

**[ PRESIDENTIAL DECREE NO. 653, February 01,  
1975 ]**

**AMENDING SECTION 13 OF REPUBLIC ACT NUMBERED THIRTY-FIVE HUNDRED AND NINETY-ONE, AS AMENDED, ENTITLED "AN ACT ESTABLISHING THE PHILIPPINE DEPOSIT INSURANCE CORPORATION, DEFINING ITS POWERS AND DUTIES AND FOR OTHER PURPOSES".**

**WHEREAS**, the Philippine Deposit Insurance Corporation, as insurer of bank deposits, is entrusted with the vital role of protecting depositors from loss resulting from bank closures and in helping develop a sound and stable banking system;

**WHEREAS**, the Corporation is empowered under its Charter to borrow from the Central Bank for insurance purposes such amounts not exceeding the aggregate amount of P100 million at any one time;

**WHEREAS**, the Corporation has been resorting to its authority to borrow from the Central Bank in the payment of insured deposits;

**WHEREAS**, considering that deposits covered by the Corporation have considerably increased in recent years there is a need to remove the ceiling on the Corporation's borrowings from the Central Bank;

**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 following as part of the law of the land:

**SECTION 1.** Section 13 of Republic Act No. 3591 is hereby amended to read as follows:

**"SEC. 13.** The Corporation is authorized to borrow from the Central Bank of the Philippines and the Central Bank is authorized and directed to loan the Corporation on such terms as may be fixed by the Corporation and the Central Bank, such funds as in the judgment of the Board of Directors of the Corporation are from time to time required for insurance purposes including those provided for in Section 12 (c) of this Act: *Provided*, That the rate of interest to be charged in connection with any loan made pursuant to this Section shall not be less than the current average rate on outstanding marketable and non-marketable obligations of the Republic of the Philippines as of the last day of the month preceding the making of such loan. Any such loan shall be used by the Corporation solely in carrying-out its function with respect to such insurance."

**SEC. 2.** This Decree shall take effect immediately.

Done in the City of Manila this 1st day of February, in the year of Our Lord, nineteen hundred and seventy-five.

**(Sgd.) FERDINAND E.  
MARCOS**