



BANGKO SENTRAL NG PILIPINAS

OFFICE OF THE GOVERNOR

CIRCULAR NO. 1008

Series of 2018

Subject: Amendments to Pertinent Regulations on Rediscounting Availments, and Emergency Loans or Advances to Banking Institutions

The Monetary Board, in its Resolution No. 818 dated 17 May 2018, approved the amendments to Subsections X269.2 and X272.6 of the Manual of Regulations for Banks to effect the removal of the ₱3.0 billion cap per bank on rediscountable National Food Authority papers and the acceptability of syndicated loans and loans with underlying real estate collaterals under Mortgage Trust Indentures for rediscounting and emergency loans.

Section 1. Subsection X269.2 on Eligible papers and collaterals is hereby amended to read as follows:

"§ X269.2 Eligible papers and collaterals. xxx

xxx

a. *Commercial credits xxx*

xxx

The outstanding National Food Authority papers that a bank can rediscount shall not exceed the rediscounting bank's SBL [twenty-five percent (25%) of its net worth].

xxx"

Section 2. The following are hereby added after the last paragraph under Subsection X269.2:

Syndicated loans may be accepted for rediscounting, subject to the following minimum requirements:

- a. The promissory note (PN) is negotiable;
- b. The master loan agreement allows the endorsement of the PN; and
- c. The opinion from the borrowing bank's counsel(s) that the master loan agreement allows the endorsement of the PN; that the PN is negotiable; and that no other act or approval is necessary to perfect the endorsement.

Loans with underlying real estate collateral(s) under Mortgage Trust Indentures (MTI) may likewise be accepted, subject to the following minimum eligibility requirements:

- a. The trustee must be a bank or quasi-bank authorized by the Monetary Board to engage in trust and other fiduciary business;
- b. The borrowing bank must notify the trustee that it is assigning its participation to the Bangko Sentral by way of collateral;
- c. The borrowing bank must provide a certification specifying the following: current participations in the MTI; that there is no senior claim to that of the prospective claim of Bangko Sentral; and that it does not violate any existing loan agreement with other creditors; and
- d. The trustee must provide Bangko Sentral with a certified copy of the relevant collateral(s).

Section 3. Subsection X272.6 on Acceptable collaterals and their corresponding loan values is hereby amended to read as follows:

"§ X272.6 Acceptable collaterals and their corresponding loan values. xxx

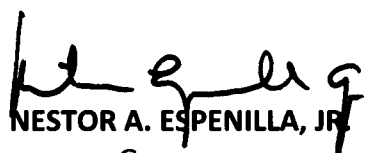
ACCEPTABLE COLLATERALS	With Surety Agreement and Negative Pledge	With Surety Pledge but no Negative Pledge	With Negative Pledge but no Surety Agreement	No Surety Agreement and no Negative Pledge
xxx	xxx	xxx	xxx	xxx

Mortgage credits arising from syndicated loans and loans with underlying real estate collateral(s) under MTI shall likewise be assigned their applicable loan values based on the submission or non-submission of Surety Agreement and/or Negative Pledge as summarized in the immediately preceding table. Such loans shall be subject to the same minimum requirements under Subsection X269.2.

Assets of stockholders xxx"

Section 4. Effectivity. This Circular shall take effect fifteen (15) calendar days following its publication either in the Official Gazette or in a newspaper of general circulation.

FOR THE MONETARY BOARD:


NESTOR A. ESPENILLA, JR.
Governor

14 June 2018