



# COOPERATIVE DEVELOPMENT AUTHORITY

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## MEMORANDUM

**TO : ALL COOPERATIVES**

**FROM : THE CHAIRMAN**

**SUBJECT : AUTOMATIC EXTENSION OF THE 30-DAY GRACE PERIOD FOR LOANS WITH PRINCIPAL AND/OR INTEREST FALLING DUE WITHIN THE PERIOD OF ENHANCED COMMUNITY QUARANTINE (ECQ) or MODIFIED ENHANCED COMMUNITY QUARANTINE (MECQ) <sup>1</sup>**

**DATE : June 10, 2020**

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In view of the national government's declarations placing different parts of the country under ECQ, MECQ, MGCQ or GCQ and following Sections 3.01 and 3.02, Rule III of the Implementing Rules and Regulations of Section 4(aa) of Republic Act No. 11469 and Section 8 (2) of IATF Resolution No. 38, Series of 2020, dated May 22, 2020, which reads:

*"As a matter of declared national policy and pursuant to paragraphs (aa) and (bb), Section 4 of the Republic Act No. 11469, all banks, quasi-banks, financing companies, lending companies, and other*

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<sup>1</sup> This Memorandum supersedes the Memorandum issued by the Authority on May 29, 2020, entitled Automatic Extension of the 30-Day Grace Period for Loans with Principal and/or Interest Falling Due Within the Period of Enhanced Community Quarantine (ECQ), Modified Enhanced Community Quarantine (MECQ) or General Community Quarantine (GCQ), which cited IATF Resolution No. 33, dated May 6, 2020, as the basis for automatic extension of the 30-day grace period.



*financial institutions, public and private, including the Government Service Insurance System, Social Security System and Pag-ibig Fund, are directed to implement a minimum of a thirty (30)-day grace period from due date or until such time that the ECQ or MECQ is lifted, whichever is later, 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 ECQ and MECQ, and without incurring interests, penalties, fees, or other charges. Persons with multiple loans shall likewise be given a minimum thirty (30)-day grace period from due date or until such time that the ECQ or MECQ is lifted, whichever is later, for every loan, “*

all cooperatives duly registered with the Authority which provide credit and other lending services<sup>2</sup> are hereby reminded to comply with the above provisions of law and implement the mandatory grace period for all loans with principal and/or interest falling due within the ECQ or MECQ period **without incurring interest on interest, fees and other charges.**

  
ORLANDO R. RAVANERA  
Chairman

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<sup>2</sup> **“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;”