



BANGKO SENTRAL NG PILIPINAS

OFFICE OF THE GOVERNOR

CIRCULAR NO. 1058

Series of 2019

Subject: Amendment to the Policy on Peso Consumer Loans to Overseas Filipino Workers, Non-Immigrants, and Embassy Officials and Employees

The Monetary Board, in its Resolution No. 1729 dated 7 November 2019, approved the amendments to the regulation on peso consumer loans to Overseas Filipino Workers, eligible non-immigrant visa holders, and embassy officials and employees to address their financing needs.

Section 1. Section 301 of the Manual of Regulations for Banks (MORB) is hereby amended to read as follows:

"x x x

Signatories. x x x

Policies on peso consumer loans to Overseas Filipino Workers, foreign nationals, and embassy officials. Banks are allowed to extend peso consumer loans to the following individuals without prior BSP approval:

- a. Overseas Filipino Workers (OFWs) as defined under existing labor laws and regulations;
- b. Embassy officials and employees (foreign diplomats and career consular officials and employees) based in the Philippines; and
- c. Foreign nationals holding valid visas issued by relevant Philippine authorities, subject to the following conditions:
 - (1) That the peso consumer loans that may be extended shall not include real estate or housing loans; and
 - (2) That the lending bank shall ensure that the borrower has resided in the Philippines for a period reasonable enough to allow the bank to make prudent credit decisions.

In this respect, the Bangko Sentral expects the lending bank to adhere to sound credit underwriting practices and to institute appropriate measures to mitigate credit and other risks involved in granting Peso consumer loans to OFWs and eligible foreign nationals.

Minimum required disclosures. x x x

x x x "

Section 2. 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:


FRANCISCO G. DAKILA, JR.
Officer-in-Charge

15 November 2019