

**1. How did the Bangko Sentral ng Pilipinas (BSP) obtain its acquired assets?**

Banks availing of the loan facilities of the BSP assign their receivables to the BSP as collateral for their loans. Upon failure of these banks or their borrowers to pay their loans, the BSP forecloses these real properties. Another mode by which the BSP acquires these assets is when the banks pay their loans with properties under a *dacion en pago* agreement.

**2. What is a foreclosure sale?**

A foreclosure sale is a public bidding of loan collaterals. If the creditor is the highest bidder for the property, the supposed proceeds of the sale are applied as payment for the loan. Thus, the creditor extinguishes the loan of the debtor but in turn gets a real property, which is the collateral for the loan.

**3. Can an owner of a property subject to foreclosure sale reacquire his property?**

Yes. A property owner may redeem his property within the period prescribed by law.

**4. How much is the redemption price?**

For Mortgage Credits, the redemption price is computed based on the balance of the amount due under the mortgage documents, plus the interest and penalty rates specified therein, as well as all the costs and expenses incurred by the BSP from the sale and custody of the property.

For Direct Mortgages, the redemption price is computed based on the purchase price or bid price, plus 1% interest per month up to the time of full payment as well as all costs and expenses incurred by the BSP from the sale and custody of the property.

If the computed redemption price is lower than the current market value of the property, the redemption price shall be based on the current market value of the property.

**5. Can the redemption period be extended?**

The period of redemption may not be extended. However, the payment of redemption price may be extended under the following conditions:

- a. That the written request to redeem must be submitted within the redemption period or before the expiration of the redemption period;
- b. That the redemption price shall be paid in cash not later than 90 days from the lapse of the redemption period; and

c. All taxes that may be assessed by the Bureau of Internal Revenue shall be for the account of the previous owner.

**6. *If the previous owner fails to exercise his right of redemption, what happens to the title of the property?***

The BSP shall consolidate title of the property in the name of BSP.

**7. *If the title is already in the name of BSP, can the previous owner still re-acquire his property?***

Yes, by participating in the auction or negotiate for the purchase of the property in case there is a failure of bidding. The BSP, being a government institution, is required, as an initial mode of disposition, to dispose through public auction, all acquired properties already in its name. In case of a failed bidding, the property may be disposed through negotiation.

**8. *Does the previous owner have the first priority to purchase the property in the public auction?***

As the public auction is open to all interested buyers, no priority is given to the previous owner.

**9. *When is the public auction held?***

The auction is usually scheduled at least once every quarter. An Invitation to Bid (ITB) is published in a newspaper of general circulation and in the BSP website at [www.bsp.gov.ph](http://www.bsp.gov.ph) not later than 15 days before the auction date. The ITB states when and where the auction will take place, shows the list of properties for sale, the minimum bid price for each property and the terms and conditions of the auction.

**10. *Who conducts the public auction?***

The Committee on Disposal of Real Properties (CDRP) conducts the public auction. This is composed of a Chairman, Vice-Chairman and seven members, most of which are Heads of different departments in the BSP.

**11. *What is the basis of the selling price of acquired assets?***

One of the values considered in determining the selling price of a BSP acquired asset is its latest appraised value.

**12. *Is a fee charged when one participates in the auction?***

No fee is charged when participating in the auction.

**13. Does a bidder need to be present during the public auction?**

A bidder may or may not attend the public auction. He may send a representative to act on his or her behalf, provided that a Special Power of Attorney (SPA) is executed by the bidder in his or her favor.

The presence of interested parties is highly encouraged so decisions can be made on any issues that may be raised during the auction.

**14. Who may participate in the bidding?**

Any person, partnership or corporation complying with the prescribed rules and regulations may participate in the bidding.

