

[Commonwealth Act No. 399, September 12, 1938]

AN ACT TO PROHIBIT BUILDING AND LOAN ASSOCIATIONS TO TAKE OR RECEIVE DIRECTLY OR INDIRECTLY IN MONEY OR OTHER PROPERTY, REAL OR PERSONAL, OR CHOOSE IN ACTION, A HIGHER RATE OF INTEREST OR GREATER SUM OR VALUE, INCLUDING COMMISSIONS, PREMIUMS, FINES OR PENALTIES FOR THE LOAN OR RENEWAL THEREOF OR FORBEARANCE OF MONEY, GOODS, OR CREDITS, OR DUES ON SHARES OF SUCH ASSOCIATIONS, THAN TWELVE PER CENTUM PER ANNUM, BY AMENDING SECTIONS TWO AND THREE OF ACT NUMBERED TWENTY-SIX HUNDRED AND FIFTY-FIVE, AS AMENDED, AND AMENDING AND REPEALING CERTAIN SECTIONS OF THE CORPORATION LAW.

Be it enacted by the National Assembly of the Philippines:

Section 1. Section two of Act Numbered Twenty-six Hundred and fifty-five, commonly known as the Usury Law, as amended by Act Numbered Forty hundred and seventy, is further amended to read as follows:

"SEC. 2. No person or corporation shall directly or in mortgage loans; directly take or receive in money or other property, real or personal, or choose in action, a higher rate of interest or greater sum or value, including commissions, premiums, fines and penalties, for the loan or renewal thereof or for bearance of money, goods, or credits, where such loan or renewal or forbearance is secured in whole or in part by a mortgage upon real estate the title to which is duly registered, or by any document conveying such real estate or an interest therein, than twelve per centum per annum."

Sec. 2. Section three of Act Numbered Twenty-six hundred and fifty-five, as amended by Act Numbered Thirty- nine hundred and ninety-eight, is further amended to read as follows:

"Sec. 3. No person or corporation shall directly or in directly demand, take, receive or agree to charge in money or other property, real or personal, a higher rate or greater sum or value for the loan or forbearance of money, goods, or credits, where such loan or forbearance is not secured as provided in section two hereof, than fourteen per centum , per annum: Provided, however, That in the case of building and loan associations organized in accordance with section one hundred and seventy-one of Act Numbered Fourteen hundred and fifty-nine, as amended, such rate or sum or value, including premiums, fines, and penalties for such loan or forbearance of money, goods, or credits, or for dues on shares of stock, shall not be higher than twelve per centum per annum."

Sec. 3. Section one hundred and eighty-one of Act Num Bunding and loan bered Fourteen hundred and fifty-nine as amended by Act Numbered Thirty-six hundred and ten, is further amended so as to read as follows: