



May 2, 2013
Circular No. SBP-DR-0058-2013

General Manager

Subject: Preferential Interest Rate System

Dear General Manager:

We wish to inform you that Law 23 of 2013 "That amends an Article of Law 3 of 1985 that establishes a preferential interest rate system for certain mortgage loans" entered into effect on April 10, 2013.

Through the above law, the registered value that residences must have at the time the loan is provided to be granted a preferential interest rate is amended to read:

- In the case of residences whose registered value at the time the loan is provided is up to forty thousand balboas (B/.40,000.00), the preferential interest rate reduction will be equivalent to the reference rate to be established from time to time during the term of the mortgage.
- In the case of residences whose registered value at the time the loan is provided is over forty thousand balboas (B/.40,000.00) but under sixty-five thousand balboas (B/.65,000.00), the preferential interest rate reduction on the mortgage shall not exceed 4%.

Additionally, we inform you that the 2% maximum reduction for the preferential interest rate on mortgages whose registered value at the time of financing is over sixty-five thousand balboas (B/.65,000.00) but under one hundred twenty thousand balboas (B/.120,000.00) remains unchanged.

Law 23 of 2013 was published in Official Gazette 27262-B dated 9 April 2013, which is enclosed for your further reference.

We would greatly appreciate your providing your staff with the necessary instructions for compliance with the provisions of this Circular.

Yours truly,

Alberto Diamond R.
Superintendent

Enc: Law 23 of 2013

/cc

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