

[Act No. 3291, December 02, 1926]

**AN ACT TO AMEND SECTIONS TWO, FOUR, FIVE, SIX, AND SEVEN
OF ACT NUMBERED TWENTY-SIX HUNDRED AND FIFTY-FIVE,
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 two of Act Numbered Twenty-six hundred and fifty-five,
commonly known as the Usury Law, is hereby amended to read as follows:

"SEC. 2. No person or corporation shall directly or indirectly take or receive in money or other property, real or personal, a higher rate of interest or greater sum or value, including commissions, for the loan or renewal thereof or forbearance of money, goods, or credits, where such loan or renewal or forbearance is secured in whole or in part by a mortgage upon real estate the title to which is duly registered, or by any document conveying such real estate or an interest therein., than twelve per centum, per annum. Mutual building and loan societies incorporated under Act Numbered Fourteen hundred and fifty-nine, known as the Corporation Act may, however, charge in addition a premium the percentage of which shall be fixed from time to time by their boards of directors but shall in no case exceed two per centum per annum, computed in annual payments from the date when the loan was made until the day when the obligation is totally extinguished."

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

"SEC. 4. No pawnbroker or pawnbroker's agent shall directly or indirectly 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 further 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 also be unlawful for a pawnbroker or pawn broker's agent to