

[PRESIDENTIAL DECREE NO. 450, May 10, 1974]

AMENDING FURTHER SECTION FIVE (A) OF REPUBLIC ACT NUMBERED THREE THOUSAND SEVEN HUNDRED SEVENTY-NINE, AS AMENDED OTHERWISE KNOWN AS "THE SAVINGS AND LOAN ASSOCIATION ACT."

WHEREAS, savings and loan associations have proved to be effective instruments in encouraging the savings habit of the people, especially among the low- and middle-income groups and in providing additional credit facilities to households, consumers, small-scale entrepreneurs and homebuilders;

WHEREAS, in addition to catering to the credit needs of households by providing personal finance and long-term financing for home building and development, stock savings and loan associations should also be harnessed to help in the financing of agricultural projects, as envisioned in the Land Reform Program;

NOW, THEREFORE, I, FERDINAND E. MARCOS, by virtue of the powers in me vested by the Constitution and in order to help effect the desired changes and reforms in the social and economic structure of our society, do hereby order and decree the amendment of Republic Act No. 3779, as amended, as follows:

SECTION 1. Subsection (a) of Section five of Republic Act Numbered Three thousand seven hundred seventy-nine, as amended, is hereby amended to read as follows:

"(a) To grant loans of not exceeding the amount deposited by the borrower plus his four months, salary or regular income in the case of a permanent employee or wage earner, or seventy per cent of the fair market value of any property acceptable as collateral on first mortgage that he may put up by way of security: *Provided*, That no loan shall have a maturity date of more than three years, except loans on the security of unencumbered real estate for the purpose of home building and home development which may be granted with maturities not exceeding twenty years and medium or long-term loans to finance agricultural projects, subject to regulations prescribed by the Monetary Board: *Provided, further*, That in the case of a borrower who is a permanent employee or wage earner, the treasurer, cashier, or paymaster of the office employing him is authorized, the provisions of any existing law, rule and regulation to the contrary notwithstanding, to make deductions from his salary, wage or income pursuant to the terms of his loan, to remit deductions to the savings and loan association, and to collect such reasonable fee for his services as may be authorized by rules promulgated by the Monetary Board."

SEC. 2. All Acts and parts of Acts inconsistent with the provisions of this Decree are hereby repealed, amended or modified.

SEC. 3. This Decree shall take effect immediately.

Done in the City of Manila, this 10th day of May, in the year of Our Lord, nineteen hundred and seventy-four.