



**BANGKO SENTRAL NG PILIPINAS**

OFFICE OF THE GOVERNOR

**MEMORANDUM NO. M-2020-086**

To : **All Private Banks**

Subject : **Alternative Mode of Compliance with the Mandatory Credit Allocation for Agriculture and Agrarian Reform**

The Monetary Board, in its Resolution No. 1534 dated 26 November 2020, approved the temporary inclusion of housing loans as an alternative mode of compliance with the mandatory credit allocation for agriculture and agrarian reform under Republic Act No. 10000, for the purpose of implementing the provisions of Section 4(ccc) of Republic Act (R.A.) No. 11494 or the Bayanihan to Recover As One (BARO) Act.

Private banks are encouraged to reallocate any unutilized loanable funds to housing loans. In this respect, housing loans granted starting from 15 September 2020 until 31 December 2020 may be used as an alternative mode of compliance with the twenty-five percent (25%) total mandatory credit allocation for agriculture and agrarian reform. Banks may utilize eligible housing loans as alternative compliance either for the ten percent (10%) mandatory agrarian reform credit allocation and/or for the fifteen percent (15%) mandatory other agricultural credit allocation, as provided under Republic Act No. 10000 and Section 331 of the Manual of Regulations for Banks (MORB). For this purpose, housing loans shall include all loans granted to individuals, fully secured by first mortgage on residential property that is or will be occupied by the borrower as well as housing microfinance loans as provided under Section 314 of the MORB.

The use of housing loans as allowable alternative mode of compliance with the mandatory credit allocation for agriculture and agrarian reform credit shall be reflected as an adjustment to the amounts reported as compliance by private banks with the said mandatory credit for the quarters ending 30 September 2020 and 31 December 2020. Housing loans, that meet the criteria provided under this Memorandum, shall be valued at amortized cost, gross of allowance for credit losses, and added to the total amount reported as compliance. Banks concerned shall submit a one-time supplemental report (*Annex A*) on the use of the housing loans as compliance with the mandatory credit allocation for agriculture and agrarian reform for the said periods on or before 22 January 2021.

Consistent with its supervisory enforcement policy, the Bangko Sentral reserves the right to deploy its range of supervisory tools to promote adherence to the foregoing rules and bring about timely corrective actions and compliance with Bangko Sentral regulations. In this regard, the Bangko Sentral may issue directives to, or impose sanctions on, the bank and/or responsible persons of the bank such as directors, officers and/or employees.

For guidance and implementation.

**BENJAMIN E. DIOKNO**  
Governor

03 December 2020

Deadline : 22 January 2021

Submission: Original copy to Department of  
Supervisory Analytics (DSA)

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 Name of Bank
 

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 Address
 

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**SUPPLEMENTAL AGRI AGRA REPORT**  
As of the periods indicated

	Amount as of 30 September 2020	Amount as of 31 December 2020
<b>A. Total Loanable Funds Generated</b>		
<b>B. Minimum Amount Required to be Allocated for:</b>		
1. 10% AGRA i.e. Agrarian Reform Credit (10% x Item A)		
2. 15% AGRI i.e. Other Agricultural Credit (15% x Item A)		
<b>C. Compliance with AGRA</b>		
1. Direct Compliance		
2. Alternative Compliance		
3. Excess Compliance of a Bank/Banks Used by Another Bank/Other Banks <sup>1/</sup>		
4. Excess Compliance with AGRA Utilized for AGRI <sup>2/</sup>		
5. Total Compliance with AGRA (C1 + C2 - C3 - C4)	-	-
6. Housing loans used as alternative compliance with AGRA <sup>3/</sup>		
7. Adjusted Total Compliance with AGRA (C5 + C6)	-	-
8. Percentage of Compliance with the Agricultural Reform Credit		
<b>D. Compliance with AGRI</b>		
1. Direct Compliance		
2. Alternative Compliance		
3. Excess Compliance with AGRA Utilized for AGRI <sup>4/</sup>		
4. Excess Compliance of a Bank/Banks Used by Another Bank/Other Banks <sup>1/</sup>		
5. Total Compliance with AGRI (D1 + D2 + D3 - D4)	-	-
6. Housing loans used as alternative compliance with AGRI <sup>3/</sup>		
7. Adjusted Total Compliance with AGRI (D5 + D6)	-	-
8. Percentage of Compliance with the Other Agricultural Credit		
<b>E. Excess/(Deficiency) with 10% AGRA (C.7 - B.1)</b>	-	-
<b>F. Excess/(Deficiency) with 15% AGRI (D.7 - B.2)</b>	-	-

## Footnotes:

<sup>1/</sup> For a parent bank with majority-owned subsidiary bank/s reporting compliance on a group-wide basis.<sup>2/</sup> Excess compliance with 10% agra credit which has been utilized as compliance with the 15% agricultural credit. Amounts reported should always be negative.<sup>3/</sup> Pertains to housing loans granted from 15 September 2020 until 31 December 2020, pursuant to BSP Memorandum M-2020-\_\_\_<sup>4/</sup> Excess compliance with 10% agra credit which has been utilized as compliance with the 15% agricultural credit. Amounts reported should always be positive.

I hereby certify that all matters set forth in this Supplemental Agri Agra Report are true and correct to the best of my knowledge and belief.

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 Authorized Signatory