

# **[ MEMORANDUM CIRCULAR NO. 59, November 26, 2013 ]**

## **DIRECTING ALL GOVERNMENT FINANCIAL INSTITUTIONS TO GRANT A MORATORIUM ON LOAN PAYMENTS OF, AND EXTEND INTEREST-FREE LOANS TO, INDIVIDUALS AND ENTITIES DIRECTLY AFFECTED BY THE CALAMITY ARISING FROM TYPHOON YOLANDA**

WHEREAS, Typhoon Yolanda (international codename: Haiyan) caused widespread destruction, substantial damage, and death in several areas, including Samar, Leyte, Negros, Cebu, Bohol, Capiz, Aklan, Antique, Iloilo and Palawan;

WHEREAS, as a result thereof, the President declared a State of National Calamity pursuant to Proclamation No. 682 (s. 2013);

WHEREAS, there is a need to provide financial relief to individuals and entities directly and adversely affected by the calamity;

WHEREAS, the power of the President of the Philippines to issue directives to government-owned or -controlled corporations (GOCCs), which includes government financial institutions (GFIs) under Republic Act (RA) No. 10149, stems from the President's power of control over all executive departments, bureaus, and offices under Section 17, Article VII of the 1987 Constitution, and Section 1, Chapter 1, Title I, Book III of the Administrative Code of 1987; and

WHEREAS, pursuant to Section 17(d) of RA No. 10121, or the "Philippine Disaster Risk Reduction and Management Act of 2010," the declaration of a state of calamity makes mandatory the granting of no-interest loans by government financing or lending institutions to the most affected section of the population through their cooperatives or people's organizations.

NOW, THEREFORE, all GFIs are directed to grant a six-month moratorium on the payment of outstanding loans of individuals and entities directly and adversely affected by the calamity, subject to their respective charters and applicable laws, rules, and regulations.

All GFIs are likewise directed to expedite the extension of, and provide the necessary assistance relative to documentary submissions for, interest-free loans to individuals and entities directly and adversely affected by the calamity, subject to their respective charters and applicable laws, rules, and regulations.

This Memorandum Circular shall take effect immediately.

DONE, in the City of Manila, this 26th day of November, in the year of our Lord, Two Thousand and Thirteen.