



BANGKO SENTRAL NG PILIPINAS

**OFFICE OF THE DEPUTY GOVERNOR
FINANCIAL SUPERVISION SECTOR**

MEMORANDUM NO. M-2020-075

To : All Non-Stock Savings and Loan Associations

Subject : Additional Regulatory Reliefs to Manage the Effects of the Corona Virus Disease (COVID-19) Pandemic

The Monetary Board (MB), in its Resolution No. 1182 dated 17 September 2020, approved the grant of the following additional regulatory reliefs to Non-Stock Savings and Loan Associations (NSSLAs), in addition to the existing regulatory relief measures provided to all BSP-supervised financial institutions (BSFIs) under BSP Memoranda Nos. M-2020-008 dated 14 March 2020 (as amended by M-2020-032 dated 27 April 2020) and M-2020-011 dated 19 March 2020 (as amended by M-2020-049 dated 9 June 2020), and subject to the same requirements prescribed in BSP Memoranda Nos. M-2020-008 and M-2020-011:

1. For purposes of net income distribution to members for 2020, to allow NSSLAs to recognize as income the accrued interest earned during the 30-day mandatory grace period and subsequent extensions thereon as provided under R.A. No. 11469 (The Bayanihan to Heal as One Act) and pertinent issuances thereon, on the members' unclassified loans, net of general allowance for credit losses (ACL) of one percent (1%) of outstanding accrued interest receivable, subject to the following conditions:
 - a. Submission of a Board of Trustees' (BOT's) certification as to accuracy and integrity of income recognition which will be subject to Bangko Sentral ng Pilipinas (BSP) verification in the next on-site examination;
 - b. That the distribution of accrued interest income, net of ACL, will not result in: (i) insufficiency of funds caused by the use of accrued interest income as part of net amount available for net income distribution; (ii) borrowing of funds in order to finance the net income distribution; (iii) curtailment of the lending operations; or (iv) liquidity problems; and
 - c. That the availing NSSLAs do not have deficiency in ACL on loans and other risk assets based on its latest approved Report of Examination; and
2. For purposes of net income distribution to members for 2020, to allow NSSLAs with adequate office premises, furniture, fixtures and equipment necessary for the conduct of its business, as certified by its BOT, to revert to surplus free, reserves set for said purpose, as well as other amounts set aside voluntarily by the NSSLAs for anticipated projects/expenses.

Availing NSSLAs are given until 31 December 2020 to submit, through the Financial Supervision Department IX, BSP, the following:

1. Letter-notification stating the NSSLAs's intention to avail of the aforesaid relief measures, signed by its President or officer of equivalent rank; *Provided*, That the notice shall specify, at a minimum, the specific relief measures to be availed;
2. Resolution of the Board of Trustees authorizing the NSSLAs to avail of the relief measures; and
3. Justifications showing the current circumstances of the NSSLAs and/or reasons for availment, including support thereto, attributable to the COVID-19 pandemic.

For guidance and compliance.

 Digitally signed by
Chuchi G. Fonacier
Date: 2020.09.27
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CHUCHI G. FONACIER
Deputy Governor

27 September 2020