



**BANGKO SENTRAL NG PILIPINAS**

**DEPARTMENT OF LOANS AND CREDIT**

**MEMORANDUM NO. M-2011- 036**

**To : All Concerned Banks**

**Subject : Criteria for Acceptability of Free Patent as Underlying Collateral  
for Loans Offered for Rediscounting with the BSP**

An Original Certificate of Title issued by virtue of Free Patent, covering agricultural lands, may be accepted as underlying collateral for loans offered for rediscounting with the BSP after the expiry of the prescription period of five years from date of the approval of the order to issue the patent. The five-year restriction is not applicable for residential lands acquired under free patent as provided under Section 9 of R.A No. 10023.

For information and guidance.

  
**ROSALINDA S. DUMALIANG**  
Director

5 July 2011