**15. What are the requirements in the submission of bids?**

The sale shall be under a sealed envelope system. Any qualified bidder shall accomplish a Bid Tender Form, clearly indicating the following, among others:

- a) Description of the items or lots with the corresponding bid offer clearly indicated in figures and words;
- b) Name and signature of bidder;
  - b.1. For individual bidders, the bidder or his/her representative duly authorized in a SPA executed by the bidder.
  - b.2. For duly registered single proprietorship, the proprietor or his/her designated representative duly authorized by the proprietor in a SPA executed for the purpose of bidding for the subject property.
  - b.3. For duly registered corporations, and other juridical entities, the person designated by the Board of Directors through a Board Resolution to act for and on behalf of the organization with full powers and authority to participate in the auction.
- c) Business or residence address of the bidder; and
- d) Terms and conditions of the bid offer

All quotations shall be in Philippine currency. Erasures or interlineations should be avoided and duly initialed by the bidder, if any. Otherwise, the bid shall be considered defective.

A bidder shall accomplish the Bid Tender Form in duplicate, preferably typewritten. It shall be properly signed and sealed in an envelope, which shall indicate on its face the full name of the bidder, title number and the location of the property. The envelope which contains the Bid Tender Form and the bid bond shall contain only one bid corresponding to each property and shall be deposited in the box on or before the scheduled time for the opening of bids. No bid documents will be accepted after the deadline set for acceptance of bids. All documents shall bear the bidder's signature on each and every page. The signature of the bidder on the original Bid Tender Form and other bid documents constitutes acceptance of, and assent to, all conditions embodied therein.

**16. *How much is the required bid bond?***

The bidder shall post, for each property bid, a bid bond of at least 10% of the bid offer in the form of cash, manager's or cashier's check payable to the Bangko Sentral ng Pilipinas, or a combination thereof.

**17. *Can a buyer bid less than the minimum bid price?***

No. The bid should be equal to or more than the minimum bid price.

**18. *When does the winning bidder pay the balance of his bid?***

The winning bidder shall pay the balance of his bid in cash or check within thirty (30) calendar days from the date of receipt of the Notice of Award (NOA).

**19. *What is the effect if the winning bidder fails to pay the balance of the bid offer within the prescribed period?***

In case of awardee's failure to pay the balance of the bid offer within the prescribed period of 30 calendar days from receipt of the NOA, the award shall be cancelled and the bid bond forfeited in favor of the BSP.

**20. *What is a failed bidding?***

Bidding may be declared a failure in any of the following cases:

- There is no bidder; or
- All bidders failed to comply with the terms and conditions prescribed in the ITB.

**21. *What happens if there is failed bidding?***

In the event of a failed bidding, the CDRP will immediately start accepting offers for negotiation through the Asset Management Department.

**22. What happens if two or more bidders submitted the same bid amount?**

When two or more complying bidders make identical offers constituting the highest bids, the CDRP shall resort to an open bidding (*viva voce*) between the tied bidders on the same day. The new bid price shall start at the tied price plus 1% thereof or P1,000.00 whichever is higher.

**23. What documents are required to negotiate the purchase of a property?**

The offeror shall accomplish and submit in duplicate the following forms:

- a. Buyer's Information Sheet;
- b. Negotiated Offer to Purchase Form; and
- c. Negotiated Sale Rules and Procedures, signed on all pages, together with the documents listed in the Buyer's Information Sheet, as follows:
  - 1) For individual offerors –
    - Original copy of the Certificate of Employment and pay slip for the last three months or current employment contract and proof/s of other income or source of funds, if any;
    - Photocopy of any Government Issued ID & BIR TIN; and,
    - Special Power of Attorney (SPA) executed by the offeror if represented by another individual.
  - 2) For duly registered single proprietorship –
    - Photocopy of the Department of Trade and Industry registration;
    - Photocopy of Mayor's Business Permit for the current year;
    - Photocopy of latest Income Tax Return or audited financial statements and proof/s of other income or source of funds, if any; and,
    - SPA if the proprietor is represented by another individual.
  - 3) For duly registered corporations and other juridical entities –
    - Photocopy of the Securities & Exchange Commission registration;
    - Photocopy of Mayor's Business Permit for the current year;
    - Photocopy of Articles of Partnership or Incorporation, as the case may be;
    - Photocopy of Latest Income/Corporate Tax Return;
    - Photocopy of Audited Financial Statements for the last two years and proof/s of other income or source of funds, if any;
    - Secretary's Certificate or its equivalent on Authority to Purchase; and
    - Secretary's Certificate or its equivalent on Authorized Signatory.
  - 4) If the property is subject of a pending court case, the offeror may be required to submit a notarized acknowledgment that he is fully aware of the

pending court case/s and that he shall assume the risks/consequences attendant thereto.

