

[REPUBLIC ACT NO. 1480, June 16, 1956]

AN ACT AUTHORIZING THE REHABILITATION FINANCE CORPORATION AND THE PHILIPPINE NATIONAL BANK TO GRANT LOANS TO GRADUATES OF TRADE, AGRICULTURAL AND TECHNICAL SCHOOLS AND COLLEGES IN THE PHILIPPINES WHO ARE FILIPINO CITIZENS.

Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

SECTION 1. It is hereby declared a national policy to give financial assistance to graduates of trade, technical and agricultural schools and colleges with a view to helping them start an industry, own a shop or develop a farm and thus help solve the unemployment problem, and hasten the economic development of the Philippines.

SEC. 2. In accordance with this policy, any provision of law or regulation to the contrary notwithstanding, the Rehabilitation Finance Corporation and the Philippine National Bank are authorized to grant to any *bona fide* graduate of a government trade or technical school or college or a trade or technical school or college duly recognized by the Government, a loan of not exceeding two thousand pesos, and to *bona fide* graduates of a government agricultural school or college or a private agricultural school or college duly recognized by the government a loan of not exceeding three thousand pesos with the collateral of the property purchased with the amount borrowed as hereinafter authorized and payable in five years with interest at the rate of four *per centum* to be used by said graduate for the purchase of necessary equipment and/or the establishment of his shop to be operated by him or the purchase of necessary agricultural implements or seeds for the development of said land: *Provided, however,* That the said loan shall be guaranteed by two solvent and of good standing citizens of the Philippines who are not constitutional officers: *Provided, further,* That applications for loans under this Act shall be given preference over applications for loans of twenty thousand pesos or more: *Provided, finally,* That as far as practicable, loans shall be equitably granted to secure a nationwide distribution and coverage and prevent an undue concentration of loan grants in any one place.

SEC. 3. It shall be unlawful for any person who receives a loan under the provision of this Act to use the said loan or any part thereof for purposes other than those mentioned in section two hereof.

SEC. 4. Any person who shall violate the provisions of section three of this Act shall be punished with imprisonment of not less than six months nor more than one year and in addition the loan so obtained will immediately due and demandable.

SEC. 5. Only Filipino citizens shall avail themselves of this Act.