



## HOUSE OF REPRESENTATIVES

H. No. 6872

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BY REPRESENTATIVES DEL MAR, LOPEZ (J.), VILLAFUERTE AND ROMUALDEZ,  
PER COMMITTEE REPORT NO. 2414

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AN ACT FURTHER STRENGTHENING NON-STOCK SAVINGS AND  
LOAN ASSOCIATIONS, AMENDING FOR THE PURPOSE  
REPUBLIC ACT NO. 8367, OTHERWISE KNOWN AS THE  
“REVISED NON-STOCK SAVINGS AND LOAN ASSOCIATION  
ACT OF 1997”

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

1           SECTION 1. Section 4 of Republic Act No. 8367 is hereby amended to  
2 read as follows:

3                   “SEC. 4. *Organization of an Association.* – At least five  
4                   (5) but not more than fifteen (15) members of a well-defined  
5                   group as provided herein may form an association under this Act.  
6                   An association, prior to transacting any business, shall secure a  
7                   license from the Monetary Board and register with the Securities  
8                   and Exchange Commission (SEC). The application for a license,  
9                   signed by a majority of the incorporators and verified by one of  
10                  the trustees, shall include:

11                   “(a) the proposed articles of incorporation and bylaws  
12                  together with names and addresses of the incorporators, trustees

1 and officers, with a statement of their character, experience and  
2 general fitness to engage in the non-stock savings and loan  
3 business;

4 **“B) A NOTARIZED AGREEMENT BETWEEN THE**  
5 **EMPLOYER AND INCORPORATORS OF THE ASSOCIATION**  
6 **COVERING THE COLLECTION MECHANISM FOR THE**  
7 **ASSOCIATION;**

8 **“C)[b)]** an itemized statement of the estimated receipts  
9 and expenditures of the proposed association for the first year;

10 **“D)[c)]** a filing fee in such amount as may be determined  
11 by the Monetary Board; and

12 **“E)[d)]** such other information as the Monetary Board  
13 may require.

14 **“The SEC shall not register the articles of incorporation**  
15 **and bylaws of a proposed association unless the application is**  
16 **accompanied by a certificate of the Monetary Board approving**  
17 **the same. The Monetary Board may deny the application to**  
18 **organize an association under this Act if it finds that the**  
19 **association is being organized for any purpose other than to**  
20 **engage in the business of a legitimate non-stock savings and loan**  
21 **association or that the association’s financial program is**  
22 **unsound, or that the proposed members are adequately served by**  
23 **one or more existing associations.**

24 **“PRIOR TO ITS OPERATION, AN ASSOCIATION IS**  
25 **REQUIRED TO SECURE A FAVORABLE ENDORSEMENT FROM**  
26 **THE NATIONAL ORGANIZATION OF NON-STOCK SAVINGS AND**  
27 **LOAN ASSOCIATIONS DULY RECOGNIZED AND ACCREDITED BY**  
28 **THE BANGKO SENTRAL FOR PURPOSES OF ENSURING**

1           **COMPLIANCE, SETTING AND MAINTENANCE OF STANDARDS,**  
2           **FORMULATION OF PROGRAMS NECESSARY FOR THE**  
3           **DEVELOPMENT OF A STRONG AND DYNAMIC NON-STOCK**  
4           **SAVINGS AND LOAN ASSOCIATIONS IN THE PHILIPPINES.**

5           “The association shall confine its membership to a  
6           well-defined group of persons and shall not transact business  
7           with the general public. A "well-defined group" shall be defined  
8           by the Monetary Board, and shall consist of, but shall not be  
9           limited to, any of the following:

10           “1) employees, officers, and directors of [one company]  
11           **PRIVATE COMPANIES, including member-retirees BELONGING**  
12           **TO THE SAME TRADE AND INDUSTRY;**

13           “2) government employees belonging to the same  
14           department[/], [branch]BUREAU[/], office, AGENCY OR  
15           **INSTRUMENTALITY OF THE GOVERNMENT IN ACCORDANCE**  
16           **WITH THE REVISED ADMINISTRATIVE CODE OF 1987,**  
17           including member-retirees; and

