

[Act No. 1640, May 03, 1907]

AN ACT AUTHORIZING THE POSTAL SAVINGS BANK INVESTMENT BOARD TO MAKE LOANS FROM FUNDS AVAILABLE FOR INVESTMENT TO PROVINCES OF THE PHILIPPINE ISLANDS, UNDER GUARANTEE OF THE INSULAR GOVERNMENT.

By authority of the United States, be it enacted by the Philippine Commission, that:

SECTION 1. The Postal Savings Bank Investment Board created section eighteen of Act Numbered Fourteen hundred and ninety-three, entitled "An Act to encourage economy and saving among the people of the Philippine Islands, and to that end to provide for the establishment of postal savings banks and their administration through the organization of a Postal Savings bank division in the Bureau of Posts, and for other purposes, is hereby authorized to make loans from the funds under its control available for investment to provinces of the Philippine Islands, under guarantee of the Insular Government first had that the loan and interest thereon will be paid.

SEC. 2. Before making any such loan the Postal Savings Bank Investment Board shall require a resolution of the provincial board of the province to which the loan is to be made, requesting the loan, stating that the same will be used solely for certain public improvements specified therein, agreeing to repay the amount loaned within a certain period with interest at a rate to be stated in said resolution, and requesting the Insular Government to guarantee the repayment in full of said loan and interest. Said resolution shall further provide that the Insular Government may, from time to time, in consideration of its guaranty, deduct from any funds in the Insular Treasury belonging to the province sufficient sums to pay the interest and principal as the same may become due.

SEC. 3. The public good requiring the speedy enactment of this bill, the passage of the same is hereby expedited in accordance with section two of "An Act prescribing the order of procedure by the Commission in the enactment of laws," passed September twenty-sixth, nineteen hundred.

SEC. 4. This Act shall take effect, on its passage.

Enacted, May 3, 1907.



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