

[BSP CIRCULAR NO. 485, May 26, 2005]

**AMENDMENTS TO THE MANUAL OF REGULATIONS FOR BANKS RE
SERVICE AND MAINTENANCE FEES**

Pursuant to Monetary Board Resolution No. 640 dated 12 May 2005, the Manual of Regulations for Banks (MORB) is hereby amended, as follows:

SECTION 1. Section X 263 of the MORB is hereby amended to read as follows:

"Section X263 Service and Maintenance Fees. - Banks may impose AND COLLECT service CHARGES AND/or maintenance fees on savings and demand deposit accounts, WHETHER ACTIVE or dormant, THAT FALL BELOW THE REQUIRED MINIMUM MONTHLY AVERAGE DAILY BALANCE (ADB), SUBJECT TO THE FOLLOWING CONDITIONS:

A. THE IMPOSITION OF SUCH CHARGES OR FEES IS CLEARLY STATED AMONG THE TERMS AND CONDITIONS OF THE DEPOSIT;

b. The rate or amount of such charges or fees is properly disclosed among the terms and conditions of the deposit;

c. THE DEPOSIT ACCOUNT BALANCES HAVE FALLEN BELOW THE REQUIRED MINIMUM MONTHLY ADB FOR DORMANT ACCOUNTS AND FOR AT LEAST TWO (2) CONSECUTIVE MONTHS FOR ACTIVE ACCOUNTS;

d. The REQUIRED minimum MONTHLY ADB of deposits are properly disclosed among the terms and conditions of the deposit;

e. IN THE CASE OF CHARGES AND FEES FOR DORMANT ACCOUNTS OR DORMANCY FEE, the period of dormancy as prescribed under Subsec. X 163.12 shall be properly disclosed among the terms and conditions of the deposit, AND THAT THE DEPOSITORS SHALL BE INFORMED BY REGISTERED MAIL WITH RETURN CARD ON HIS LAST KNOWN ADDRESS AT LEAST SIXTY (60) DAYS PRIOR TO THE IMPOSITION OF DORMANCY FEE."