



COOPERATIVE DEVELOPMENT AUTHORITY

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MEMORANDUM

TO : ALL COOPERATIVES

FROM : THE CHAIRMAN

**SUBJECT : COMPLIANCE WITH SECTION 4 (AA) OF
REPUBLIC ACT NO. 11469, OTHERWISE KNOWN
AS THE BAYANIHAN TO HEAL AS ONE ACT**

DATE : APRIL 2, 2020

On March 25, 2020, Republic Act No. 11469, otherwise known as the “Bayanihan to Heal As One Act,” was passed, Section 4(aa) of which provides:

“SECTION 4. Authorized Powers. – Pursuant to Article VI, Section 23 (2) of the Constitution, the President is hereby authorized to exercise powers that are necessary and proper to carry out the declared national policy. The President shall have the power to adopt the following temporary emergency measures to respond to crisis brought by the pandemic.

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(aa) Direct all banks, quasi-banks, financing companies, lending companies, and **other financial institutions**, public and private, including the Government Service Insurance System, Social Security System and Pag-ibig Fund, to implement a minimum of a thirty (30)-day grace period for the payment of all loans, including but not limited to salary, personal, housing, and motor vehicle loans, as well as credit card payments, falling due within the period of the enhanced Community Quarantine without incurring interests, penalties, fees, or other charges. Persons with multiple loans shall likewise be given the minimum thirty (30)-day grace period for every loan;”

Corollary thereto, Section 6 of the same Act provides as follows:



“SECTION 6. Penalties. – In addition to acts or omissions already penalized by existing laws, the following offenses shall be punishable with imprisonment of two (2) months or a fine of not less than Ten thousand pesos (P10,000.00) but not more than One million pesos (P1,000,000.00), or both, such imprisonment and fine, at the discretion of the court:

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(e) Refusal to provide thirty (30)-day grace periods provided under Section 4;

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Provided, however, That if the offender is a corporation, association, partnership or **any other juridical person, the penalty shall be imposed upon the president, directors, managers, managing partners**, as the case may be, who participated in the commission of the offense or who shall have knowingly permitted or failed to prevent the commission of the same. If the offender is an alien, he shall, in addition to the penalties herein prescribed, be deported without further proceedings: *Provided, further,* That if the offender is a public official or employee, he shall, in addition to the penalties prescribed herein, suffer perpetual or temporary absolute disqualification from office, as the case may be.”

Considering that under Section 2.01(a), Rule II of the Implementing Rules and Regulations of the above-quoted Section 4(aa) of R.A. No. 11469, “*Covered Institutions*” shall mean all lenders, including but not limited to banks, quasi-banks, non-stock savings and loan associations, credit card issuers, pawnshops and other credit granting financial institutions under the supervision of the Bangko Sentral ng Pilipinas (BSP), Securities and Exchange Commission (SEC), and **Cooperative Development Authority**, public or private, including the Government Service Insurance System, Social Security System and Pag-ibig Fund, all cooperatives duly registered by the Authority which provide credit and other lending services are hereby reminded to strictly comply with the law. (*emphasis supplied*)



ORLANDO R. RAVANERA, CSEE, CEO VI