

AN ACT AMENDING SECTIONS TWO HUNDRED AND FORTY-TWO, NINETEEN HUNDRED AND FORTY-TWO, NINETEEN HUNDRED AND EIGHTY-NINE, TWO THOUSAND AND TWENTY-THREE, TWO THOUSAND AND TWENTY-NINE...

Act No. 3328, December 07, 1926

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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. Subsection (a) of section two hundred and forty-two of Act Numbered Twenty-seven hundred and eleven, known as the Administrative Code, is hereby amended to read as follows:

"SEC. 242 (a). The Chief of the Division of Archives, patents, copyrights, and trade-marks, the Clerk of the Supreme Court, the Clerk of the Court of First Instance of the Ninth Judicial District, the Chief of the General Land Registration Office, and the Superintendent of the Postal Savings Bank Division, Bureau of Posts— when acting within the limits of the City of Manila."

SEC. 2. Section nineteen hundred and forty-two of the Administrative Code is hereby amended to read as follows:

"SEC. 1942. Fixing of postal and telegraph rates and charges.— The rates and manner of collection of postage, registry fees, special delivery charges, money order fees, telegraphic transfer fees, charges for the transmission of messages by telegraph, telephone, or wireless telegraphy, and fees for the preparation of deeds and other documents required for the granting of loans from Postal Savings Bank funds, for the preparation of the documents necessary for the cancellation of mortgages therefor, and for the inspection of buildings offered as security for loans granted by the Postal Savings Bank Board, shall be prescribed by the Director of Posts with the approval of the Department head, subject to the limitations contained in this chapter."

SEC. 3. Section nineteen hundred and eighty-nine of Act Numbered Twenty-seven hundred and eleven is hereby amended to read as follows:

"SEC. 1989. Postal Savings Bank Board.— The Postal Savings Bank Board, hereinafter referred to as the Board, shall consist of the Secretary of Commerce and Communications, who shall be the chairman of the Board; the Secretary of Finance, who shall be the vice-chairman; the Director of Posts, the Attorney-General, and the Insular Auditor, or their duly authorized representatives. The Superintendent, Postal Savings Bank Division, shall be the secretary of the Board. The provisions of the existing law to the contrary notwithstanding, each member of the Board shall receive a compensation of twenty pesos per diem for attendance at the sessions of the Board: Provided, That in no year shall this remuneration exceed five hundred pesos for each member of the Board. This compensation shall be paid out of the profits of the Postal Savings Bank."

SEC. 4. Section two thousand and twenty-three of the Administrative Code is hereby amended to read as follows :

"SEC. 2023. Accounts not to draw interest.— No interest shall be allowed on dormant accounts, nor on money to the credit of any depositor in excess of six thousand pesos in addition to the amount represented by firearms certificates of deposit, except that deposits made by charitable benevolent, or mutual aid societies, and labor

unions as provided in section two thousand and nine, not in excess of ten thousand pesos shall bear interest."

SEC. 5. Subsections (e), (f), and (g) of section two thousand and twenty-nine of the Administrative Code, as amended by Acts Numbered Twenty-eight hundred and five and Twenty-eight hundred and fifty-six, are hereby further amended, and a new subsection to be known as (n) added, to read as follows:

"SEC. 2029. (e) Upon first mortgage, deed of trust, or deed with contract for resale, to the Bank, of improved and unencumbered city real estate, with a title duly registered according to law, when the buildings are of a permanent, substantial, and valuable character, situated in the Philippine Islands; but no such loan or investment shall be for more than sixty per centum of the value of such property as determined by the Board: Provided, That, whenever the instrument, deed, or contract for the granting of the loan or the investment is prepared, executed, transferred, or cancelled by the Board, the Secretary thereof is hereby authorized to charge the mortgagor, trustee, or assignor, fees at the rate to be fixed by the Board and five pesos for each transfer, or cancellation or the sale.

"(f) In first mortgage, deed of trust, or deed with contract for resale, to the bank, of leasehold interests in landshaving still not less than fifty years to run, and all buildings thereon, when said lands are situated in the Philippine Islands, with title in the Government of the Philippine Islands, and the buildings are of a permanent, substantial, and valuable character; but the amount of the loan or investment shall in no case exceed sixty per centum of the value of the buildings as determined by the Board; Provided, That whenever the instrument, deed, or contract for granting of the loan or investment is prepared, executed, transferred, or cancelled by the Board, the secretary thereof is hereby authorized to charge the mortgagor, trustee, or assignor, fees at the rate to be fixed by the Board and five pesos for each transfer or cancellation of the same.

