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## **PREFACE**

The growing number and significant role of micro, small and medium enterprises (MSMEs) in spurring national economic growth prompted the compilation and publication of this handbook on Financing Programs for Micro, Small, and Medium Enterprises.

The implementation of micro financing and SME lending programs by various institutions is generally recognized as an essential tool in stimulating entrepreneurial activities. Through this compendium, the Bureau of Micro, Small and Medium Enterprise Development (BMSMED) aims to increase the Filipino entrepreneur's awareness on sources of funding available from government and private sector institutions for his business, and encourage him to access these facilities based on the capabilities of his enterprise. This menu of financial services will hopefully develop and strengthen the ability of MSMEs to better manage their operational activities and possibly embolden them to cater to areas beyond their traditional markets.

This compilation is an initiative of BMSMED under the Department of Trade and Industry (DTI).

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# **MICRO FINANCING PROGRAMS**



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**DEPARTMENT OF AGRICULTURE –  
AGRICULTURAL CREDIT POLICY COUNCIL**

28<sup>th</sup> Floor, One San Miguel Avenue Building, San Miguel Avenue  
Ortigas Center, 1605 Pasig City

**Program Title: AGRI-MICROFINANCE PROGRAM (AMP) FOR  
SMALL FARMERS AND FISHERFOLK AND THEIR  
HOUSEHOLDS FOR EL NIÑO AND CALAMITY  
STRICKEN AREAS**

**Program Objectives:** The program aims to reduce poverty and improve the quality of life of marginalized farmers and fisherfolk by financing agricultural projects and activities that will increase their productivity and incomes.

**Program Scheme:**

The project entails provision of a credit facility by the PCFC under a credit fund and risk sharing arrangement with the Agricultural Credit Policy Council (ACPC) to qualified borrower organizations to complement and supplement their incremental credit requirements for re-lending to small farmers and fisherfolk households and groups/organizations.

**Program Features:**

**A. ELIGIBLE BORROWER ORGANIZATIONS/INSTITUTIONS:**

- Microfinance institutions (MFIs) such as cooperative/rural banks, cooperatives, non-government organizations (NGOs) and other people's organizations that pass credit evaluation of PCFC.

**Types of Financing Facilities:**

- **Agri-Fishery Microfinancing** - Credit funds for re-lending to eligible sub-borrowers to finance their income generating agri and agri-related activities.

**Financing Terms:**

**Credit Limits**

- Depends on the MFI's absorptive capacity, work plan, and target areas to be covered, number of outreach, estimated credit needs and target portfolio.

Up to a maximum of P10 million per MFI.

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**Interest Rates**

- 10% - 12% per annum for all types of organizations/institutions.

**Loan Maturity**

- Maximum of 4 years.

**Mode of Payment**

- Principal and interest: Quarterly

**Security/Collateral**

- Assignment of sub-borrowers' Promissory Notes and other underlying collaterals/guarantee cover.

**B. ELIGIBLE SUB-BORROWERS**

- **Agri-Fishery Microfinancing** – Household heads, spouses or adult working members of small farming/fishing households in El Niño and calamity stricken areas. Only one member per household is qualified to borrow at a single time under the project.

**Loan Facilities:**

- **Agri-Fishery Microfinancing** – Loans shall be used to support any or a combination of farm, off-farm/non-farm income generating activities.

**Financing Terms:****Credit Limits**

- **Agri-Fishery Microfinancing** – Up to a maximum of PhP150,000.00 per sub-borrower.

**Interest Rate** – The applicable interest rate shall be based on the prevailing interest rates of the conduit organizations/institutions.

**Loan Maturity and Mode of Payment**

- **Agri-Fishery Microfinancing:** Maximum of one (1) year. The amortization schedule shall be based on the household's cash flow. At least 20% of the loan should be amortized either weekly or monthly and the remaining balance to be paid upon loan maturity.

**Security** – Any or a combination of the following:

- Deed of assignment of acquired assets (i.e. equipment, vehicles, etc.);
- Joint and Several Signatures;
- Issuance of post-dated checks;
- Marketing Agreement (if applicable); and/or
- Any other acceptable form of collateral/security.

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**Program Title: DA Sikat Saka Program  
(A component of the DA's Food Staples  
Sufficiency Program)**

**Program Objectives:**

- Help more palay farmers access timely, adequate and affordable production credit;
- Improve the viability of agricultural production by ensuring availability of irrigation services, extension, links to markets and providing a favorable economic development;
- Promote individual credit worthiness and strengthen irrigators associations.

