

[**BSP CIRCULAR NO. 169, July 13, 1998**]

RESTRUCTURED LOANS OF BANKS AND NON-BANKS WITH QUASI-BANKING FUNCTIONS

The Monetary Board in its Resolution No. 969 dated July 8, 1998 adopted the revised guidelines on restructured loans of banks and non-banks with quasi-banking functions. Accordingly, the second paragraph of Subsections 1303.5b (Book I), 2303.5b (Book II), 3303.5b (Book III) and 4303Q.7b of the Manual of Regulations for Banks and Other Financial Intermediaries is hereby amended to read as follows:

"Restructured loans including capitalized interest on restructured loans shall be treated as performing loans or interest income thereon shall be accrued: Provided, That these are:

1. In current status; and
2. Fully secured by real estate with loan value of up to 60% of the appraised value of the real estate security and the insured improvements thereon, and such other first class collaterals as maybe deemed appropriate by the Monetary Board.

Such restructured loans shall revert to a non-performing loan status when these become past due restructured loans in accordance with existing rules and regulations."

This Circular shall take effect immediately.

Adopted: 13 July 1998

(SGD.) ALBERTO V. REYES
Officer-In-Charge



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