

[Act No. 3335, December 07, 1926]

AN ACT TO CREATE A SPECIAL FUND FOR LOANS TO PROVINCES, MUNICIPALITIES, AND CHARTERED CITIES, AND TO APPROPRIATE THE SUM OF THREE MILLION FIVE HUNDRED THOUSAND PESOS FOR THIS PURPOSE.

Be it enacted by the Senate and House of Representatives of the Philippines in Legislature assembled and by the authority of the same:

SECTION 1. The sum of three million five hundred thousand pesos is hereby appropriated, out of any funds in the Insular Treasury not otherwise appropriated, to form a special fund which shall be denominated "Loan Fund." This fund shall constitute a reimbursable account and shall, together with its future accretions derived from its operating income and subsequent appropriations, be invested in loans to provinces, municipalities, and chartered cities at a rate of interest not to exceed four per centum per annum, for the construction or acquisition of permanent public improvements and for the payment of the provincial or municipal share of the cost of duly authorized cadastral surveys.

SEC. 2. A Loan Board is hereby created which shall be composed of the Secretary of Finance, who shall be its chairman, and of the following members: the Insular Treasurer, the Chief of the Executive Bureau, the Director of Public Works, and a member who shall be designated by the Governor-General, with the advice and consent of the Senate. This Board shall manage the fund hereby created and shall establish rules and conditions for the granting of said loans: *Provided, however,* That no loan shall be granted for a period in excess of ten years in any case: *Provided, further,* That in no case shall any loan be granted in excess of one hundred and fifty thousand pesos to a province and of fifty thousand pesos to a municipality or chartered city: *Provided, also,* That no loan from this fund nor interest on such loan shall be remitted under any consideration: *And provided, finally,* That no loan shall be granted unless the province, municipality, or city concerned shall first have demonstrated its capacity to repay the same within the time stipulated for such payment.

SEC. 3. The Insular Treasurer shall be the executive officer of the Loan Board, shall keep a record of all operations concerning the Loan Fund, shall collect all monies due said fund, and shall make all payments payable by the same, under the supervision of said Board.

SEC. 4. All necessary expenses authorized for carrying the provisions of this Act properly into effect shall be payable out of the Loan Fund hereby created.

SEC. 5. This Act shall take effect on its approval.

Approved, December 7, 1926.