18           “3) **SPOUSES AND** immediate members of the families  
19           **[([up to [second] THIRD degree of consanguinity or affinity])] of**  
20           those falling under paragraphs 1 and 2 above, **INCLUDING THEIR**  
21           **LEGALLY ADOPTED CHILDREN.**

22           “Associations whose articles of incorporation and bylaws  
23           were approved and registered prior to the effectivity of this Act  
24           and which allow membership coverage broader than the  
25           foregoing definition, shall be allowed to continue as such,  
26           **[unless otherwise required by the Monetary Board] SUBJECT TO**  
27           **COMPLIANCE WITH SUCH OTHER REQUIREMENTS AS MAY BE**  
28           **DEEMED PROPER AND NECESSARY BY THE MONETARY BOARD.**

1            “[The Monetary Board may, as circumstances warrant,  
2            require associations mentioned in the immediately preceding  
3            paragraph to amend their bylaws to comply with the concept of a  
4            “well-defined group.”]

5            “THE ASSOCIATION MAY LEVY ENTRANCE FEES:  
6            *PROVIDED, THAT* [I]n no case shall the total amount of entrance  
7            fees exceed [one] TWO percent [(1%)] (2%) of the MINIMUM  
8            amount OF CAPITAL CONTRIBUTION [to be contributed or  
9            otherwise paid in by the particular member: *Provided, That* for  
10           new members, the said fee shall be based on the amount of  
11           contribution computed in accordance with the revaluation of the  
12           assets of the association].

13           “No person, association, partnership or corporation shall  
14           do business, or hold itself out as doing business, as an  
15           association, or shall use the term “Savings and Loan  
16           Association” or any other title or name tending to give the public  
17           the impression that it is engaged in the operations and activities  
18           of an association, unless so authorized under this Act.”

19           SEC. 2. Section 7 of Republic Act No. 8367 is hereby amended to read  
20           as follows:

21           “SEC. 7. *Powers of Associations.* – The association  
22           [shall] MAY:

23           “A) accept deposits from [and grant loans] only [to] its  
24           members, INCLUDING DOLLAR SAVINGS DEPOSITS: *PROVIDED,*  
25           *THAT, IN THE CASE OF DOLLAR DEPOSITS, THE SAME SHALL BE*  
26           *SUBJECT TO THE PRIOR APPROVAL OF THE BANGKO SENTRAL,*

1 subject to such rules and regulations as the Monetary Board may  
2 promulgate to ensure sound, stable and efficient operation:  
3 *Provided*, That no deposits shall be sourced or deducted from the  
4 loans granted to a member without his or her written consent[.];

5 “B) EXTEND LOANS TO ITS MEMBERS. IN CASE OF AN  
6 UNCOLLATERALIZED LOAN, THE MAXIMUM LOAN AMOUNT OF  
7 A MEMBER WILL BE BASED ON HIS PAYING CAPACITY:  
8 *PROVIDED*, THAT HIS NET TAKE HOME PAY SHALL BE NO  
9 LOWER THAN WHAT IS PROVIDED BY THE GENERAL  
10 APPROPRIATIONS ACT FOR GOVERNMENT EMPLOYEES OR  
11 THAT SET BY COMPANY INTERNAL POLICIES, IN CASE OF  
12 PRIVATE EMPLOYEES. IN CASE OF COLLATERALIZED LOANS,  
13 [T]The loan[s] AMOUNT shall not exceed the members’ deposits  
14 and contributions in the association, plus twelve (12) months of  
15 his OR HER regular salary as the association may allow AND/or  
16 seventy percent (70%) of the [fair market] APPRAISED value of  
17 any property acceptable as collateral on first mortgage that [he]  
18 THE MEMBER may offer as security: *PROVIDED, FURTHER*,  
19 THAT THE CONDITION ON NET TAKE HOME PAY UNDER  
20 UNCOLLATERALIZED LOAN IS COMPLIED WITH. THE  
21 ASSOCIATION MAY PRESCRIBE THE INTEREST RATE, FEES,  
22 CHARGES, REPAYMENT PERIOD AND OTHER TERMS AND  
23 CONDITIONS OF THE LOAN BASED ON SOUND RISK  
24 MANAGEMENT [: *Provided*, That no loan shall have the maturity  
25 date of more than five (5) years, except loans on the security of  
26 unencumbered real estate for the purpose of home building and  
27 home development, which may be granted with maturities not  
28 exceeding twenty-five (25) years, and medium and long-term

1 loans to finance agricultural projects, subject to regulations  
2 prescribed by the Monetary Board]: *Provided, [further,]*  
3 *FINALLY*, That [the treasurer, cashier, or paymaster of the office]  
4 **NOTWITHSTANDING THE PROVISION OF ANY EXISTING LAW,**  
5 **RULE AND REGULATION TO THE CONTRARY, THE COMPANY,**  
6 **DEPARTMENT, BUREAU, OFFICE OR AGENCY** employing a  
7 member is required [, notwithstanding the provision of any  
8 existing law, rule and regulation to the contrary,] to make  
9 deductions from A MEMBER'S [his] salary, wage, income,  
10 **OTHER COMPENSATION, [or] retirement pension, OTHER**  
11 **RETIREMENT AND SEPARATION BENEFITS AND OTHER**  
12 **RECEIVABLES** pursuant to the terms of [his] **THE MEMBER'S**  
13 loan [, and all other deductions authorized by the member.] **OR**  
14 **HIS OR HER AUTHORIZATION** AND to remit such deductions to  
15 the association [concerned, and to collect such reasonable fee for  
16 his services as may be authorized by rules promulgated by the  
17 Monetary Board].

18 “[In addition to the powers granted it by this Act and  
19 existing laws, any association may:]

20 “[a] charge reasonable interest and collect such necessary  
21 fees and charges incidental to the grant of loans];

22 “c)[b] invest its funds in any **TRADABLE INVESTMENT-**  
23 **GRADE** [sound non-speculative enterprise as well as in] bonds,  
24 security, and other obligations issued by the government of the  
25 Philippines, or any of its political subdivisions, instrumentalities,

1 or corporations [including government-owned or -controlled  
2 corporations.] AND OTHER INVESTMENT OUTLETS subject to  
3 [the rules and regulations of the Monetary Board] PRIOR  
4 BANGKO SENTRAL APPROVAL;

5 “D){c)} allow members to participate in the profits of the  
6 association ON THE BASIS OF THEIR RESPECTIVE CAPITAL  
7 CONTRIBUTIONS AND STATUS OF THEIR LOANS ON THE DATE  
8 DISTRIBUTION OF NET INCOME IS APPROVED BY ITS BOARD OF  
9 TRUSTEES/DIRECTORS;

10 “E){d)} borrow money or incur such obligations not  
11 exceeding twenty percent (20%) of the total assets of the  
12 association, from any lending institution. The Monetary Board,  
13 may, in meritorious cases, raise the ceiling on the borrowing  
14 capacity of an association to an amount not exceeding thirty  
15 percent (30%) of its total assets: *Provided*, That any such  
16 association organized by employees of an entity or corporation  
17 may borrow funds from said entity or corporation but not vice-  
18 versa: *Provided, further*, That the number of the association’s  
19 creditors shall not exceed nineteen (19) at any one time;

20 “F){e)} maintain deposits with banks: *Provided*, That the  
21 amount of such deposits shall be subject to the loan limit to a  
22 single borrower as prescribed herein or by other special laws or  
23 regulations;

24 “G){f)} [require the employer-entity or corporation to  
25 provide it with adequate office space within which it can conduct  
26 its business;} LEND OR INVEST IN ANOTHER ASSOCIATION WITH  
27 THE MAIN OBJECTIVE OF EXTENDING FINANCIAL ASSISTANCE

1 TO AN ASSOCIATION EXPERIENCING LIQUIDITY PROBLEM;  
2 [and]

3 “H)[g] engage in death benefit program meant  
4 exclusively for the mutual benefit of its members[.];

5 “I) REDISCOUNT PAPERS WITH THE BANGKO SENTRAL  
6 OR OTHER BANKS AND THEIR BRANCHES AND AGENCIES. THE  
7 BANGKO SENTRAL SHALL SPECIFY THE NATURE OF THE PAPER  
8 DEEMED ACCEPTABLE FOR REDISCOUNT RATE TO BE CHARGED  
9 BY ANY OF THESE INSTITUTIONS; AND

10 “J) PERFORM SUCH ACTS AND FUNCTIONS AS MAY BE  
11 AUTHORIZED AND/OR DELEGATED BY THE BANGKO SENTRAL.”

