



BANGKO SENTRAL NG PILIPINAS

OFFICE OF THE GOVERNOR

MEMORANDUM NO. M-2020- 042


To : **All BSP-Supervised Financial Institutions (BSFIs)**

Subject : **Frequently Asked Questions (FAQ) III on the Implementing Rules and Regulations (IRR) of Section 4(aa) of Republic Act (R.A.) No. 11469, Otherwise Known as the "Bayanihan to Heal As One Act"**

The following items shall be added to the FAQs on the IRR of Section 4 (aa) of R.A. No. 11469 or the "Bayanihan to Heal As One Act" issued under Memorandum Nos. 2020-018 dated 6 April 2020 and Memorandum No. 2020-028 dated 22 April 2020:

1. How will the implementation of Modified Enhanced Community Quarantine (MECQ) in selected parts of the country affect the application of the mandatory grace period for the payment of all loans provided under the "Bayanihan To Heal As One Act" (Bayanihan Act)?
 - The MECQ shall have the same effect as the Enhanced Community Quarantine (ECQ) with respect to the application of the mandatory grace period for the payment of all loans falling due within the period of MECQ. Hence, the mandatory grace period shall still apply to all loans extended by all covered financial institutions irrespective of their place of operation. In this respect, lending institutions shall implement a 30-day grace period for all loan payments with principal and interest falling due within the period of MECQ, without incurring interest on interest, penalties, fees, and other charges. Lending institutions shall also implement an additional 30-day grace period for loan accounts that qualified for an initial 30-day grace period with new due date falling within the MECQ period without incurring interest on interest, penalties, fees, and other charges.
2. Will the mandatory grace period provided under the Bayanihan Act apply if the entire country is placed under General Community Quarantine (GCQ)?
 - No. The mandatory grace period under the Bayanihan Act shall only apply if there are still areas in the country under ECQ or MECQ. The application of the mandatory grace period shall cease once the ECQ and MECQ are lifted in the entire country.

For information and compliance.


BENJAMIN E. DIOKNO
Governor

18 May 2020