

[LETTER OF IMPLEMENTATION NO. 53, December 27, 1976]

AMENDING THE FOURTH PARAGRAPH OF REGULATION NO. 9 OF THE LETTER OF IMPLEMENTATION NO. 23 DATED JULY 9, 1973 IMPLEMENTING PRESIDENTIAL DECREE NO. 175 DATED APRIL 14, 1973.

WHEREAS, production loans obtained by farmer-members of Samahang Nayons are subject to a compulsory 5 per cent deduction as contribution to the Barrio Savings Fund;

WHEREAS, there is a need to decrease the 5 per cent Barrio Savings Fee to 3 per cent to reduce the financial burden on farmers;

WHEREAS, in order to ensure repayment, a portion of the Barrio Savings Fund must be utilized to guarantee the production loans obtained by Samahang Nayon members under any of the Supervised Credit Programs;

NOW, THEREFORE, pursuant to the provisions of Section 11 of Presidential Decree No. 175, the fourth paragraph of Regulation No. 9 of Letter of Implementation No. 23 dated July 9, 1973, referring to the implementation of the Barrio Savings Fund Program, is hereby amended as follows:

"To implement the Barrio Savings Fund Program, the Agricultural Credit Administration, the rural banks, the Philippine National Bank, the Development Bank of the Philippines, the Land Bank, and other authorized financial institutions are hereby directed to automatically deduct from every production loan obtained by members of Samahang Nayons under any of the supervised credit programs, an amount equivalent to three per cent (3%) of such loan. Deduction shall be made upon release of the loan, and shall be held in a deposit account to constitute a Barrio Savings Fund in the name of the Samahang Nayon for the account of the member. Members who do not obtain production loans shall contribute to said Fund a minimum deposit of five pesos (P5.00) per month.

"The Barrio Savings Fund for the Samahang Nayon which is hereby constituted shall be utilized and disposed of in the manner specified as follows:

- a. Twenty-five per cent (2.5%) to purchase shares of stocks of and/or capitalize rural banks, development banks, or credit cooperatives;
- b. Twenty-five per cent (25%) to be used for purposes as may be authorized by the Department of Local Government and Community Development through the Bureau; and
- c. Fifty per cent (50%) to guarantee the loans obtained by Samahang Nayon members under any of the Supervised Credit Programs.