

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

13th Congress
First Regular Session



HOUSE BILL NO. 805

Introduced by Congressman Abayon

EXPLANATORY NOTE

Pursuant to R.A. No. 3779, as amended, Savings and Loan Associations provide credit assistance to small scale entrepreneurs in line with the government's program to encourage individuals and/or families to set up their respective businesses/livelihood enterprises.

For this purpose Savings and Loans Associations have, among others, the power to grant loans not exceeding the amount deposited by the borrower's plus his four (4) months salary or regular income.

However, since the passage of the law (R.A.No. 3779) more than 30 years ago, the prices of commodities and goods have risen beyond the levels of 1963.

This bill thus seeks to raise the ceiling of unsecured loans that Savings and Loan Association; may grant to qualified borrowers to an amount not exceeding Php 50,000.00 or the amount deposited by the borrowers plus his four (4) months salary or regular income whichever is higher.

The immediate passage of this bill is requested.

HARLIN CAST. ABAYON

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AN ACT
AMENDING SECTION 5(a) OF REPUBLIC ACT NO. 3779, ENTITLED
“AN ACT TO PROVIDE FOR THE REGULATION OF THE
ORGANIZATION AND OPERATIONS OF SAVINGS AND LOAN
ASSOCIATIONS” AND FOR OTHER PURPOSES.

*Be it enacted by the Senate and House of Representatives of the
Philippines in Congress assembled:*

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

“SEC. 5(a). To grant loans of not exceeding FIFTY THOUSAND
PESOS (Php 50,000.00) OR the amount deposited by the borrower plus his
four month's salary or regular income in the case of a permanent employee
or wage earner, WHICHEVER IS HIGHER, or seventy percent of the fair
value of any property acceptable as collateral on first mortgage that he may
put up by way of security: x x x.”

SEC. 2. *Repealing Clause.* - All laws, decrees, orders, rules and
regulations or parts thereof, inconsistent with the provisions of this Act are
hereby repealed or modified accordingly.

SEC. 3. *Effectivity Clause.* - This Act shall take effect fifteen (15)
days after its publication in at least two (2) national newspapers of general
circulation.

Approved,