

[**BSP CIRCULAR NO. 1224, January 19, 1990**]

PAST DUE ACCOUNTS

The Monetary Board, in its Resolution No. 1093 dated December 22, 1989, approved the following amendments to Books I, II, III and IV of the Manual of Regulations for Banks and Other Financial Intermediaries:

SECTION 1. Subsections 1304.1 (Book I), 2304.1 (Book II) and 4304Q.1 (Book IV) are hereby amended to read as follows:

"Accounts considered past due. The following shall be considered as past due:

"a. Loans or receivables payable on demand — if not paid on the date indicated on the demand letter, or within six (6) months from date of grant, whichever comes earlier;

"b. Bills discounted and time loans, whether or not representing availments against a credit line — if not paid on the respective maturity dates of the promissory notes;

"c. Customer's liability on drafts under LC/TR

1. Sight Bills — if dishonored upon presentment for payment or not paid within thirty (30) days from date of original entry, whichever comes earlier;

2. Usance Bills — if dishonored upon presentment for acceptance or not paid on due date, whichever comes earlier; and

3. Trust Receipts — if not paid on due date;

"d. Bills and other negotiable instruments purchased — if dishonored upon presentment for acceptance/payment or not paid on maturity date, whichever comes earlier: Provided, however, That an out-of-town check and a foreign check shall be considered as past due if outstanding for thirty (30) days and forty-five (45) days, respectively, unless earlier dishonored;

"e. Loans/receivables payable in installments — the total outstanding balance thereof shall be considered past due in accordance with the following schedule:

Mode of Payment

Minimum Number of Installments in
Arrears