"(g) Upon first mortgage, deed of trust, or deed with contract for resale to the bank of actually cultivated, improved, and unencumbered agricultural lands in the Philippine Islands with a title registered in accordance with law when the buildings thereon are of a permanent, substantial, and valuable character, but no investment shall be made upon such property in an amount in excess of sixty per centum of its value as determined by the Board, nor upon any one piece of such property in an amount in excess of ten thousand pesos: Provided, That whenever the instrument, deed, or contract for the granting of a loan or investment is prepared, executed, transferred, or cancelled by the Board, the secretary thereof is hereby authorized to charge the mortgagor, trustee, or assignor, fees at the rate to be fixed by the Board and five pesos for each transfer or cancellation of the same."

"(n) Upon mortgage of unencumbered real property situated in the cities and municipalities, to be determined by the Board, having properly registered title in accordance with law: Provided, That the loan which may be granted under the provisions of this subsection shall be employed for no other purpose than the construction of buildings of a permanent character on the property on which said loan has been granted; and that the construction of said buildings shall be executed subject to the rules and conditions to be established by the Postal Savings Bank Board, which Board may cancel the loan in the event that its proceeds are used for other purposes: And provided, further, That whenever the instrument, deed, or contract for the granting of the loans or investment is prepared, executed, transferred, or cancelled by the Board, the secretary there-of is hereby authorized to charge the mortgagor, trustee, or assignor, fees at the rate to be fixed by the Board and five pesos for each transfer or cancellation thereof."

SEC. 6. Section two thousand and thirty of the Administrative Code is hereby amended to read as follows:

"Sec. 2030. Appraisalment of property or securities.— To ascertain the actual value and to secure other information relative to properties and securities upon which loans are contemplated, the Governor-General shall, upon the request of the Board, appoint committees of appraisalment whose duties shall be to examine such properties and securities and report promptly thereon to the Board such information as it may require. By proper resolution the Board may fix and pay a compensation for each of the members composing the

committee serving in the City of Manila and provinces, the provisions of existing law to the contrary notwithstanding: Provided, That said compensation shall not exceed three hundred pesos per annum for the chair- man and two hundred forty pesos per annum for any of the members, to be paid monthly."

SEC. 7. Section two thousand and thirty-one of the Administrative Code is hereby amended to read as follows:

"SEC. 2031. Restrictions upon investment or loans upon real property.— No investment or loan shall be made upon a mortgage or deed on any property, including buildings thereon or upon the buildings, or land alone, as herein- before provided, without the approval of four-fifths of the members of the Board nor in an amount in excess of ten per centum of the total amount of the funds of the bank, nor for a longer time than five years, nor in an amount in excess of fifty thousand pesos on any one piece of property; and every such loan shall be made upon the condition that it may be recalled by the Board in the event of any material depreciation of the value of the security or if any of the conditions of the loan are not complied with; and investment upon such mortgages and deeds shall in no event exceed in the aggregate seventy-five per centum of the total funds of the bank: Provided, however, That in the consideration of applications for loans of Government institutions the provinces and municipalities will be given preference, in so far as the amounts applied for by them are within their borrowing capacity and duly recommended by the Department head."

SEC. 8. Section two thousand and thirty-five of the Administrative Code is hereby amended to read as follows:

"SEC. 2035. Postal Savings Bank reserve fund.— The earnings of the Postal Savings Bank in any year in excess of the expenses of the bank for that year shall constitute its reserve fund which shall be invested with other bank funds in accordance with law."

SEC. 9. Section two thousand and thirty-eight of the Administrative Code is hereby amended to read as follows:

"SEC. 2038. Increase of interest rate on deposits.— A portion of the earnings of the Postal Savings Bank mentioned in section two thousand thirty-five may be also used, with the approval of the Board of investment of the funds the said bank, to increase the rate of interest on deposits."

"(a) Investment of deposits in Government bonds.— The depositor's written authority being previously had, the Director of Posts with the consent of the Board of investment may invest the entire or any portion of the amount deposited by the former in the purchase of bonds of the Insular Government or of the provincial or municipal government including the City of Manila and other cities to which the Legislature may hereafter grant special charters."

SEC. 10. This Act shall take effect on its approval.

Approved, December 7, 1926.

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