

**[OWWA MEMORANDUM OF INSTRUCTIONS NO.
087, April 27, 1990]**

**ADDENDUM TO MEMORANDUM OF INSTRUCTION NO. 57, SERIES
OF 1988 PRESCRIBING THE policy GUIDELINE ON PENALTY
CHARGES**

In the interest of the service and in view of our continuing effort to instill credit consciousness among our REPROEM clients, a penalty of 2% per month shall be imposed on delinquent borrowers to be computed as follows:

$$P=A \times .02 \times n/30$$

where

P is the Penalty

A is the amortization payment

n is the number of days delayed.

Amortization shall be inclusive of the principal and interest due for the period. Interest shall bear the rate of the first defaulted amortization. This rate shall be constant until such time that the loan is updated.

For strict compliance.

Adopted: 27 April 1990

(SGD.) ATANACIO V. MARONILLA
Administrator



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