



CORPORATE GOVERNANCE AND FINANCE DEPARTMENT

NOTICE

TO : FINANCING COMPANIES (FCs), LENDING COMPANIES (LCs) AND MICROFINANCE NGOS (MF-NGOs)

SUBJECT : EXPANSION OF MANDATORY GRACE PERIOD FOR LOANS DURING EXTENDED ENHANCED COMMUNITY QUARANTINE

DATE : 16 APRIL 2020

Please be advised that the initial thirty (30)-day grace period for the payment of loans, as provided under Section 4(aa) of Republic Act No. 11469, or the Bayanihan to Heal As One Actⁱ, shall apply to all loans with principal and/or interest falling due within the extended Enhanced Community Quarantine (ECQ) periodⁱⁱ, from 17 March 2020 to 30 April 2020.

This is in view of the extension of the ECQ over the entire Luzon until 30 April 2020, and Section 3.01 of the Implementing Rules and Regulations (IRR) of Section 4(aa) of the Bayanihan to Heal As One Act, which reads:

“Section 3.01 Mandatory Grace Period. All Covered Institutions shall implement a 30-day grace period for all loans with principal and/or interest falling due within the ECQ Period without incurring interest on interest, penalties, fees and other charges. The initial 30-day grace period shall automatically be extended if the ECQ Period is extended by the President of the Republic of the Philippines pursuant to his emergency powers under the Bayanihan to Heal as One Act.”

In this light, all FCs, LCs and MF-NGOs are hereby directed to extend the 30-day grace period to borrowers with payments due within the extended ECQ period, pursuant to Section 4(aa) of the Bayanihan to Heal as One Act and its IRR.

For your compliance.

ⁱ SEC. 4. Authorized Powers. – Pursuant to Article VI, Section 23 (2) of the Constitution, the President is hereby authorized to exercise powers that are necessary and proper to carry out the declared national policy. The President shall have the power to adopt the following temporary emergency measures to respond to crisis brought by the pandemic:

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(aa) Direct all banks, quasi-banks, financing companies, lending companies, and other financial institutions, public and private, including the Government Service Insurance System, Social Security System and Pag-ibig Fund, to implement a minimum of a thirty (30)-day grace period for the payment of all loans, including but not limited to salary, personal, housing, and motor vehicle loans, as well as credit card payments, falling due within the period of the enhanced Community Quarantine without incurring interests, penalties, fees, or other charges. Persons with multiple loans shall likewise be given the minimum thirty (30)-day period for every loan;

ⁱⁱ Memorandum from the Executive Secretary dated 07 April 2020: Extension of the Enhanced Community Quarantine over the Entire Luzon until 30 April 2020.