

AN ACT TO AMEND SECTION ELEVEN OF ACT NUMBERED TWENTY-FIVE HUNDRED AND EIGHT, AS AMENDED BY COMMONWEALTH ACT NUMBERED ONE HUNDRED THIRTY-THREE.

Commonwealth Act No. 334, June 19, 1938

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Be it enacted by the National Assembly of the Philippines:

SECTION 1. Section eleven of Act Numbered Twenty-five hundred and eight, known as the Rural Credit Law, as amended by Commonwealth Act Numbered One hundred thirty-three, is further amended as follows:

"SEC. 11. No director shall vote on a loan requested by any member of his family, natural or by affinity, to the third degree, nor on a loan requested by any person who owes a debt to him or to any member of his family; nor shall he become a bondsman, surety or indorser, on any loan contracted with the association; and no director shall directly or indirectly obtain a loan for himself without the express approval of the Director of Commerce, to whom the loan application must have been submitted in advance together with all the securities and the necessary supporting papers, with recommendation of the Board of Directors concerned."

"The director who violates the provisions of this section shall be punished by arresto mayor, or by a fine not less than fifty pesos and not more than two hundred pesos, or both by fine and imprisonment in the discretion of the court.

"The Director of Commerce shall be in charge of the enforcement of this provision."

SEC. 2. This Act shall take effect on its approval.

Enacted, without Executive approval, June 19, 1938.

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