

[Act No. 3948, December 01, 1932]

AN ACT TO AMEND SECTION TWO THOUSAND AND THIRTY-ONE OF ACT NUMBERED TWENTY-SEVEN HUNDRED AND ELEVEN, KNOWN AS THE ADMINISTRATIVE CODE, AS AMENDED BY SECTION SEVEN OF ACT NUMBERED THIRTY-THREE HUNDRED AND TWENTY EIGHT, AND FOR OTHER PURPOSES.

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 two thousand and thirty-one of Act Numbered Twenty-seven hundred and eleven, known as the Administrative Code, as amended by section seven of Act Numbered Thirty-three hundred and twenty-eight, is hereby further amended to read as follows:

"SEC. 2031. *Restrictions upon investment or loans upon upon real property.*—No investment or loan shall be made upon a mortgage or deed on any property, including buildings thereon or upon the buildings or land alone, as hereinbefore provided, without the approval of four-fifths of the members of the Board nor in an amount in excess of ten per centum of the total amount of the funds of the Bank, nor for a longer time than live years, nor in an amount in excess of fifty thousand pesos on any one piece of property; and every such loan shall be made upon the condition that it may be recalled by the Board in the event of any material depreciation of the value of the security or u any of the conditions of the loan are not complied with; and investment upon such mortgages and deed shall in no event exceed in the aggregate seventy-five per centum of the total funds of the Bank: *Provided, however,* That in the consideration of applications for loans of Government institutions the provinces and municipalities will be given preference, in so far as the amounts applied for by them are within their borrowing capacity and duly recommended by the Department Head: *And provided, further,* That any loan which may become outstanding may, in the discretion of the Board and on written application of the debtor made within six months from the date the loan falls due, be renewed for a period not to exceed ten years, but loans so renewed shall be liquidated on a monthly, quarterly, semi-annually or annual amortization plan.

SEC. 2. All outstanding loans recorded in the books of the postal savings bank on the date this Act becomes effective may, in the discretion of the board and on written application of the debtors made within one year from said date, be renewed for a period not to exceed ten years, but loans so renewed shall be liquidated on a monthly, quarterly, semiannually or annual amortization plan.

SEC. 3. This Act shall take effect on its approval.

Approved, December 1, 1932.
