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NEWS/PRESS RELEASE

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FOR IMMEDIATE RELEASE

PDIC rolls out CLIP initiative for borrowers of closed banks

The Philippine Deposit Insurance Corporation (PDIC) has rolled out the [Closed Bank Loan Incentive Program \(CLIP\)](#), an easy payment and zero penalty initiative to assist borrowers of banks that were closed by the Monetary Board. The Program provides incentives to borrowers of closed banks to immediately settle their outstanding loans obligations, to enable them to maintain their credit worthiness, and to optimize recovery from liquidation for the benefit of closed bank creditors.

CLIP offers substantial discounts to closed bank borrowers with principal loan balances of ₱1.0 million and below who will opt to pay through a one-time cash settlement.

The incentive program covers unencumbered (not subject of real estate mortgage or any lien in favor of creditors of the closed bank) clean loans of banks closed in 2020 and onwards and offers a 10% discount on the outstanding principal balance and accrued interest receivable plus other charges, if any, and full waiver of unbooked interest and penalty charges. The incentive may be availed within a year from issuance of the notice to borrowers.

CLIP also offers incentives to borrowers of banks closed in 2019 or earlier who have unencumbered clean loans and unencumbered loans secured by real estate mortgage, chattel mortgage or pledge. A 25% discount on the outstanding principal balance and accrued interest receivable plus other charges, if any, and full waiver of unbooked interest and penalty charges are being offered for unencumbered clean loans through a one-time cash payment. Meanwhile, borrowers with unencumbered secured loans may avail of reduction of the unbooked interest from the original loan interest rate to only 5% per annum of the principal amount plus full waiver of unbooked penalty and other charges. Qualified borrowers may avail of these incentives until September 30, 2022.

The PDIC said that borrowers with matched deposits in closed banks may avail of these incentives for their loan balances after offset.

The incentives under CLIP are seen to assist borrowers in paying their loans through easy terms and with full waiver of penalties.

The PDIC is mandated to resolve the loan accounts of closed banks through various resolution activities and initiatives to be able to liquidate assets for the benefit of and distribution to the creditors of closed banks.

Qualified and interested borrowers may inquire about CLIP by calling 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. Borrowers may also send an email to the PDIC Public Assistance Department at clip-pad@pdic.gov.ph or private message at the official PDIC Facebook page, www.facebook.com/OfficialPDIC. Information on the incentive program is also posted in the PDIC website, www.pdic.gov.ph.

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The Philippine Deposit Insurance Corporation (PDIC) was established on June 22, 1963 by Republic Act 3591 to provide depositor protection and help maintain stability in the financial system by providing deposit insurance. Effective June 1, 2009, the maximum deposit insurance coverage is PhP500,000 per depositor. All deposit accounts by a depositor in a closed bank maintained in the same right and capacity shall be added together. A joint account shall be insured separately from any individually-owned deposit account.

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

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