12 SEC. 3. Section 9 of Republic Act No. 8367 is hereby amended to read  
13 as follows:

14 “SEC. 9. *Service Units* – An association [shall] IS  
15 HEREBY AUTHORIZED TO open, maintain and operate service  
16 units as may be necessary in order to EFFICIENTLY AND  
17 EFFECTIVELY deliver services to its members subject to RULES  
18 AND REGULATIONS PRESCRIBED BY [approval of] the Monetary  
19 Board[.]: *PROVIDED, HOWEVER, THAT SERVICE UNITS CANNOT*  
20 *ACCEPT/RECEIVE DEPOSITS OR CONTRIBUTIONS.*”

21 SEC. 4. A new section, Section 9-A, is hereby added to Republic Act  
22 No. 8367 as to read as follows:

23 “SEC. 9-A. *PROVISION OF OFFICE SPACE*. – THE  
24 EMPLOYER-ENTITY OR CORPORATION SHALL PROVIDE  
25 NON-STOCK SAVINGS AND LOAN ASSOCIATIONS WITH  
26 ADEQUATE OFFICE SPACE IN ITS PREMISES WITHIN WHICH  
27 THEY CAN CONDUCT BUSINESS.”



1           SEC. 5. Section 10 of Republic Act No. 8367 is hereby amended to  
2 read as follows:

3           “SEC. 10. *Agents and Salesmen.* – No person **OR ENTITY**  
4 shall act as a[n] SALES agent or [sales] representative of an  
5 association [or operate an agency] without [obtaining a license  
6 from] **REGISTERING WITH** the [Monetary Board] **BANGKO**  
7 **SENTRAL**. No license **OR REGISTRATION** is required for a  
8 collector of an association [but no person shall hold himself out  
9 or act as collector unless he is authorized as a collector in writing  
10 by such association].”

11          SEC. 6. Section 11 of Republic Act No. 8367 is hereby amended to  
12 read as follows:

13          “SEC. 11. *Merger or Consolidation of Associations.* – To  
14 achieve simplicity, economy and efficiency, **MERGER OR**  
15 **CONSOLIDATION OF SEVERAL OR** different associations of one  
16 company or department or office [may merge or consolidate]  
17 **SHALL BE ALLOWED** [upon] **SUBJECT TO THE** approval of the  
18 Monetary Board.”

19          SEC. 7. Section 12 of Republic Act No. 8367 is hereby amended to  
20 read as follows:

21          “SEC. 12. *Trustees AND OFFICERS.* – Only members are  
22 eligible as trustees of an association: *Provided,* That in the case  
23 of a merger or consolidation of associations duly approved by  
24 the Monetary Board, the limitation on the maximum number of  
25 trustees in a corporation, as provided for in the Corporation  
26 Code, shall not be applied for a maximum period of three (3)  
27 years so that membership in the new board may include up to the

1 total number of trustees provided for in the respective articles of  
2 incorporation of the merging or consolidating associations.

3 **“AFTER DUE NOTICE TO THE BOARD OF TRUSTEES OF**  
4 **THE ASSOCIATION, THE MONETARY BOARD MAY DISQUALIFY,**  
5 **SUSPEND OR REMOVE ANY TRUSTEE OR OFFICER WHO**  
6 **COMMITS OR OMITS AN ACT WHICH RENDER HIM OR HER**  
7 **UNFIT FOR THE POSITION.**

8 **“IN DETERMINING WHETHER AN INDIVIDUAL IS FIT AND**  
9 **PROPER TO HOLD THE POSITION OF A TRUSTEE OR OFFICER OF**  
10 **AN ASSOCIATION, REGARD SHALL BE GIVEN TO HIS OR HER**  
11 **INTEGRITY, EXPERIENCE, EDUCATION, TRAINING, AND**  
12 **COMPETENCE.”**

