



Bangko Sentral ng Pilipinas

MAYNILA, PILIPINAS

OFFICE OF THE GOVERNOR

Circular No. 337
Series of 2002

To implement the provisions of Section 47 of Republic Act No. 8791, otherwise known as "The General Banking Law of 2000", the Monetary Board in its Resolution No. 967 dated July 4, 2002, approved the amendment of Subsection X311.5 of the Manual of Regulations for Banks, as follows:

"Redemption of Foreclosed Real Estate Mortgage. In the event of foreclosure, whether judicially or extra-judicially, of any mortgage on real estate, the mortgagor or debtor shall have the right within one year after the sale of the real estate, to redeem the property by paying the amount due under the mortgage deed, with interest thereon at the rate specified in the mortgage, and all costs and expenses incurred by the bank or institution from the sale and custody of said property less the income derived therefrom. However, the purchaser at the auction sale concerned shall have the right to enter upon and take possession of such property immediately after the date of the confirmation of the auction sale and administer the same in accordance with the law.

Juridical persons whose property is being sold pursuant to an extra-judicial foreclosure, shall have the right to redeem the property in accordance with this provision until, but not after, the registration of the certificate of foreclosure sale with the applicable Register of Deeds which in no case shall be more than three (3) months after foreclosure, whichever is earlier."

This Circular shall take effect immediately.

FOR THE MONETARY BOARD:


ALBERTO V. REYES
Officer-In-Charge

11 July 2002



MAG-IMPOK SA BANGKO