

[BSP CIRCULAR NO. 335, JUNE 17, 2002, June 17, 2002]

**LOANS AND OTHER CREDIT ACCOMMODATIONS SECURED BY
CHATELS AND INTANGIBLE PROPERTIES, BY PERSONAL
PROPERTIES**

The Monetary Board, in its Resolution No. 874 dated June 13, 2002, approved the following amendments to Sections X312 and X313 of the Manual of Regulations for Banks (MOR) pursuant to Section 38 of Republic Act (R.A.) 8791, The General Banking Law of 2000;

*SECTION X312. LOANS AND OTHER CREDIT ACCOMMODATIONS SECURED BY
CHATELS AND INTANGIBLE PROPERTIES.*

Loans and other credit accommodations on the security of chattels and intangible properties, such as, but not limited to, patents, trademarks, trade names, and copyrights shall not exceed seventy-five percent (75%) of the appraised value of the security, and such loans and other credit accommodations may be made to the titleholder of the unencumbered chattels and intangible properties or his assignees. Provided, That in the case of intangible properties, appraisal thereof shall be conducted by an independent appraiser acceptable to the BSP.

*SECTION X313. LOANS AND OTHER CREDIT ACCOMMODATIONS SECURED BY
PERSONAL PROPERTIES.*

Loans and other credit accommodations may be secured by unencumbered personal property which may consist of:

- (1) Bonds and securities issued by the Government. Such bonds and securities may be given loan values equivalent to their face value or cash value, as the case may be;
- (2) Readily marketable bonds and other high-grade debt securities and "blue chip" stocks, except those issued by the lending entity, Provided, That: (a) the issuer corporation must be a listed corporation with a net worth of at least P1 billion and with a record of at least five (5) consecutive years earnings reckoned from the immediately preceding five (5) years; and (b) the loan value shall be equivalent to fifty percent (50%) of their market value;
- (3) Expected harvest from the project to be financed or growing crops, up to forty percent (40%) of the calculated market value of the crop for which the loan or other credit accommodation is sought, based on previous production records or, in the absence thereof, on production in the locality of similar plantations;
- (4) Quodans or warehouse receipts issued by bonded warehouses covering stock