

**SAVINGS AND LOAN ASSOCIATION OF GOVERNMENT AUDITORS, INC.**

SLAGA Office, Commission on Audit Compound, Commonwealth Avenue, Quezon City  
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**Board Resolution No. 2022 – 65  
Twenty fifth (25th) Regular Meeting  
July 8, 2022**

**SUBJECT: Limit on the Number of Loans to be Granted  
Per SLAGA Member**

**WHEREAS**, in order to meet the increasing demand for the financial products and services of their members, the Association grants *salary-based general-purpose consumption loans, emergency loans, short term loans and equity loans*;

**WHEREAS**, under **Section 305-S Policy on Loan Limit to a Single Borrower (SBL) of the Manual of Regulations for Non-Bank Financial Institutions (MORNBFI) issued by the Bangko Sentral ng Pilipinas (BSP)**, the Association may grant loans to its members but shall not exceed the member's deposits and capital contributions, plus twelve (12) months of his/her regular salary and 13<sup>th</sup> month pay;

**WHEREAS**, the SBL shall be determined at the time of approval of a loan and/or its renewal/restructuring and that the amount of loans to be used in determining compliance with the SBL of a member shall be the sum of gross amount of the new loan he/she applied for and the total outstanding balance of his/her existing loans;

**WHEREAS**, **Section 310-S RENEWAL OF LOANS of the MORNBFI provides that** loans payable in periodic installments may be renewed for the full or beyond the amount of such loans but within the limit prescribed under Section 305-S (*Loan limit to a single borrower*) or the Association by-laws, as applicable: *Provided*, That at least thirty percent (30%) of the loan shall have been paid;

**WHEREAS**, under existing practice and adhering to the SBL, the Association grants additional consumption loans on top of existing outstanding loans even without the need of renewal of any of the existing loans, thus, resulting to two or more consumption loans outstanding per member at one time and posing a challenge in the monitoring of such loans;

**WHEREAS**, it appearing in the schedule of current and past due loans that several members have multiple outstanding consumption loans;

**NOW THEREFORE, THE BOARD RESOLVES AS IT HEREBY RESOLVED,** that effective immediately, all loan officers are directed to discontinue the practice of granting additional loans to members unless it is a renewal of the existing loan in the same or higher amount after at least 30% of the previous loan to be renewed has been paid and that other existing outstanding loans are paid off from the proceeds of the loan renewal. It is, however, understood that a member may still be granted an emergency loan, short term or equity loan in addition to only one consumption loan subject to the observance of the SBL.

**RESOLVED FURTHER,** that all existing multiple outstanding consumption loans for each member-borrower as of June 30, 2022 shall be closely monitored by the loan officers concerned to ensure the regularity of payroll deductions remitted by the COA Payroll Accounting Unit for the monthly amortizations of these loans and to notify the member-borrower in case of two or more missed monthly payments.


Done this 8<sup>th</sup> day of July 2022.

**APPROVED:**

  
**NILDA B. PLARAS**  
President

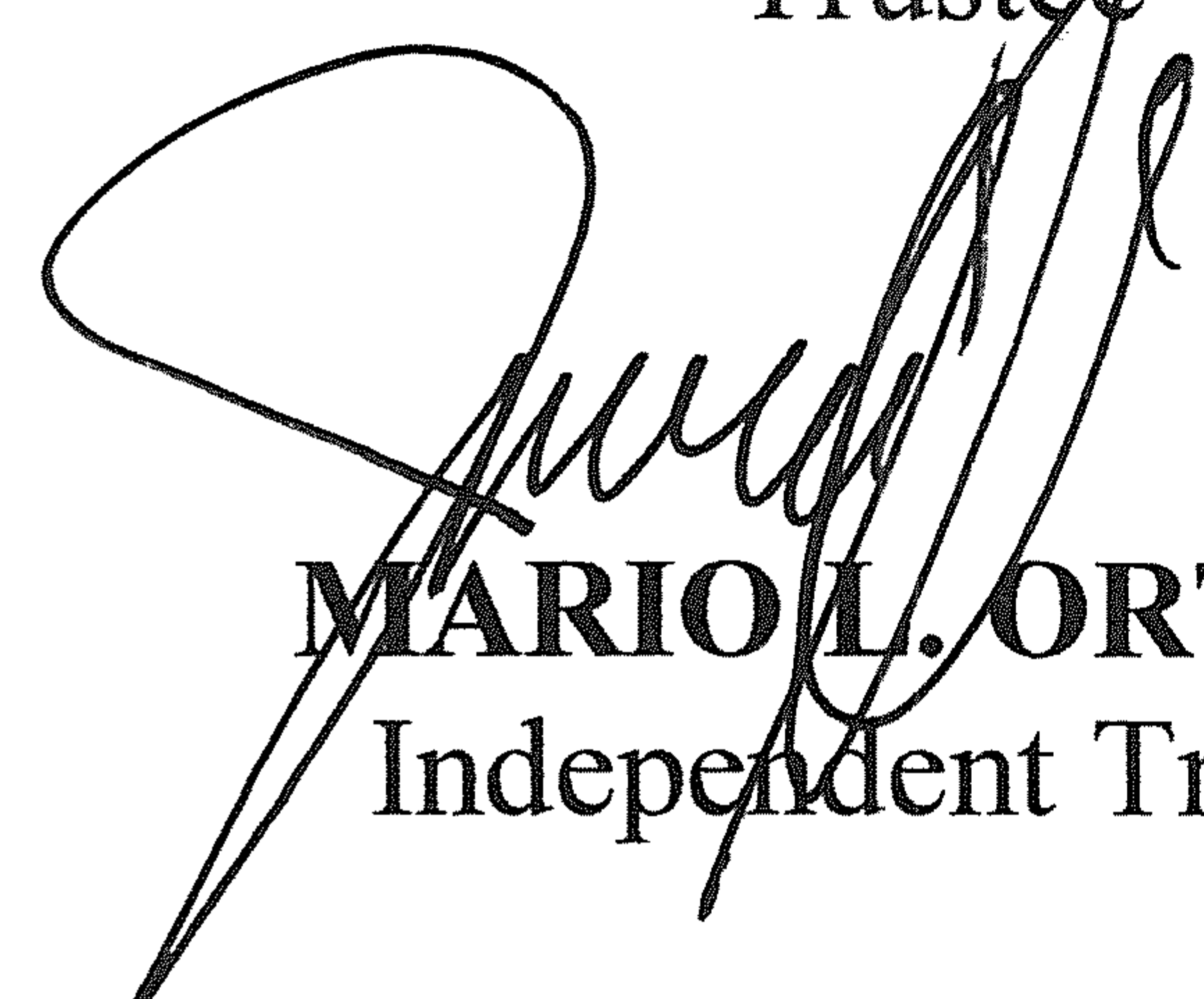
  
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Vice-President

  
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Independent Trustee

  
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