

Republic of the Philippines  
Department of Transportation & Communications  
**LAND TRANSPORTATION FRANCHISING & REGULATORY BOARD**

MEMORANDUM CIRCULAR  
NUMBER 2004-022

Subject: **REQUIREMENTS ATTACHED TO THE PETITION/APPLICATION  
USING ENCUMBERED UNITS FOR OPERATION**

The Board has received numerous petitions/applications with encumbered units proposed for operation which do not have the necessary papers attached thereto relative to whether the financing institutions/mortgagees approve or disapprove the operation of the units as for-hire vehicles.

In view thereof, all petitioners/applicants with encumbered units as their proposed units for operation are hereby required to attach in their Petitions/Applications the following:

1. Certification by the financing institution/mortgagee stating therein its unequivocal consent or approval regarding the use of the units as For-Hire vehicles and included in this Certification the statement that in case of foreclosure of the said units, the franchise attached thereto is deemed automatically reverted to LTFRB, unless the foreclosed units will be substituted by another within sixty (60) days from date of foreclosure;
2. Certification from the financing institution/mortgagee that the Original Certificate of Registration (CR) and/or the Original Official Receipt (OR) are in its possession;
3. Photocopy of the CR and OR duly certified by the financing institution/mortgagee that the same is the faithful reproduction of such CR and/or OR;
4. Photocopy of the Chattel Mortgage Contract duly stamped and recorded by the Registry of Deeds.

Non-attachment of any of the above-stated requirements shall cause the immediate dismissal/denial of the petition/application.

Corollary to this, authorized units that are still encumbered are likewise directed to submit the said requirements for purposes of confirmation and registration of the units. Failure to submit the same shall consequently cause the non-confirmation of the units by the Board and non-registration of the same by the Land Transportation Office (LTO).

East Avenue, Quezon City  
Direct Lines 434-80-25 up to 36  
426-25-05, 426-25-01

Fax No. 921-2616  
426-2485

*Handwritten signature: Gloria J. Rautava*  
*Handwritten signature: Ramon*



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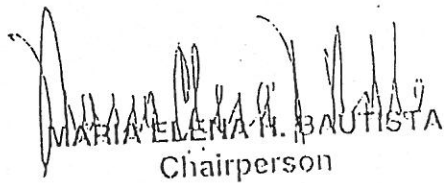
All other issuances or parts hereof which are inconsistent herewith, are therefore modified or superseded accordingly.

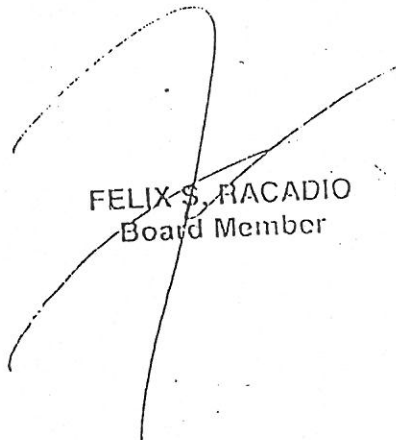
This Circular shall take effect fifteen (15) days following the filing of three (3) copies hereof with the UP Law Center, pursuant to Presidential Memorandum Circular No. 11, dated 09, October 1992.

SO ORDERED.

Quezon City, Philippines AUG 17 2004

EFFECTIVITY DATE: SEPTEMBER 1, 2004

  
MARIA ELENA N. BAUTISTA  
Chairperson

  
FELIX S. PACADIO  
Board Member