which is not a room or rooms of an hotel, or lot, which does not specify any term, shall be considered of one year's duration counted from the date of occupation by virtue of said lease at the option of the lessee. Building used both as dwelling of the lessee and also as place of business of the latter for home industries intended for the support of the family shall be deemed included in the provisions of this Act.

"SEC. 2. In a suit for ejection or for the collection of rents due and payable by virtue of a contract of lease of buildings destined solely for dwelling, not being a room or rooms of an hotel, and lots, the fact that the rents are unjust and unreasonable shall constitute a valid defense. Except as provided in section twelve of this Act, no lessee or occupant shall be ejected in cases other than for willful and deliberate nonpayment of rents or when the lessor has to occupy the building leased.

"SEC. 3. The said rents shall be presumed unjust and unreasonable if the amount thereof per annum exceeds twenty *per centum* of the annual assessment value of the building and the lot on which it is erected, if both belong to the lessor, or of the actual assessment value of the building in addition to all rent paid on the lot if said lot belongs to another person. In the case of the lease for the occupation of a lot, the rents shall be presumed unjust and unreasonable if the amount thereof per annum likewise exceeds twenty *per centum* of the annual assessment value of the said lot. If the lessee occupies only part of the building or lot, the actual assessment value corresponding to the part occupied by him, shall be determined proportionally.

"Whenever a verbal or written contract of lease for the occupation as dwelling of a building or part thereof is entered into, the lessor and the lessee shall file individually and separately in the office of the mayor of the city or municipality where the building is located an affidavit stating