PAST DUE ACCOUNTS

Read online (full-text search, related cases, audio case brief): https://batas.org/library/afa87b9d1dcb/

The Monetary Board, in its Resolution No. 1093 dated December 22, 1989, approved the following amendments to Books I, II, III and IV of the Manual of Regulations for Banks and Other Financial Intermediaries:

SECTION 1. Subsections 1304.1 (Book I), 2304.1 (Book II) and 4304Q.1 (Book IV) are hereby amended to read as follows:

> "Accounts considered past due. The following shall be considered as past due:
>
> "a. Loans or receivables payable on demand — if not paid on the date indicated on the demand letter, or within six (6) months from date of grant, whichever comes earlier;
>
> "b. Bills discounted and time loans, whether or not representing availments against a credit line — if not paid on the respective maturity dates of the promissory notes;
>
> "c. Customer's liability on drafts under LC/TR
>
> 1. Sight Bills — if dishonored upon presentment for payment or not paid within thirty (30) days from date of original entry, whichever comes earlier;
>
> 2. Usance Bills — if dishonored upon presentment for acceptance or not paid on due date, whichever comes earlier; and
>
> 3. Trust Receipts — if not paid on due date;
>
> "d. Bills and other negotiable instruments purchased — if dishonored upon presentment for acceptance/payment or not paid on maturity date, whichever comes earlier: Provided, however, That an out-of-town check and a foreign check shall be considered as past due if outstanding for thirty (30) days and forty-five (45) days, respectively, unless earlier dishonored;
>
> "e. Loans/receivables payable in installments — the total outstanding balance thereof shall be considered past due in accordance with the following schedule:

Mode of Payment Minimum Number of Installments in Arrears

Monthly 6

Quarterly 2

Semestrally 1

Annually 1

Provided, however, That when the total amount of arrearages reaches twenty per cent (20%) of the total outstanding balance of the loan/receivable, the total outstanding balance of the loan/receivable shall be considered as past due, notwithstanding the number of installments in arrears: Provided, further, That for modes of payment

other than those listed above (e.g. daily, weekly or semi-monthly), the entire outstanding balance of the loan/receivable shall be considered as past due when the total amount of arrearages reaches ten per cent (10%) of the total loan receivable balance;

“f. Credit card receivables — if the amount due is not paid within ten (10) days from the deadline indicated in the billing statement; and

“g. All items in litigation as defined in the Manual of Accounts for Banks/Non-Banks Financial Intermediaries.

“For the purpose of determining delinquency in the payment of obligations as defined in Subsection ____ [1], any due and unpaid loan installment or portion thereof, from the time the obligor defaults, shall be considered as past due.”

SECTION 2. Subsections 1304.2 (Book I), 2304.2 (Book II) and 4304Q.2 (Book IV) are hereby deleted.

SECTION 3. Section 3304 of Book III is hereby amended to read as follows:

> “Past Due Accounts — For purposes of this Section, past due accounts shall, as a general rule, refer to all accounts in a bank’s loan portfolio, all receivable components of trading accounts securities, and other receivables, as defined in the Manuals of Accounts for Banks, which are not paid at maturity.
>
> The following shall be considered as past due:
>
> “a. Bills discounted and Time loans, whether or not representing availments against a credit line — if not paid on the respective maturity dates of the promissory notes.
>
> “b. Bills and other negotiable instruments purchased — if dishonored upon presentment for acceptance/payment or not paid on maturity date, whichever comes earlier: Provided, however, That an out-of-town check and a foreign check shall be considered as past due if outstanding for thirty (30) days and forty five (45) days, respectively, unless earlier dishonored;
>
> “c. Loans/Receivables payable in installments — the total outstanding balance thereof shall be considered past due in accordance with the following schedule:

Mode of Payment Minimum Number of Installments in Arrears

Monthly 6

Quarterly 2

Semestrally 1

Annually 1

Provided, however, That when the total amount of arrearages reaches twenty per cent (20%) of the total outstanding balance of the loan/receivable, the total outstanding balance of the loan/receivable shall be considered as past due, notwithstanding the number of installments in arrears: Provided, further, That for modes of payment other than those listed above (e.g. daily, weekly or semi-monthly), the entire outstanding balance of the loan/receivable shall be considered as past due when the total amount of arrearages reaches ten per cent (10%) of the total outstanding loan balance;

“d. All items in litigation as defined in the Manual of Accounts for Banks/Non-Bank Financial Intermediaries.

“For the purpose of determining delinquency in the payment of obligations as defined in Subsection 3143.1s, any

Bar review courses, mock exams and a study planner that keeps you on pace - batas.org

due and unpaid loan installment or portion thereof, from the time the obligor defaults, shall be considered as past due.

“On the other hand, for the purpose of availments of financial assistance from the Central Bank, all past due loans to farmer-borrowers under the Maisagana program shall be excluded in the computation of the total past due accounts of rural banks.”

This Circular shall take effect immediately.

Adopted: 19 Jan. 1990

(SGD.) GABRIEL C. SINGSON
Senior Deputy Governor

---

[1] Subsection 1143.1e (for Book I) Subsection 2143a(5) (for Book II). Subsection 4143Qg (for Book IV).

Study hands-free: podcast-style lessons with read-along highlighting - 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.