



Paying Loans with Closed Banks

A Guide For Borrowers of Closed Banks

When the Monetary Board of the Bangko Sentral ng Pilipinas (BSP) orders the closure of a bank, it designates the Philippine Deposit Insurance Corporation (PDIC) as the closed bank's Receiver and directs it to proceed with the closed bank's liquidation. It is the responsibility of the PDIC to convert closed banks' assets into cash to increase the chances that claims of creditors and uninsured depositors may be settled. Aside from disposing of properties and other assets owned by closed banks, collecting payments from borrowers with outstanding loans in closed banks is another way to liquidate banks.

Philippine Deposit Insurance Corporation
PDIC Chino Bldg., 2228 Chino Roces Avenue
Makati City 1233

Hotline: (02) 8841-4141 (For Metro Manila calls)
Toll-free: 1-800-1-888-PDIC or 1-800-1-888-7342
(for calls Outside of Metro Manila)

Website: www.pdic.gov.ph
Facebook: www.facebook.com/OfficialPDIC
X (formerly Twitter): [@OfficialPDIC](https://twitter.com/OfficialPDIC)
YouTube: www.youtube.com/@PDICOfficial



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WHY PAY OUTSTANDING LOANS WITH CLOSED BANKS?

The closure of a bank does not extinguish a borrower's obligation to pay the bank what he/she owes. Hence, borrowers are still obligated to settle their loans.

- Paying off loans helps the PDIC pay the closed bank's creditors, which are the individuals and businesses the closed bank owes money to. Loan payments are pooled to a fund from which payments for claims of closed bank creditors are sourced. Creditors' claims are settled based on legal priority.
- Payment of an outstanding secured loan allows a borrower to reclaim or exercise complete ownership again over the property or other asset used as collateral.
- By taking full responsibility for his/her loan, a borrower minimizes the risk of not being able to borrow from other lending institutions in the future. Diligence in paying loans positively reflects on a borrower's credit record, establishing his/her creditworthiness. On the other hand, non-payment will reflect negatively on his/her credit record. Credit records can be accessed by other banks and financing companies during credit investigation, should borrowers apply for loans.
- Paying off debts is simply the right and honorable thing to do. Everything borrowed must be returned and a loan is borrowed money that should be paid.

HOW DO I PAY LOANS WITH CLOSED BANKS?

1 Secure your Account Reference Number (ARN) through any of the following:

- From PDIC personnel assigned at the closed banks' premises;
- At the PDIC Public Assistance Center: G/F PDIC Chino Bldg., 2228 Chino Roces Avenue, Makati City 1233
- By Phone:
 - Public Assistance Hotline: (02) 8841-4141 (For Metro Manila calls)
 - Toll Free: 1-800-1-888-7342 or 1-800-1-888-PDIC (For calls outside Metro Manila)
- Via E-mail at pad@pdic.gov.ph
- Through Facebook Messenger at www.facebook.com/OfficialPDIC

NOTE: ARN refers to the unique number generated by the PDIC for each loan account to ensure payments of borrowers are properly recorded and accounted for. In the Philippine National Bank (PNB) Payment Slip, ARNs are to be indicated in the portion referring to "Card No., Subscriber's No., or Policy/Plan/Reference No."

The ARN is also communicated to borrowers by PDIC through demand letters.

2 Pay through any of the following:

- In-Person at:
 - The PDIC Public Assistance Center in Makati; and
 - Any PNB branch

On the PNB Payment Slip:

 - Write "PDIC FAO BURL: [Name of Closed Bank]" on the Company Name section.
 - Write the ARN on the Reference No. Section.
- Through bank cheque or postal money order (PMO) sent via postal mail or courier to the PDIC Loans Management Group.
- Online through the Land Bank of the Philippines' (LBP) Link.BizPortal at bit.ly/lbp-linkbiz.
- Optional offsetting of deposit balance with the closed bank against the outstanding loan for current borrowers.

Note: Offsetting of deposit balance against the outstanding loan is automatic for past-due borrowers.

3 Secure the Official Receipt

For payments through PNB, bank cheque, or PMO, the PDIC will send official receipts (OR) to the borrowers' registered mailing addresses upon verification and recording of payments. Borrowers may follow up on their ORs via phone, postal mail/courier, e-mail, or Facebook Messenger.

CLOSED BANK LOAN INCENTIVE PROGRAM

To encourage closed bank borrowers to pay their outstanding loans, the PDIC offers the enhanced Closed Bank Loan Incentive Program (CLIP) as of 2025. Depending on their loan type, qualified borrowers with outstanding principal balances of up to ₱10 million can avail of incentives such as significant discounts and waived penalties and charges.

Loan Components	INCENTIVES	
	Clean or Secured by Chattel Mortgage or Pledge	Secured by Real Estate Mortgage
Outstanding Principal	50% Discount	No Discount
Booked Interest, Penalties & Other Charges	50% Discount	No Discount
Unbooked Interest	Waived	Reduction of unbooked interest from promissory note rate to 3% p.a.
Unbooked Penalties & Other Charges	Waived	Waived

For more details on CLIP, go to www.pdic.gov.ph/CLIP or scan the QR code below.

