

[Act No. 3998, December 05, 1932]

AN ACT TO AMEND ACT NUMBERED TWENTY SIX HUNDRED AND FIFTY FIVE, AS AMENDED, COMMONLY KNOWN AS THE USURY LAW.

Be it enacted by the Senate and House of Representatives of the Philippines in Legislature assembled and by the authority of the same:

SECTION 1. Section three of Act Numbered Twenty-six hundred and fifty five is hereby amended to read as follows:

"SEC. 3. No person or corporation shall directly or indirectly demand, take, receive or agree to charge in money or other property, real or personal, a higher rate or greater sum or value for the loan or forbearance of money, goods, or credits, where such loan or forbearance is not secured as provided in section two hereof, than fourteen per centum per annum."

SEC. 2. Section four of Act Numbered Twenty-six hundred and fifty-five, as amended, is hereby further amended to read as follows:

"SEC. 4. No pawnbroker or pawnbroker's agent shall directly or indirectly stipulate, charge, demand, take or receive any higher rate or greater sum or value for any loan or forbearance than two and one-half per centum per month when the sum lent is less than one hundred pesos; two per centum per month when the sum lent is one hundred pesos or more, but not exceeding five hundred pesos, and fourteen per centum per annum when it is more than the amount last mentioned. A pawnbroker or pawnbroker's agent shall be considered such, for the benefits of this Act, only if he be duly licensed and has an establishment open to the public.

"It shall be unlawful for a pawnbroker or pawnbroker's agent to divide the pawn offered by a person into two or more fractions in order to collect greater interest than that permitted by this section.

"It shall be unlawful for a pawnbroker or pawnbroker's agent to require the pawner to pay an additional charge as insurance premium for the safekeeping and conservation of the article pawned."

SEC. 3. Section six of Act Numbered Twenty-six hundred and fifty-five, as amended, is hereby further amended to read as follows:

"SEC. 6. Any person or corporation who, for any such loan or renewal thereof or forbearance, shall have paid or delivered a higher rate or greater sum or value than is hereinbefore allowed to be taken or received, may recover the whole interest, commissions, premiums penalties and surcharges paid or delivered with costs and attorneys' fees in such sum as may be allowed by the court in an action against the person or corporation who took or received them if such action is brought within two years after such payment or delivery: *Provided, however, That*