13 SEC. 8. Section 14 of Republic Act No. 8367 is hereby amended to  
14 read as follows:

15 *“SEC. 14. Compensation of Trustees, Officers and*  
16 *Employees. – No trustee, officer, or employee of an association*  
17 *shall receive from such association, and no association shall pay*  
18 *to any trustee, officer, or employee of such association, any*  
19 *commission, emolument, gratuity or reward based on the volume*  
20 *or number of loans made, or based on the interest or fees*  
21 *collected thereon. Nothing in this section SHALL BE CONSTRUED*  
22 *AS TO prohibit[s] or OTHERWISE [limits] RESTRICT any of the*  
23 *following:*

24 *“a) receipt or payment of salaries of trustees, officers*  
25 *and employees;*

26 *“b) RECEIPT OR PROVISION OF FRINGE BENEFITS TO*  
27 *OFFICERS AND EMPLOYEES;*

28 *“c)[b)] receipt of payment of commissions to agents*  
29 *whether or not based on the volume or number of loans or on the*

1 interest or fees collected thereon; [and] OR

2 “D)(c)] receipt or payment of bonuses to trustees, officers  
3 or employees if such bonuses are based on the performance and  
4 not on the volume or number of loans made or on the interest or  
5 fees collected thereon.

6 “[All increase in the compensation, in any form, of all  
7 trustees and trustee-officers in excess of ten percent (10%)  
8 thereof *per annum* shall require the approval of the Bangko  
9 Sentral.]

10 “IN ORDER TO PROTECT THE FUNDS OF MEMBERS AND  
11 CREDITORS, THE TERMS AND CONDITIONS OF THE  
12 COMPENSATION OF TRUSTEES, OFFICERS AND EMPLOYEES  
13 MAY BE SUBJECT TO RULES AND REGULATIONS OF THE  
14 BANGKO SENTRAL.”

15 SEC. 9. Section 16 of Republic Act No. 8367 is hereby amended to  
16 read as follows:

17 “SEC. 16. *Execution of Loan Agreement.* -- For each loan  
18 made by an association, [a written note or other obligation  
19 expressing a rate of interest must be executed by the borrower]  
20 PAYMENT OF A SPECIFIC RATE OF INTEREST BY THE  
21 BORROWER SHALL BE EXPRESSLY STIPULATED IN THE LOAN  
22 AGREEMENT OR ANY DOCUMENT DEEMED AN INTEGRAL PART  
23 THEREOF.”

24 SEC. 10. Section 18 of Republic Act No. 8367 is hereby amended to  
25 read as follows:

26 “SEC. 18. *Limitations on Investment.* -- a) No association  
27 at any one time shall invest in bonds and securities in a total  
28 amount in excess of [ten percent (10%)] TWENTY-FIVE

1           PERCENT (25%) of the total assets of such association without  
2 prior written approval of the Bangko Sentral.

3           “b) No association at any one time shall invest in real  
4 property in a total amount in excess of five percent (5%) of the  
5 total assets of such association.

6           “c) No association at any one time shall invest in  
7 furniture, fixture, furnishings and equipment and leasehold  
8 improvements for its offices, in an amount more than ten percent  
9 (10%) of its total capital contribution.”

10          SEC. 11. Section 19 of Republic Act No. 8367 is hereby amended to  
11 read as follows:

12           “SEC. 19. *Reserves.* – Every association shall create a  
13 withdrawable share reserve which shall consist of [two percent  
14 (2%)] **ONE PERCENT (1%)** of the total capital contributions of  
15 *the members [which the Monetary Board may increase to a*  
16 *maximum of three percent (3%), as the situation warrants].* **THE**  
17 **BANGKO SENTRAL SHALL, IN MERITORIOUS CASES AND WHEN**  
18 **THE INTERESTS OF THE ASSOCIATION AND ITS MEMBERS SO**  
19 **DICTATE, ALLOW THE STAGGERED BOOKING OF ITS RESERVES**  
20 **REQUIREMENT TO INCLUDE ITS WITHDRAWABLE SHARE**  
21 **RESERVE, SURPLUS RESERVE FOR LEDGER DISCREPANCIES AS**  
22 **WELL AS ITS RESERVES FOR OFFICE PREMISES, FURNITURE,**  
23 **FIXTURES AND EQUIPMENT.**

24           “[No association shall distribute to its members any  
25 portion of its net income if its withdrawable share reserve is less  
26 than the minimum requirement, or if by such payment or  
27 distribution, such reserve will be reduced to an amount below the  
28 minimum requirement provided herein.]

