

[BATAS PAMBANSA BLG. 62, April 01, 1980]

AN ACT AMENDING FURTHER REPUBLIC ACT NUMBERED THREE THOUSAND SEVEN HUNDRED SEVENTY-NINE, AS AMENDED, OTHERWISE KNOWN AS THE "SAVINGS AND LOAN ASSOCIATION ACT".

Be it enacted by the Batasang Pambansa in session assembled:

SECTION 1. Section five of Republic Act No. 3779, as amended, is hereby amended to read as follows:

"SEC. 5. *Powers of savings and loan association.*—A savings and loan association shall be incorporated under the Corporation Code of the Philippines.

"A stock savings and loan association, in addition to the powers granted under the Corporation Code of the Philippines, shall exercise all the powers and assume all the obligations of a savings and mortgage bank as provided in the General Banking Act: *Provided*, That nothing in this section shall be construed as precluding such association from performing, with prior approval of the Monetary Board, all the services authorized for commercial banks under Republic Act No. 337, as amended, or from operating under an expanded banking authority as provided in Section 21-B of the same Act.

"A non-stock savings and loan association, in addition to the powers granted in the Corporation Code of the Philippines, shall exercise the following:

"(a) To grant loans not exceeding the member-borrower's savings and time deposits in the association, plus his four months' salary or regular income whether from employment or from his own business, or seventy percent (70%) of the fair market value of any property acceptable as collateral on first mortgage that he may offer as security: *Provided*, That no loan shall have a maturity of more than five years, except loans on the security of unencumbered real estate for the purpose of home building and home development which may be granted with maturities not exceeding thirty years and medium- or long-term loans to finance agricultural projects, subject to regulations prescribed by the Monetary Board: *Provided, further*, That in the case of a borrower who is a permanent employee or wage earner, the treasurer, cashier or paymaster of the office employing him is authorized, notwithstanding the provisions of any existing law, rule and regulation to the contrary, to make deductions from his salary, wage, or income pursuant to the terms of his loan, to remit deductions to the savings and loan association concerned, and collect such reasonable fee for his services as may be authorized by rules promulgated by the Monetary Board;

"(b) To charge interest within the limits allowed by law, and collect such necessary fees incidental to the grant of loans as may, by regulation, be