**24. *How much deposit is required?***

For cash or installment purchases, a deposit equivalent to at least twenty percent of the offer price must be made upon submission of offer. The deposit may be in the form of cash or manager's/cashier's check payable to the Bangko Sentral ng Pilipinas.

**25. *Does the deposit form part of the purchase price?***

If the offer is approved, the deposit forms part of the purchase price.

**26. *What are the terms of payment?***

- For cash purchases, the balance of the offer price (net of at least twenty percent deposit) must be remitted within 30 calendar days from date of receipt of Notice of Approval (NOA).
- For purchases on installment basis, payments may be made on a monthly, quarterly, semestral or annual basis. The first installment is due 30 days after receipt of the NOA;
- Payments may be made through availment of PAG-IBIG housing loan or bank loan subject to the condition that the Deed of Absolute Sale shall be executed and the title may be released only upon receipt by the BSP of the documents evidencing payment guarantee issued by PAG-IBIG fund or the lender-bank;
- Balance of the purchase price shall be subject to an interest rate of 10% per annum for regular assets. Properties classified as socialized housing based on the ceiling defined by the Housing and Urban Development Coordinating Council shall be charged an interest of 6% per annum.

Offers payable within 30 days from receipt of the NOA are not subject to interest charges.

**27. *If a buyer offers to purchase a property at the BSP minimum selling price and submits all the required documents and deposit, is he guaranteed that the sale will be awarded to him?***

No. The acceptance of the deposit and the documentary requirements shall not bind the BSP to the offer until after receipt by the offeror of the NOA.

**28. *How will the proposed buyer know that his offer is accepted?***

The Committee sends a NOA for accepted proposals.

**29. What happens to the deposit for offers not accepted?**

For disapproved offers, the offeror shall be notified in writing and the deposit will be returned without interest upon his submission of the duly accomplished Authority to Credit Form.

**30. Can a buyer withdraw his offer to purchase after it has been approved and accepted by the BSP?**

Any request for withdrawal of an offer shall mean forfeiture of the deposit in favor of the BSP as follows:

Reference Point	Amount to be Forfeited
a. Before approval or receipt by buyer of the NOA	5% of offer price
a. After buyer receives NOA	20% of offer price
b. After CTS has been executed	Terms and conditions of the Contract to Sell (CTS) shall apply

**31. What contract covers the sale transaction?**

A Contract to Sell (CTS) shall cover purchases on installment while a Deed of Absolute Sale (DAS) shall be executed upon full payment of the purchase price.

The duly signed and notarized CTS shall be returned by the buyer to AMD not later than 30 days from receipt of the NOA; otherwise, the NOA shall be cancelled and the deposit shall be forfeited in favor of the BSP.

**32. Can a buyer pay the deposit and monthly amortizations at the BSP Regional Offices?**

Payments may be made at the BSP Main Office or at any of the BSP Regional Offices or Branches nationwide. The Committee, however, encourages buyers to issue postdated checks.

**33. Does BSP give a discount?**

Discounts are granted on a case-to-case basis subject to the approval of Management.

**34. If a buyer purchases on wholesale, can they get a discount?**

Yes, a buyer may avail of graduated rates of discount if he purchases on wholesale basis.

**35. What is considered as a wholesale purchase?**

Offers to purchase may be considered as a wholesale transaction under any of the following circumstances:

- Total area of the property or group of properties is at least five hectares;
- At least five properties are purchased at the same time, regardless of the offer price or area; or
- The offer price for the property or group of properties is at least ₱50.0 million.

**36. Can a buyer shorten his payment period or prepay the principal without being penalized?**

The BSP allows prepayments without charging penalties.

**37. Can a buyer who has lost his Filipino citizenship still acquire BSP properties?**

Yes, natural-born Filipino citizens who have lost their Filipino citizenship may still acquire or be transferees of private lands, subject to limitations provided by law and provided further, that he issues a sworn statement to that effect.

