

[EXECUTIVE ORDER NO. 432, May 26, 2005]

**TRANSFERRING THE POWERS, FUNCTIONS, AND DUTIES OF THE
DEFUNCT AD HOC FACT-FINDING COMMITTEE ON BEHEST
LOANS TO THE PRESIDENTIAL COMMISSION ON GOOD
GOVERNMENT**

WHEREAS, the Presidential Ad Hoc Fact-Finding Committee on Behest Loans (Committee) was created by Administrative Order No. 13, dated October 8, 1992, tasked to *"(1) Inventory all behest loans, identify the lenders and borrowers, including the principal officers and stockholders of the borrowing firms, as well as the persons responsible for granting the loans or who influenced the grant thereof; (2) Identify the borrowers who were granted "friendly waivers", as well as the government officials who granted these waivers; determine the validity of these waivers; (3) Determine the course of action that the government should take to recover these loans, and to recommend appropriate actions to the Office of the President..."*;

WHEREAS, Memorandum Order No. 61 dated November 9, 1992 broadened the scope of authority of the Committee by including in its investigation, inventory, and study all non-performing loans which shall embrace both behest and non-behest loans;

WHEREAS, Memorandum Order No. 91 dated February 15, 2000 further expanded the scope of the Committee's authority to file and prosecute the corresponding legal action for the recovery of deficiency claims arising out of behest and non-behest loans that have been defaulted;

WHEREAS, Section 2 of Memorandum Order No. 91, series of 2000, further provided that the Presidential Commission on Good Government (PCGG) shall render its full assistance and support to the Committee in the filing and prosecution of behest loans cases;

WHEREAS, the Legal Department of the PCGG has rendered full assistance and support to the Committee in the filing and prosecution of behest loans cases since 1995, for which purpose the amount of TEN MILLION PESOS (P10,000,000.00) was appropriated from the budget of the Office of the President (OP);

WHEREAS, Executive Order No. 72 dated February 11, 2002 rationalized the agencies under or attached to the OP, thereby rendering the Committee as abolished;

WHEREAS, the national interest requires that the duties and responsibilities of the Committee must be performed by the PCGG, which is the agency most suited to perform the tasks of filing and prosecuting behest loans cases.