



BANGKO SENTRAL NG PILIPINAS

**OFFICE OF THE DEPUTY GOVERNOR
FINANCIAL SUPERVISION SECTOR**

MEMORANDUM NO. M-2020-___

To : All Non-Stock Savings and Loan Associations

Subject : Additional Regulatory Relief for the Non-Stock Savings and Loan Association (NSSLA) Industry to Manage the Effects of the Corona Virus Disease 2019 (COVID-19) Pandemic

The Monetary Board, in its Resolution No. 1567 dated 03 December 2020, approved, to allow NSSLAs, for purposes of net income distribution to members for the year 2020, to recognize as income the accrued interest earned during the mandatory one-time 60-day grace period provided under Republic Act No. 11494 (Bayanihan to Recover as One Act) on the members' unclassified loans outstanding from 15 September 2020 until 31 December 2020, net of general allowance for credit losses (ACL) of one percent (1%) of outstanding accrued interest receivable, subject to the following conditions:

1. The submission of a Board of Trustees' (BOT's) certification as to accuracy and integrity of income recognition which will be subject to BSP verification in the next on-site examination;
2. That the distribution of accrued interest income, net of ACL, will not result in: (i) insufficiency of funds caused by the use of accrued interest income as part of net amount available for net income distribution; (ii) borrowing of funds to finance the net income distribution; (iii) curtailment of the lending operation; or (iv) liquidity problems; and
3. That the availing NSSLA does not have deficiency in ACL on loans and other risk assets based on its latest approved Report of Examination.

Availing NSSLAs are given until 31 December 2020 to submit, through the Financial Supervision Department IX, BSP, the following:

1. Letter-notification stating the NSSLA's intention to avail of the aforesaid regulatory relief signed by its President or officer of equivalent rank;
2. Resolution of the BOT authorizing the NSSLA to avail of the regulatory relief; and
3. Justifications showing the current circumstances of the NSSLAs and/or reasons for availment, including support thereto, attributable to the COVID-19 pandemic.

For guidance and compliance.

CHUCHI G. FONACIER
Deputy Governor

09 December 2020