1           SEC. 12. Section 20 of Republic Act No. 8367 is hereby repealed.

2           SEC. 13. Section 21 of Republic Act No. 8367 is hereby amended to  
3 read as follows:

4                   “SEC. 21. *Annual Reports by the Association.* – Every  
5 association shall, within one hundred twenty (120) calendar days  
6 after the close of its fiscal year furnish the Monetary Board and  
7 post in any of the association's bulletin board or in any other  
8 conspicuous place a copy of its financial statement, **AS**  
9 **REVIEWED BY A BANGKO SENTRAL-ACCEPTABLE**  
10 **INDEPENDENT AUDITOR**, showing, in such form and detail as the  
11 Monetary Board shall require, the amount and character of the  
12 assets and liabilities of the association at the end of the preceding  
13 fiscal year. The Monetary Board may, in addition to the  
14 foregoing, require the disclosure of such other information as it  
15 shall deem necessary for the protection of the members of the  
16 association.”

17           SEC. 14. Section 22 of Republic Act No. 8367 is hereby amended to  
18 read as follows:

19                   “SEC. 22. *Regulatory Powers Over Associations.* –  
20 Notwithstanding the provisions of Section 130 of Republic Act  
21 No. 7653, the power to regulate the operations of any association  
22 by the Monetary Board shall continue: **PROVIDED, THAT THE**  
23 **MONETARY BOARD SHALL TAKE INTO ACCOUNT THE UNIQUE**  
24 **BUSINESS NATURE AND THE INTRINSIC MANDATE AND**  
25 **MISSIONS OF ASSOCIATIONS IN THE ADOPTION OF A**  
26 **REGULATORY FRAMEWORK. SUCH PERTINENT FEATURES OF**  
27 **THE REGULATORY FRAMEWORK PRESENTLY APPLIED TO**

1       **REGULAR BANKS AND QUASI-BANKS MAY BE ADOPTED. SUCH**  
2       **POWERS SHALL [and] consist of the following:**

3               “a) [in seeing] **ENSURE** to it that the capital, financing,  
4       direction and administration, as well as the integrity,  
5       responsibility, and ability of organizers, administrators, trustees,  
6       and officers of all associations organized and operated under this  
7       Act, shall reasonably assure the safety of the interests which its  
8       members entrust to them;

9               “b) [in regulating] **REGULATE** the operation and  
10       activities of associations, which include, among others: 1) in  
11       placing limits to the maximum credit allowed any individual  
12       borrower; 2) in determining the loan repayment period and loan  
13       procedures; 3) in imposing a uniform accounting system **IN**  
14       **COMPLIANCE WITH THE PHILIPPINE FINANCIAL REPORTING**  
15       **STANDARDS** and manner of keeping the accounts and records of  
16       associations; 4) in instituting periodic surveys of loan and  
17       lending procedures, audits, test check of each and other  
18       transactions of associations; and 5) whenever necessary, in  
19       conducting training courses for personnel of associations;

20              “c) [in requiring all accountable officers and employees  
21       of every association to post bonds for the faithful performance of  
22       their duties in reasonable sums and with such sureties as the  
23       Monetary Board may require] **PRESCRIBE ADDITIONAL**  
24       **LIQUIDITY REQUIREMENTS;**

25              “d) [in fixing, by rules or by orders, in specific cases,  
26       after notice and hearing, the limits of loanable funds, amounts for  
27       investment and reserves for withdrawals and other

1 contingencies] **ENFORCE PROMPT CORRECTIVE ACTION ON**  
2 **ASSOCIATIONS SHOWING CONDITIONS INDICATING HIGHER**  
3 **THAN NORMAL RISK OF FAILURE;**

4 “e) [in issuing rules and regulations for the proper  
5 implementation of this Act, effective administration of the  
6 associations, and to] render advisory assistance to all interested  
7 parties in order to carry out the intents and purposes of this Act;  
8 [and]

9 “f) [in conducting] **CONDUCT** such investigations,  
10 take[ing] such remedial measures and [exercising] **EXERCISE** all  
11 powers under Republic Act No. 7653, insofar as they are  
12 applicable in the enforcement of this Act.

