



Bank deposit mo, protektado!

NEWS RELEASE

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PDIC: Enhanced incentive program to benefit closed bank borrowers

The Philippine Deposit Insurance Corporation (PDIC) announced that its Closed Bank Loan Incentive Program (CLIP) has been enhanced and extended in 2025 to benefit more borrowers of closed banks.

Now known as CLIP 3.0, the program, which was launched in 2021, aims to help borrowers of closed banks maintain their creditworthiness and prevent the foreclosure of their mortgaged assets, by making it easier for them to settle their outstanding debts through discounts and waivers on the amounts they owe, provided that the discounted or reduced loan obligation is paid in full through a one-time cash settlement. As the statutory receiver of closed banks, the PDIC collects loan payments from borrowers of closed banks to augment the liquid funds for the settlement of claims of the banks' creditors.

Under the enhanced program, the qualifying principal balance threshold has been raised from ₱5.0 million to ₱10.0 million, making the incentives available to more closed bank borrowers. Discounts and waivers are also available and vary based on the year the bank was closed, and on whether the loan is clean, secured by a chattel mortgage or pledge, or by a real estate mortgage (REM).

Borrowers of banks closed in 2023 and prior years, who have clean loans or whose obligations are secured by a chattel mortgage or a pledge, can benefit by as much as a 50% discount on their outstanding principal balance. Unbooked interest, penalties, and other charges are likewise fully waived. Meanwhile, borrowers whose loans are secured by REM may avail of a reduced unbooked interest for as low as 3% per annum, depending on the age and status of their loans, and a full waiver for unbooked penalties and other charges. These program incentives are available only to borrowers who will settle their reduced or discounted loans in full through a one-time cash settlement until December 31, 2025. Previously, clean loans were subject to a discount of up to 30% only, while unbooked interest on loans secured by REM could only be reduced to 5% per annum.

On the other hand, borrowers of banks closed in 2024 and 2025 with clean loans or whose obligations are secured by chattel mortgage or pledge are entitled to a 50% discount on their outstanding principal balance and a full waiver of unbooked interest, penalties, and other charges. Meanwhile, for borrowers whose obligations are secured by REM, CLIP 3.0 reduces the interest rate on unbooked interest to 5% per annum and includes a full waiver of unbooked penalties and other charges. Qualified borrowers who will settle their reduced or discounted loans in full through a one-time cash settlement can avail of CLIP 3.0 within

one year from receipt of PDIC's notice about the program. Under CLIP 2.0, clean loans were subject to a 15% discount only, while discounts and waived unbooked interest, penalties, and other charges did not apply to borrowers with loans secured by REM.

For more details, closed bank borrowers may visit the PDIC website at www.pdic.gov.ph/CLIP, call the PDIC Public Assistance Hotline at (02) 8841-41-41 or the toll-free hotline 1-800-1-888-PDIC or 1-800-1-888-7342 during office hours, send an e-mail to the PDIC Public Assistance Department at clip-pad@pdic.gov.ph, or send a private message at the official PDIC Facebook page www.facebook.com/OfficialPDIC.

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The **Philippine Deposit Insurance Corporation (PDIC)** was established on 22 June 1963 by Republic Act 3591 to protect depositors and help maintain stability in the financial system.

The PDIC is an attached agency to the Bangko Sentral ng Pilipinas; and a member of the Financial Sector Forum, the Financial Stability Coordination Council, and the Financial Inclusion Steering Committee.

PDIC news/press releases and other information are available at the website, www.pdic.gov.ph.

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