NATIONAL ADMINISTRATIVE REGISTER · MARCH 30, 2001

DISCLOSURE STATEMENT ON LOAN/CREDIT TRANSACTION

SEC-CORPORATION FINANCE DEPARTMENT MEMORANDUM CIRCULAR NO. 003, S. 2001, March 30, 2001

Read online (full-text search, related cases, audio case brief): https://batas.org/library/8770e5a5a4f2/

In order to regulate the activities of financing and leasing companies and to place their operations on a sound, competitive and stable basis as well as to curtail or prevent acts or practices prejudicial to the public interest by a full disclosure of the true cost of credit to the borrower or user, the Commission, by virtue of the powers vested upon it by existing laws, hereby promulgates the following:

A. A "Disclosure Statement on Loan/Credit Transaction (sample form attached) is hereby prescribed for use by Financing Companies (FCs).

B. Such Disclosure Statement, in duplicate, shall be duly signed by the borrower and by the duly authorized signatory/ies of the Financing Companies prior to the release of his loan. A copy shall be kept in the company's premises which shall be open to inspection by the SEC or its duly authorized representative/s at any time during office hours and the other copy shall be given to such borrower.

Non-compliance with this Circular shall subject the creditor concerned to the following penalties:

a. First Offense - Basic fine of P20,000.00 and P100.00 for each day of continuing violation

b. Second Offense - Basic fine of P25,000.00 and P100.00 for each day of continuing violation.

c. Third Offense - Basic fine of P30,000.00 and P100.00 for each day of continuing violation.

d. Fourth Offense - Suspension/revocation of the certificate of authority to operate as a financing company.

This Circular shall take effect fifteen (15) days after publication in a newspaper of general circulation.

Adopted: 30 March 2001

(SGD.) LILIA R. BAUTISTA
Chairman

Turn this case into an audio lecture - facts, issues, ruling and doctrine - at batas.org

ABOUT BATAS.ORG

Study smarter at BATAS.org

The Philippine bar review and law-school companion built around how your brain actually remembers.

The complete Philippine law library - free for everyone.

More than 100,000 Supreme Court decisions, Republic Acts, and executive issuances - full-text searchable, browsable by category and year, and always free. No paywall, no login. This PDF came from it.

Audio case-brief lectures.

Any decision becomes a podcast-style lecture - facts, issues, ruling, and doctrine - with read-along highlighting and a hands-free presentation mode. Study while commuting, working out, or resting your eyes.

Bar review built on the science of memory.

Complete, sequenced courses for all eight bar subjects, narrated like podcasts and reinforced with retrieval practice and spaced review - the study techniques with the strongest evidence behind them.

The full law-school curriculum.

One subscription unlocks the entire J.D. curriculum - every subject, every lesson, with your progress tracked down to the paragraph so you can pick up exactly where you left off, on any device.

Mock exams that tell you where you stand.

Timed multiple-choice exams graded instantly, with per-subject score breakdowns and focus suggestions that point you at your weakest topics first.

A study planner that keeps you on pace.

Set your schedule and BATAS tells you every day whether you are on track for bar day - and exactly which lesson to take next.

Start free at https://batas.org

The law library is free forever - and your first lesson is one click away.

The text of this document is an official public record and remains in the public domain. Formatting, presentation, and compilation © 2026 batas.org.

Downloaded free from the batas.org Law Library. Share it freely - the library is free for every law student, bar reviewee, and practitioner.