13 “G) **IMPOSE UPON ANY ASSOCIATION, ITS TRUSTEES,**  
14 **OFFICERS, OR EMPLOYEES, AFTER DUE NOTICE AND HEARING,**  
15 **THE FOLLOWING ADMINISTRATIVE SANCTIONS, WHENEVER**  
16 **APPLICABLE:**

17 “1) **FINES IN AMOUNTS AS MAY BE DETERMINED TO BE**  
18 **APPROPRIATE BASED ON THE NATURE AND GRAVITY OF THE**  
19 **OFFENSE;**

20 “2) **RESTRICTION OR SUSPENSION OF LICENSE; AND**

21 “3) **OTHER ADMINISTRATIVE SANCTIONS AVAILABLE TO**  
22 **THE BANGKO SENTRAL UNDER ITS CHARTER;**

23 “H) **PROVIDE A CREDIT FACILITY TO SYSTEMICALLY**  
24 **CRITICAL NON-STOCK SAVINGS AND LOAN ASSOCIATIONS**  
25 **EXPERIENCING LIQUIDITY PROBLEMS; AND**

26 “I) **PLACE UNDER RECEIVERSHIP, AFTER DUE NOTICE**  
27 **AND HEARING, AN ERRING/DISTRESSED ASSOCIATION TO**  
28 **PROTECT THE INTERESTS OF ITS MEMBERS PURSUANT TO THE**

1           **EXISTING RULES AND REGULATIONS PROMULGATED BY THE**  
2           **MONETARY BOARD.**

3           **“THE RECEIVER SHALL FORTHWITH GATHER AND TAKE**  
4           **CHARGE OF ALL ITS ASSETS AND LIABILITIES AND ADMINISTER**  
5           **THE SAME FOR THE BENEFIT OF ITS MEMBERS AS PROVIDED**  
6           **UNDER THE REVISED RULES OF COURT. THE PROVISIONS OF**  
7           **SECTION 30 OF REPUBLIC ACT NO. 7653 ON THE POWERS,**  
8           **FUNCTIONS, DUTIES AND OTHER TERMS OF REFERENCE ON**  
9           **RECEIVERS SHALL APPLY.**

10           **“The Bangko Sentral shall have the power to enforce the**  
11           **laws, orders, instructions, rules and regulations promulgated by**  
12           **the Monetary Board applicable to associations; to require**  
13           **associations, their trustees, officers and agents to conduct and**  
14           **manage the affairs of the association in a lawful and orderly**  
15           **manner. After due notice and hearing, the Monetary Board may**  
16           **revoke or suspend the license of any association, for such period**  
17           **as it determines necessary, particularly when the solvency of an**  
18           **association is imperiled by losses or irregularities, and/or when**  
19           **an association willfully violates any provisions of this Act or any**  
20           **rule or regulations promulgated hereunder.**

21           **“The director and examiners of the department of the**  
22           **Bangko Sentral charged with the regulation of associations are**  
23           **hereby authorized to administer oaths to any trustee, officer or**  
24           **employee of any association or to any voluntary witness and to**  
25           **compel the presentation of all books, documents, papers or**  
26           **records necessary in his judgment to ascertain the facts relative**  
27           **to the true condition of any association or to any loan.”**



1           SEC. 15. Section 24 of Republic Act No. 8367 is hereby amended to  
2 read as follows:

3           “SEC. 24. *Annual SUPERVISION Fees.* – Consistent with  
4 the provisions of Section 28 of Republic Act No. 7653, any  
5 association organized under this Act may, pursuant to regulations  
6 promulgated for the purpose by the Monetary Board, be required  
7 to contribute to the Bangko Sentral an annual SUPERVISION fee  
8 to be determined by the Monetary Board.”

9           SEC. 16. *Separability Clause.* – If any provision of this Act is held  
10 invalid, the other provisions of this Act shall not be affected thereby and shall  
11 continue in operation.

12           SEC. 17. *Repealing Clause.* – Any law or parts of law inconsistent with  
13 the provisions of this Act are hereby repealed or modified accordingly.

14           SEC. 18. *Effectivity.* – This Act shall take effect fifteen (15) days  
15 following the completion of its publication in the *Official Gazette* or in two (2)  
16 national newspapers of general circulation.

Approved,

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