**Program Geographic Coverage**

The Program was initially implemented in the following four pilot provinces:

- Isabela
- Nueva Ecija
- Iloilo
- North Cotabato

Since January 2013, the Sikat Saka Program has now been replicated in 16 other rice-producing provinces, namely:

- |                       |                       |
|-----------------------|-----------------------|
| 1. Ilocos Norte       | 9. Negros Occidental  |
| 2. Pangasinan         | 10. Capiz             |
| 3. Cagayan            | 11. Samar             |
| 4. Pampanga           | 12. Leyte             |
| 5. Tarlac             | 13. Zamboanga del Sur |
| 6. Mindoro Oriental   | 14. Bukidnon          |
| 7. Mindoro Occidental | 15. Sultan Kudarat    |
| 8. Camarines Sur      | 16. Maguindanao       |

bringing the total number of rice-producing provinces in the country where the program is already being implemented to 20.

**Program Scheme:**

The Sikat Saka Program engages Landbank in lending directly to small farmers who are members in “good standing” of Irrigators’ Associations (IAs).

- The National Irrigation Administration (NIA) certifies and endorses these IAs that shall act as “loan consolidators.”
- Loans are released by Landbank through an automated teller machine (ATM) savings account card that is provided to each qualified farmer borrower.
- A sure market for the borrowers’ produce is established

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through a mandatory purchase order or marketing contract with either the National Food Authority (NFA) or National Business Corporation (NABCOR). Proceeds of the sale are remitted by NFA or NABCOR to the Landbank. The remaining balance of the sale, after deducting the loan payment, can be withdrawn by the farmer-borrower through his ATM account with the Land Bank.

- Credit discipline seminars are given by the Agricultural Training Institute (ATI) to borrowers with processed applications prior to loan release by Landbank.

### **Program Features:**

#### **Eligible Borrower:**

Eligible borrowers are individual farmers who:

- own rice farms from 0.5 to 5 hectares in size,
- are members in good standing of IAs, but are not members of any cooperative
- must have attended a briefing or an extension training on the Sikat Saka Program

#### **Loan Package:**

The maximum loanable amount under the Sikat Saka Program is:

- P42,000 per hectare per cropping for hybrid rice production
- P37,000 per hectare per cropping for inbred rice production

#### **Interest Rates:**

Based on the credit track record to be established by the participating palay farmers. Farmers who fully pay the loan on time will enjoy the reduced interest rates in the succeeding crop cycles. Initially, the interest rate shall be pegged at 15% per annum for the first two cycles which will be reduced by 1% for every succeeding cycle up to the 8th cycle

#### **Mode of Loan Release:**

Loan proceeds will be released directly to the individual farmers through their ATM accounts.

#### **Documents Needed:**

- NIA endorsement of the borrower's Irrigators' Association
- IA endorsement of member borrower
- Original land title
- Copy of marketing contract with NFA, NABCOR and/or other accredited buyers

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## Contact Details:

For further inquiries on the program, interested parties may call provincial toll-free landline numbers: 1-800-10-982- (2474 AGRI); text or call mobile numbers: 0920-946-(2474 AGRI) for Globe, TM and Sun Cellular subscribers; text hotline number: 391-(32 DA) for Smart and Talk'NText subscribers; or email: [info@e-extension.gov.ph](mailto:info@e-extension.gov.ph).

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## Program Title: Agricultural-Fisheries Financing Program (AFFP)

**Program Objective:** Help increase the productive capacity of small farming and fishing households in the priority provinces, raise their incomes, and contribute to the attainment of food self-sufficiency.

### Specific Objectives:

- To increase access of small farming and fishing households in the priority provinces to sustainable credit and other financial services ;
- To broaden agricultural credit delivery system in the countryside particularly in geographic areas underserved by formal financial institutions.

### Program Geographic Coverage

- The Program shall be implemented initially in the following 20 poorest provinces with completed registry of farmers and fisherfolk under the Registry System for Basic Sectors in Agriculture (RSBSA):

1. Abra	11. North Cotabato
2. Agusan del Sur	12. Northern Samar
3. Apayao	13. Romblon
4. Camarines Sur	14. Sarangani
5. Davao Oriental	15. Siquijor
6. Eastern Samar	16. Sultan Kudarat
7. Ifugao	17. Surigao del Norte
8. Kalinga	18. Surigao del Sur
9. Masbate	19. Western Samar
10. Mountain Province	20. Zamboanga del Norte.
- In case any of the above priority provinces was validated by ACPC to lack the absorptive capacity, other RSBSA provinces shall be included as priority under the program subject to approval by the National Executive Committee (NEC).

