



BANGKO SENTRAL NG PILIPINAS

DEPARTMENT OF LOANS AND CREDIT

MEMORANDUM NO. M-2011- 017

To : All Concerned Banks

Subject : Guidelines on Real Estate Properties Covered by Section 7 of R.A. No. 26 Offered as Collateral for Loans with the BSP

In line with the bank's submission of subject properties as collateral for loans with the Bangko Sentral ng Pilipinas (BSP), the following conditions must be met:

1. The two-year period from date of entry of the notation has already expired;
2. The bank has already filed the petition with the court for the cancellation thereof; and
3. The bank shall submit prior to the release of the loan by the BSP a surety bond issued by an insurance/surety company which is acceptable to the BSP and is not affiliated with the bank or its subsidiaries, or their stockholders, directors or officers, equivalent to the loan value of the property plus interest and other charges that may fall due, to answer for the payment of the obligations in the event that the petition for cancellation is denied or the notation is not cancelled on or before the maturity of the BSP loan.

For information and guidance.


ROSALINDA S. DUMALIANG
Director

18 March 2011