

[**PRESIDENTIAL DECREE NO. 1282, January 16,
1978**]

**FURTHER AMENDING SECTION EIGHTY-EIGHT OF REPUBLIC ACT
NUMBERED TWO HUNDRED SIXTY-FIVE, AS AMENDED,
OTHERWISE KNOWN AS THE CENTRAL BANK ACT.**

WHEREAS, long-term lending institutions play a vital role in providing medium and long-term funds for housing and other priority programs of the Government;

WHEREAS, it is necessary to afford the Central Bank of the Philippines greater flexibility in the use of its credit facilities as to augment medium and long-term funds for economic development;

NOW, THEREFORE, I, FERDINAND E. MARCOS, President of the Philippines, by virtue of the powers vested in me by the Constitution, do hereby decree and order the amendment of Republic Act Numbered Two Hundred Sixty-Five, as amended, as follows:

SECTION 1. Section Eighty-eight of Republic Act Numbered Two Hundred Sixty-Five, as amended, is hereby amended to read as follows:

"Section 88. Loans to long-term institutions.

"A. Under special circumstances in which the Monetary lending operations, or certain classes thereof, of banking institutions engaged in long-term financing, the Central Bank may grant loans or advances to said institutions against pledge or assignment or payments, installments or amortizations of their borrowers. The Monetary Board shall prescribe the ceilings of said loans or advances based of the payments, installments, or amortizations pledged or assigned: *Provided, however,* That the Central Bank shall finance said loans from non-inflationary sources and shall establish additional safeguards as it deems proper.

"In granting loans and advances under this subsection, the Central Bank shall first ascertain that the payments, installments and amortizations are related to credit operations which in every case are adequately secured by mortgages. Said mortgages shall be assigned to the Central Bank."

SEC. 2. This Decree shall take effect immediately.

DONE in the City of Manila, this 16th day of January, in the year of Our Lord, nineteen hundred and seventy-eight.

**(Sgd.) FERDINAND E.
MARCOS**
President of the Philippines

By the President:

(Sgd.) JACOBO C. CLAVE