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## Program Scheme:

### Fund Releases and Administration

- Funds sourced by the ACPC from the approved 2013 GAA capital (loan) outlay amounting to One Billion Pesos (P1,000,000,000.00) shall be transferred by the ACPC to partner Government Financial Institutions (GFIs), i.e. the Land Bank of the Philippines (Landbank) and Peoples Credit and Finance Corporation (PCFC), to be utilized for the implementation of the (AFFP).
- Actual fund releases, out of the approved allocations, shall be made by the ACPC to the partner GFIs based on the loan targets and schedule (with list of target borrower organizations, geographic coverage and monthly loan disbursement targets) submitted by the GFIs to the ACPC. The ACPC shall conduct a credit demand assessment in the target provinces to validate the submitted targets.
- The funds transferred by the ACPC shall be administered by the GFIs for a period of five (5) years commencing from the date of fund transfer subject to a mandatory evaluation by a third party (e.g. PIDS) to be sourced out by the ACPC after 2 years of program implementation. The ACPC, based on the result of the evaluation of program, may pre-terminate the agreement with the GFI(s) subject to due process and reimbursement of unrecovered reasonable operating expenses the GFI(s) incurred in administering the Program which shall be chargeable against the income of the Fund.
- At the end of five (5) years, the Fund assets (cash balance, loan receivables from borrower organizations including attached credits/collaterals) shall be transferred by the GFIs to the ACPC unless the Program Agreement has been renewed or extended for another period as approved by the ACPC Governing Council/DA Secretary and accepted/concurred by the concerned GFI.

## Program Features

### PCFC Program Lending Guidelines

The following guidelines shall govern the wholesale lending of PCFC to Borrower Organizations:

#### 1.1 PCFC to Borrower Organizations

Parameter	Guideline
a) Eligible Borrower Organizations	Borrower Organizations that pass the credit evaluation of PCFC based on its accreditation criteria Such Borrower Organizations are:

	<ul style="list-style-type: none"> <li>▪ Non-government organizations (NGOs);</li> <li>▪ Cooperatives;</li> <li>▪ Cooperative Banks;</li> <li>▪ Cooperative Rural Banks</li> <li>▪ Rural Banks; and,</li> <li>▪ People's Organizations (POs)</li> </ul>
<b>b) Financing Facilities</b>	<p>Eligible Borrower Organizations may avail of the following credit facilities:</p> <ul style="list-style-type: none"> <li>▪ Agricultural Microfinance – are wholesale loan that shall be used for financing agri-fishery projects and/or other income generating activities.</li> <li>▪ Agri-fishery Loan – are wholesale loan for financing eligible sub-borrowers' projects/activities related to production, processing and marketing of crops, livestock, poultry, high-value crops, and fishery products.</li> </ul>
<b>c) Financing Terms and Conditions</b>	<p><b><i>Credit Line Limit</i></b></p> <p>Based on the Borrower Organization's absorptive capacity, submitted work plan and targets in terms of areas to be covered, number of outreach, estimated credit needs and target portfolio as evaluated by the PCFC and approved by the appropriate approving body under the PCFC's Codified and Approving Signing Authority.</p>
	<p><b><i>Interest Rate</i></b></p> <p>PCFC shall charge interest rate of PDST-F + spread. Spread is equal to 4.5% (management fee due to PCFC) plus risk premium of 0 to 3%. The risk premium rate shall be based on credit risk rating of the Borrower Organization. The reference PDST-F (one year tenor) shall be at the time of loan availment by the Borrower Organization.</p>

	<p><b><i>Loan Term</i></b></p> <ul style="list-style-type: none"> <li>• For wholesale loan utilized for financing short-term Sub-Promissory Notes (PNs), loan term of the Borrower Organization shall be up to five (5) years;</li> <li>• For wholesale loan utilized for financing long-gestating projects, loan term shall not exceed seven (7) years.</li> </ul> <p><b><i>Mode of Payment</i></b></p> <ul style="list-style-type: none"> <li>• Interest shall be paid quarterly;</li> <li>• Principal shall be paid either quarterly, semi-annually, or annually depending on the cash flow of the relending operation of the Borrower Organization. Maximum grace period for term loan shall be one (1) year.</li> </ul> <p><b><i>Security</i></b></p> <ul style="list-style-type: none"> <li>• Assignment of sub-borrowers' Promissory Notes and all underlying collaterals</li> <li>• Assignment of crop insurance or guarantee coverage, if availed.</li> </ul>
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## 1.2 Retail Lending Guidelines (Borrower Organizations to Sub-Borrowers)

Borrower Organizations that availed wholesale loans from PCFC must have existing lending programs that cater to program priorities as evidenced by lending policies, guidelines and procedures consistent with the program objectives. The Borrower Organization shall adopt such existing policies and guidelines consistent with the following:

Parameter	Guideline
a) Eligible Sub-Borrowers	Eligible sub-borrowers are non-Agrarian Reform Beneficiary - <b>small farmers</b> and <b>small fisherfolk</b> registered in the RSBSA of priority provinces and their household members.



