

**[LETTER OF INSTRUCTION No. 1486, November
21, 1985]**

TO: The Monetary Board; Central Bank of the Philippines; The Governor; Central Bank of the Philippines;

SUBJECT: GRANT OF AUTHORITY TO THE NATIONAL MARKET VENDORS COOPERATIVES SERVICE FEDERATION, INC. (NAMVESCO) TO ORGANIZE AND OPERATE A COOPERATIVE RURAL BANK IN THE METRO MANILA.

WHEREAS, the state has declared a policy to foster the creation and growth of cooperatives as a means of increasing income and purchasing power of the low income sector of the population in order to attain a more equitable distribution of income and wealth;

WHEREAS, cooperatives have been utilized as vehicles in the attainment of increase of income and purchasing power of the low income sector of the population;

WHEREAS, the Ministry of Agriculture and Food in the implementation of the policy of state regarding cooperatives, has among others, vigorously pursued the organization and development of credit cooperatives in the country;

WHEREAS, the Metropolitan Manila Commission through Madame Imelda R. Marcos, its Governor, on May 9, 1985, directed all City and Municipal Mayors of Metropolitan Manila to assist and support in the organization and establishment of credit cooperatives among market vendors in the Metropolitan Manila;

WHEREAS, The Ministry of Agriculture and Food on March 14, 1983 has designated the National Market Vendors Cooperatives Service Federation, Inc. (NAMVESCO), a federation of vendor credit cooperatives in the public markets of the country, as National Coordinator for the organization of market vendors credit cooperatives in the country;

WHEREAS, the NAMVESCO at present has 33 market vendors credit cooperative affiliates with more than 39,000 individual members;

WHEREAS, these credit cooperative as of October 1985 have total assets of P73 million, and have granted loans to their members in the aggregate amount of P219 millions;

WHEREAS, these credit cooperatives provide the capital and financing requirements of their respective members at very low rate of interest;

WHEREAS, it has been observed that in markets where there are existing credit cooperatives among the market vendors the "loan sharks" and "5-6" money lenders have virtually disappeared;

WHEREAS, the market vendors who have obtained their loans from the credit cooperatives could offer reasonable prices for the goods/commodities they offer the general consuming public because the cost of their money is comparatively much