

**LAW 23**

Dated 8 April 2013

**That amends an article of Law 3 of 1985 that establishes a preferential interest rate system for certain mortgage loans**

**THE NATIONAL ASSEMBLY  
DECREES:**

**Article 1.** Article 5 of Law 3 of 1985 will read:

**Article 5.** The difference between the reference interest rate and the lower rate that the creditor collects discretionally and effectively on each preferential mortgage will be known as the preferential interest rate reduction.

The preferential interest rate reduction referred to above shall not exceed 4% for loans on residences whose registered value at the time of financing is over forty thousand balboas (B/.40,000.00) but under sixty-five thousand balboas (B/.65,000.00).

The preferential interest rate reduction for loans on residences, whose registered value at the time of financing is over sixty-five thousand (B/.65,000.00) but under one hundred twenty thousand balboas (B/.120,000.00) will be 2%.

In the case of residences whose registered value at the time of financing is no greater than forty thousand balboas (B/.40,000.00), the referenced preferential interest rate reduction will be equivalent to the reference rate to be fixed from time to time during the term of the mortgage. As a result, the State shall pay 100% of the preferential interest rates to the people and entities indicated in Article 1 of this Law.

Excluded from this preferential interest rate system are:

1. Property whose registered value is over one hundred twenty thousand balboas (B/.120,000.00).
2. Fractional financing for one or more buyers on a single property valued at over one hundred twenty thousand balboas (B/.120,000.00).
3. Financing for purchasing or building new houses whose borrowers are already benefitting from this system.

**Transitory proviso.** Preferential mortgages previously granted will retain the preferential interest rate reductions in force at the time they were approved.

# TRANSLATION

**Article 2.** This Law amends Article 5 of Law 30 dated 20 May 1985.

**Article 3.** This Law shall become effective on the day following its promulgation.

**LET IT BE PUBLISHED AND ENFORCED.**

Bill 567 of 2013 approved in third debate at Palacio Justo Arosemena, Panama City, on the twenty-sixth day of March, two thousand thirteen.

The President,

Sergio R. Gálvez Evers

The Secretary General,

Wigberto E. Quintero G.

# TRANSLATION

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No. 27262-B

Official Gazette Online, Tuesday, April 9, 2013

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NATIONAL EXECUTIVE BRANCH. PRESIDENCY OF THE REPUBLIC, PANAMA,  
REPUBLIC OF PANAMA, 8 APRIL 2013.

RICARDO MARTINELLI BERROCAL  
President of the Republic

FRANK DE LIMA  
Minister of Economy and Finance