

NOTICE

Subject : Encouragement of Calibrated Relief Measures for Borrowers of Financing and Lending Companies

Pursuant to the approval of the **Securities and Exchange Commission *En Banc*** during its meeting on **16 April 2026**, the Commission hereby adopts a policy encouraging financing companies (FCs) and lending companies (LCs) to extend calibrated and sustainable relief measures to borrowers experiencing financial difficulty, in light of recent economic developments arising from the declaration of a State of National Energy Emergency.

I. Policy Direction

It is the policy of the Commission to promote **responsible, transparent, and consumer-centric lending practices** during periods of economic disruption, while ensuring the continued stability and sustainability of the financing and lending sector.

In furtherance thereof, financing and lending companies are encouraged to adopt relief measures that are **proportionate, capacity-based, and responsive to the financial condition of borrowers**.

II. Priority Relief Measure: Loan Restructuring

Financing and lending companies are strongly encouraged to implement **structured loan restructuring or rescheduling programs** as the primary form of relief. Such programs may include:

- **Modification** of payment schedules;
- **Extension** of loan terms;
- **Adjustment** of installment amounts based on the borrower's capacity; and
- **Other** reasonable accommodations that facilitate continued repayment without undue financial strain.

Loan restructuring is encouraged as it enables borrowers to meet their obligations while allowing financing and lending companies to maintain operational sustainability and portfolio stability.

III. Supplemental Relief Measure: Grace Period

Where warranted by the borrower's financial condition, financing and lending companies may extend a **grace period of at least one (1) month** on loan payments.

The grant of such grace period shall be:

- **Targeted**, based on demonstrated financial distress; and
- **Calibrated**, taking into account the company's financial capacity and liquidity position.

During the grace period, financing and lending companies are encouraged to waive or refrain from imposing penalties, surcharges, and similar charges, consistent with fair and reasonable lending practices.

IV. Proportionate and Capacity-Based Application

Financing and lending companies shall adopt a **proportionate and capacity-based approach** in implementing relief measures.

Entities with greater financial capacity, scale of operations, or exposure to high-volume consumer lending are expected to take a **more proactive role** in extending meaningful relief measures, including structured restructuring programs and, where appropriate, targeted grace periods.

Other entities may extend relief measures on a **case-to-case basis**, taking into account their financial viability, liquidity position, and operational capacity.

Financing and lending companies operating online lending platforms (OLPs) or engaged in high-volume consumer lending are likewise expected to adopt a more proactive approach in providing relief.

V. Consumer Protection and Fair Conduct

All financing and lending companies are reminded that any relief measure extended shall be implemented in accordance with existing laws, rules, and regulations, including:

- The **Truth in Lending Act (Republic Act No. 3765)** and applicable disclosure requirements;
- **SEC Memorandum Circular No. 19, Series of 2019** on disclosure in advertisements and online lending platforms;
- **SEC Memorandum Circular No. 18, Series of 2019** on the prohibition against unfair debt collection practices; and
- **SEC Memorandum Circular No. 14, Series of 2025** on recalibrated ceilings on interest rates and other fees charged by financing and lending companies.

In particular:

- Relief measures shall be **clearly and fully disclosed** to borrowers;
- Any restructuring or modification shall remain **within the applicable interest rate ceilings and fee limitations**;
- No **hidden, additional, or undisclosed charges** shall be imposed; and
- Borrowers shall not be subjected to **harassment, coercion, or misleading representations** in the implementation of such measures.

VI. Documentation and Transparency

Financing and lending companies are encouraged to ensure that all relief arrangements are:

- Properly documented in writing;
- Clearly explained to borrowers; and
- Supported by the borrower's informed and express consent.

VII. Monitoring and Cooperation

The Commission may monitor the implementation of relief measures and may request information from financing and lending companies to assess industry response and consumer impact.

All entities are enjoined to cooperate with the Commission in promoting responsible lending practices and safeguarding the welfare of financial consumers during this period.

VIII. Final Note

This Notice is issued **without prejudice to the existing rights and obligations of parties under their respective loan agreements**, and shall not be construed as a mandatory directive. The Commission underscores the importance of **responsible, transparent, and compassionate lending practices** during periods of economic disruption.