



CORPORATE GOVERNANCE AND FINANCE DEPARTMENT

NOTICE

TO : FINANCING COMPANIES (FCs), LENDING COMPANIES (LCs)
AND MICROFINANCE NGOS (MF-NGOs)

SUBJECT : EXTENSION OF THE MANDATORY GRACE PERIOD FOR
LOANS DURING THE MODIFIED ENHANCED COMMUNITY
QUARANTINE/GENERAL COMMUNITY QUARANTINE PERIOD

DATE : 13 MAY 2020

Please be advised that, in view of the imposition of either Modified Enhanced Community Quarantine (MECQ) or General Community Quarantine (GCQ) across the country until 31 May 2020,ⁱ the initial thirty (30)-day grace period for the payment of loans, as provided under Section 4(aa) of Republic Act No. 11469, or the Bayanihan to Heal As One Act,ⁱⁱ shall apply to all loans with principal and/or interest falling due within the MECQ/GCQ period, from **17 March 2020ⁱⁱⁱ to 31 May 2020**.

This is pursuant to Section 3.01 of the Implementing Rules and Regulations (IRR) of Section 4(aa) of the Bayanihan to Heal As One Act, which reads:

“Section 3.01 Mandatory Grace Period. All Covered Institutions shall implement a 30-day grace period for all loans with principal and/or interest falling due within the ECQ Period without incurring interest on interest, penalties, fees and other charges. The initial 30-day grace period shall automatically be extended if the ECQ Period is extended by the President of the Republic of the Philippines pursuant to his emergency powers under the Bayanihan to Heal as One Act.”

In this light, all FCs, LCs and MF-NGOs are hereby directed to extend the 30-day grace period to borrowers with payments due within the MECQ/GCQ period, pursuant to Section 4(aa) of the Bayanihan to Heal as One Act and its IRR.

For your compliance.

ⁱ IATF Resolution No. 35, Series of 2020, in relation to Executive Order No. 112 (Imposing an Enhanced Community Quarantine in High-Risk Geographic Areas of the Philippines and a General Community Quarantine in the Rest of the Country from 01 to 15 May 2020, Adopting the Omnibus Guidelines on the Implementation Thereof, and for Other Purposes)

ⁱⁱ SEC. 4. Authorized Powers. – Pursuant to Article VI, Section 23 (2) of the Constitution, the President is hereby authorized to exercise powers that are necessary and proper to carry out the declared national policy. The President shall have the power to adopt the following temporary emergency measures to respond to crisis brought by the pandemic:

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(aa) Direct all banks, quasi-banks, financing companies, lending companies, and other financial institutions, public and private, including the Government Service Insurance System, Social Security System and Pag-ibig Fund, to implement a minimum of a thirty (30)-day grace period for the payment of all loans, including but not limited to salary, personal, housing, and motor vehicle loans, as well as credit card payments, falling due within the period of the enhanced Community Quarantine without incurring interests, penalties, fees, or other charges. Persons with multiple loans shall likewise be given the minimum thirty (30)-day period for every loan;

ⁱⁱⁱ From the Enhanced Community Quarantine (ECQ) Period