

AN ACT AMENDING SECTION FORTY-TWO OF ACT NUMBERED TWENTY-FIVE HUNDRED AND EIGHT, THE RURAL CREDIT LAW, AND FOR OTHER PURPOSES.

Act No. 3750, November 26, 1930

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Be it enacted by the Senate and House of Representatives of the Philippines in Legislature assembled and by the authority of the same:

SECTION 1. Section forty-two of Act Numbered Twenty-five hundred and eight, the Rural Credit Law, is hereby amended to read as follows:

"SEC. 42. The associations created by this Act whose capital stock paid in does not exceed twenty thousand pesos shall enjoy the following exemptions and privileges, the provisions of existing law to the contrary notwithstanding.

"(a) They shall be exempt from the payment of all the registration fees established by Act Numbered Fourteen hundred and fifty-nine for the filing of their articles of incorporation, by-laws, and other documents provided for by this Act.

"(b) They shall not be subject to the payment of the taxes established by all Internal Revenue Laws, nor shall they be required to submit income tax declarations.

"(c) Persons making deposits with, or loans to the said associations, or persons borrowing money therefrom, shall also be exempt from the payment of any tax established by existing law or hereafter established for deposits or loans, and from the payment of any fees required by justices of the peace, in their capacity as ex-officio notaries public, for acknowledging documents relating to loans contracted in favor of the associations.

"(d) These associations shall likewise be exempt from the payment of all court fees payable to the Insular Government for actions brought under this Act, or to enforce the payment of obligations contracted in favor of the associations.

"(e) The registration of the securities required by the associations for loans upon real estate, property rights, or personal property, or of the deeds of title to any property acquired by an association in accordance with section fourteen of this Act, shall be exempt from the payment of the fees established by section one hundred and fourteen of Act Numbered Four hundred ninety-six, as amended by section seven of Act Numbered Sixteen hundred and forty-eight, by the tariff of the Mortgage Law of eighteen hundred and ninety-three, and by section fifteen of Act Numbered Fifteen hundred and eight on chattel mortgages.

"(f) The credits of said associations against members of the same for sums borrowed by them evidenced by the official forms used by said associations shall have the preference as regards collection over any other claim, except in case of a duly registered hypothecary credit on real or personal property contracted prior to the date said property was mortgaged or pledged to the associations, and in the case of taxes, within two years after such taxes become due.

"(g) Sums lent to, or deposited with the treasury of the association up to the amount of five hundred pesos,

either in the form of deposits or shares of stock, shall enjoy exemption from attachment by virtue of any civil action, provided such loan, deposit or share of stock has been made prior to the fact resulting in said action; otherwise, and in case said action is derived from a criminal action, said sums may be attached, but shall not be withdrawn from the treasury of the association, and the creditor shall merely succeed the lender, depositor or shareholder concerned in his rights in the same: Provided, however, That none of the provisions of this subsection shall be applicable to debts contracted in favor of the association by lenders, depositors or shareholders.

"(h) They shall also enjoy the privilege of depositing their closed cash boxes, documents or any valuable papers in the safes of the municipal treasurers' offices, but no charge shall be made them for such deposit.

"(i) They shall enjoy the privilege of depositing with the postal savings banks such funds as they may desire to deposit, at the same rate of interest as granted to individuals and without limitations as to the amount.

"(j) They may receive from the postal savings banks, the Philippine National Bank, the Government of the Philippine Islands, or from other agricultural credit cooperative associations, besides those mentioned, loans or deposits, as may be granted to them, upon the security of the property belonging or mortgaged to them, or upon the joint security that their members may give in addition to the associations' property.

"(k) They shall enjoy the privilege of being represented in the Court of First Instance by the provincial fiscal of the province in which they are operating, in any case in which they are either plaintiffs or defendants, except when the Insular Government is the plaintiff itself.

"(l) The provisions of existing law to the contrary notwithstanding, justices of the peace or judges of first instance who are members of rural credit associations may try cases instituted by the said associations against their delinquent members, except when said justices of the peace or judges of first instance are disqualified by virtue of section eight of Act Numbered One hundred and ninety.

"(m) The Director of Plant Industry shall not be required to pay any fee for the filing of any case in the court, neither for collecting a loan due from an association nor for instituting a dissolution proceeding against any association in accordance with the provisions of this Act."

SEC. 2. All acts or parts of acts which may be inconsistent with this Act are hereby repealed.

SEC. 3. This Act shall take effect upon its approval.

Approved, November 26, 1930.

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