



BANGKO SENTRAL NG PILIPINAS

OFFICE OF THE GOVERNOR

MEMORANDUM NO. M-2020- 068

To : All BSP-Supervised Financial Institutions (BSFIs)

Subject : Implementation of Section 4(uu) of the R.A. No. 11494 on the "Bayanihan to Recover As One Act"

All BSFIs are immediately required to comply with Section 4(uu) of R.A. No. 11494 or the "Bayanihan to Recover One Act," which took effect last 15 September 2020* (Annex "A").

Section 4(uu) of R.A. No. 11494 requires all covered institutions to implement a mandatory one-time 60-day grace period to all loans that are existing, current and outstanding falling due, or any part thereof, on or before 31 December 2020. The mandatory one-time 60-day grace period shall apply to each loan of individuals and entities with multiple loans.

BSFIs shall not charge or apply interest on interest, penalties, fees or other charges during the mandatory one-time 60-day grace period to future payments/amortizations of the borrowers. They are likewise prohibited from requiring their clients to waive the application of the provisions of the "Bayanihan to Recover As One Act." No waiver previously executed by borrowers covering payments falling due until 31 December 2020 shall be valid.

The accrued interest for the one-time 60-day grace period may be paid by the borrower on staggered basis until 31 December 2020. Nonetheless, this shall not preclude the borrower from paying the accrued interest in full on the new due date.

The parties may agree to: (1) a grace period longer than 60 days, and/or (2) payment of accrued interest on staggered basis beyond 31 December 2020.

For immediate compliance.


BENJAMIN E. DIOKNO
Governor

18 September 2020

* Republic Act No. 11494 or the Bayanihan to Recover as One Act was published in Manila Bulletin on 15 September 2020.