**38. If there are unauthorized occupants of the property, who is responsible for their eviction?**

The sale of the properties is on an “As is, Where is” basis and the buyer shall be responsible at his own expense for the ejectment of squatters and/or occupants, if any, on the property subject of sale.

**39. Who shoulders the taxes and fees for the transfer of title to the name of the buyer?**

The payment of the capital gains tax due the Bureau of Internal Revenue is subject to agreement between BSP and the buyer. If the BSP shoulders the tax, this shall only be up to 6 percent of the purchase price. In case the zonal value or market value per tax declaration is higher than the purchase price, any tax due on the difference between the selling price and the zonal value/market value shall be for the account of the buyer. All other taxes and fees incidental and necessary to the sale and transfer of title to the buyer shall be assumed by the buyer. Real estate taxes and insurance premiums shall be for the account of the buyer accruing from the date of execution of the CTS/DAS.

**40. If a buyer agrees to assume the payment of capital gains tax, can he remit the tax due directly to the Bureau of Internal Revenue (BIR)?**

No. The buyer should remit to the BSP the amount of tax due and the BSP in turn, would pay the BIR through a credit transfer to the account of the Treasurer of the Philippines.



**41. Does BSP allow the sale of properties through a broker?**

Yes, the BSP allows the sale of properties through brokers who are accredited with the BSP through the Asset Management Department, and who have been issued an Authority to Sell on a non-exclusive basis.

**42. Can a broker represent a proposed buyer who initially negotiated with BSP?**

No. If a prospective buyer initially negotiated with BSP, he can no longer be represented by a broker later in the negotiation.

**43. Can a buyer who was assisted by a broker in the purchase of a property from the BSP be assisted by the same or any other broker in the purchase of another unit or property located in the same condominium building complex, row house or subdivision regardless of phase?**

No. A buyer who was assisted by a broker in the purchase of a property from the BSP shall not be allowed assistance by the same or any other broker in the purchase of another unit or property located in the same condominium building complex, row house or subdivision regardless of phase.

**44. Does the BSP allow the lease of its properties?**

Yes, the BSP allows the lease of its properties.

**45. How long can the properties be leased?**

Leases are mostly on a short-term basis. However, long-term leases are allowed on a case-to-case basis, especially for commercial properties.

**46. How often do you increase your lease rate?**

A multi year lease contract normally provides for an escalation rate of five percent based on the previous year's basic rate, starting on the second year. However, for lease transaction covered by a contract on a month-to-month basis, the lease rate will be based on the prevailing rental rate.

**47. Who shoulders the Value Added Tax?**

The payment of the VAT is for the account of the lessee.

**48. What other conditions do you require?**

The lessee is required to pay two months security deposit and one month advance rental.

**49. *Is renovation of the property being leased allowed?***

Yes, as properties are being leased on an “As-Is, Where-Is” basis, the lessee is allowed to introduce renovations to the property subject to the approval of the BSP.

**50. *Who shoulders the cost of the renovation?***

The lessee shoulders the cost of the renovation without remuneration after the end of the term of the lease.

**51. *Who shoulders the cost of utilities and condominium/association dues during the rent period?***

The lessees shoulder the payment of the condominium/association dues, in addition to the cost of utilities.

**52. *What happens if the property being leased is sold to another party?***

If the property is leased on a month-month basis, the lessee is requested to vacate the property once the property is sold. However, for long term leases, the BSP requests the new owner to honor the existing lease contract.

**53. *What documents do you require from the interested lessees?***

The lessee is required to accomplish a Lessee Information Sheet and to submit the following:

**Individual:**

- Photocopy of Community Tax Certificate
- “2 x 2” ID Picture
- Proof of Income (latest ITR, Certificate of Employment, Business permit, etc.)
- Employer's Certificate
- Bank Accounts

**Corporate:**

- SEC Registration, Articles of Incorporation, Business Permit
- Audited Financial Statements for the last two years
- Board Resolution and Secretary's Certificate authorizing the lease and the signatories