

FURTHER AMENDING REPUBLIC ACT NO. 3779, AS AMENDED, OTHERWISE KNOWN AS "THE SAVINGS AND LOAN ASSOCIATIONS ACT";

PRESIDENTIAL DECREE NO. 1318, March 29, 1978

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WHEREAS, stock savings and loan associations are classified as thrift banks under Section 6-A of Republic Act No. 337, as amended; and

WHEREAS, there is need to amend certain provisions of Republic Act No. 3779, as amended, in order to allow stock savings and loan associations to exercise certain powers granted to other thrift banks under Republic Act No. 337, as amended;

NOW, THEREFORE, I, FERDINAND E. MARCOS, President of the Philippines, by virtue of the powers vested in me by the Constitution, do hereby decree and order the amendment of Republic Act No. 3779, as amended:

SECTION 1. Subsection (a) of Section 5 of Republic Act No. 3779, as amended, is hereby amended to read as follows:

"(a) To grant loans not exceeding the borrower's savings and time deposits in the association, plus his four months salary or regular income whether from employment or from his own business, or seventy per cent (70%) of the fair market value of any property acceptable as collateral on first mortgage that he may offer as security: Provided, That no loan shall have a maturity of more than five years, except loans on the security of unencumbered real estate for the purpose of home building and home development which may be granted with maturities not exceeding twenty years and medium-or long-term loans to finance agricultural projects, subject to regulations prescribed by the Monetary Board: Provided, further, That in the case of a borrower who is a permanent employee or wage earner, the treasurer, cashier or paymaster of the office employing him is authorized, notwithstanding the provisions of any existing law, rule and regulation to the contrary, to make deductions from his salary, wage, or income pursuant to the terms of his loan, to remit deductions to the savings and loan association concerned, and collect such reasonable fee for his services as may be authorized by rules promulgated by the Monetary Board."

SEC. 2. Subsection (a) of Section 6 of the same Act is hereby amended to read as follows:

"SEC. 6 (a). Non-stock association shall have or carry upon its books for any person any demand, commercial or checking account, or any credit to be withdrawn upon the presentation of any negotiable check or draft."

SEC. 3. All existing laws, orders, rules and regulations or parts thereof in conflict or inconsistent herewith are hereby repealed or modified accordingly.

SEC. 4. This Decree shall take effect immediately.

DONE in the City of Manila, this 29th day of March, in the year of Our Lord, nineteen hundred and seventy-eight.

(Sgd.) FERDINAND E. MARCOS

President of the Philippines

By the President:

(Sgd.) JACOBO C. CLAVE

Presidential Executive Assistant

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