

[Act No. 3392, December 05, 1927]

AN ACT TO AMEND SECTION ONE HUNDRED AND EIGHTY-TWO A OF ACT NUMBERED FOURTEEN HUNDRED AND FIFTY-NINE, AS LAST AMENDED BY ACT NUMBERED TWO THOUSAND AND NINETY-TWO.

*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 one hundred and eighty-two of Act Numbered Fourteen hundred and fifty-nine, as last amended by Act Numbered Two thousand and ninety-two, is hereby further amended to read as follows:

"SEC. 182. Every loan made by the corporation must be properly evidenced by a note or other instrument in writing and must be secured by a first mortgage or deed of trust on unencumbered real estate and also by the pledge to the corporation of shares of stock of the corporation the matured value of which shall at least equal the amount loaned: *Provided, however,* That loans may be made on the security of free shares pledged to the corporation for the payment of the loan in case, at the time that the loan is made, the withdrawal value of such free shares under the by-laws shall exceed the amount borrowed and interest thereon for six months: *And provided, further,* That no loan on the security of real estate shall be made unless the title to such real estate shall have been first registered in accordance with the Land Registration Act, or under the Public Act in cases in which this Act authorizes encumbrance or conveyance, or under the system of registration established by the laws in force on the date of the approval of said two Acts. The legal encumbrance or conveyance of real estate with such title shall be valid against the whole world and shall have priority over any other claims against such real estate."

SEC. 2. This Act shall take effect on its approval.

Approved, December 5, 1927.



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