	<p><b>Small farmers</b> refer to:</p> <ol style="list-style-type: none"> <li>1) Those cultivating not more than five (5) hectares of land and/or are engaged as small poultry/livestock raisers defined as those raising not more than the following: <ul style="list-style-type: none"> <li>- poultry – 1,000 poultry layers or 5,000 broilers</li> <li>- swine – 10 sow level or 20 fatteners</li> <li>- cattle – 10 fatteners or 5 breeders</li> <li>- dairy – 10 milking cows</li> <li>- goat – 50 heads</li> </ul> </li> <li>2) Agricultural workers in farms.</li> </ol> <p><b>Small fisherfolk</b> refer to:</p> <ul style="list-style-type: none"> <li>• those operating fishing vessels of not more than three tons capacity;</li> <li>• those operating fishponds of less than five hectares or fish cages of less than 400 square meters;</li> <li>• fish workers in fishing boats, fishponds, or fish processing establishments; or</li> <li>• Any other individuals who are engaged in small scale fish production, processing, and distribution.</li> </ul>
b) Loan Purpose	<p><b>Agricultural Microfinance</b></p> <p>Financing of any or combination of farm, off-farm/non-farm income generating activities.</p> <p><b>Agri-fishery Loan</b></p> <p>Financing of production, processing and/or marketing of crops/commodities.</p> <p>Such crops/commodities however must be among the program priority crops (other than palay)/commodities.</p>

c) Maximum Loan Amount	Amount shall not exceed Php 150,000 per sub-borrower. In case of production loans, the loan amount shall not exceed the loan ceilings as prescribed by the Program. The loan ceilings for agri-microfinance and for production loans may be adjusted as warranted by the Program National Executive Committee.
d) Term and Mode of Payment of the Loan	<p><b>Agricultural Microfinance</b></p> <p>The amortization shall be based on the household's cash flow.</p> <p><b>Agri-fishery Loan</b></p> <p>Sub-loans shall be repaid based on the cash flow of the agricultural/fishery project financed. In case of long gestating crops, the loan term shall not to exceed seven (7) years.</p>
e) Pass-On Rate to end-borrowers	The Borrower Organization shall set its pass-on interest rate to eligible sub-borrowers. However, the Program may impose a maximum pass-on rate in case of excessive interest rate charged by the Borrower Organization. Such maximum rate shall be set by the Program National Executive Committee. The Borrower Organizations shall be duly informed of such interest rate at the time of loan availment.
f) Security	Sub-loans shall be secured by any acceptable form of security/collateral based on the existing lending policies and guidelines of the Borrower Organization.

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## 2. Landbank Program Lending Guidelines

Landbank shall open a special credit facility for the AFFP wherein Landbank shall lend directly to individual borrowers in coordination with identified farmer/fisherfolk organizations i.e., 'service conduits'. Service conduits shall be responsible for informing farmer/fisherfolk members and for the identification and endorsement of eligible farmers/fisherfolk borrowers to the Landbank. However, the service conduits shall not assume credit risk or liability on the loans of the individual borrowers. The following guidelines shall govern this special credit facility:

Parameter	Guideline
a) Eligible Individual Borrowers	<p>Eligible sub-borrowers are non-Agrarian Reform Beneficiaries - <b>small farmers</b> and <b>small fisherfolk</b>, registered in the RSBSA of priority provinces, and their household members.</p> <p>1) <b>Small farmers</b> refer those cultivating not more than five (5) hectares of land and/or are engaged as small poultry/livestock raisers defined as those raising not more than the following:</p> <ul style="list-style-type: none"><li>• poultry – 1,000 poultry layers or 5,000 broilers</li><li>• swine – 10 sow level or 20 fatteners</li><li>• cattle – 10 fatteners or 5 breeders</li><li>• dairy – 10 milking cows</li><li>• goat – 50 heads</li></ul> <p>2) <b>Small fisherfolk</b> refer to:</p> <ul style="list-style-type: none"><li>• those operating fishing vessels of not more than three tons capacity;</li><li>• those operating fishponds of less than five hectares or fish cages of less than 400 square meters;</li><li>• fish workers in fishing boats, fishponds, or fish processing establishments; or</li><li>• Any other individuals who are engaged in small scale fish production, processing, and distribution.</li></ul>

b) Eligibility Criteria	<p><b>For Service Conduits:</b></p> <ul style="list-style-type: none"> <li>• With juridical personality (duly registered);</li> <li>• Farmers' Associations or Cooperatives with members who are farmers/fisherfolks;</li> <li>• No adverse findings on the organization and its principal officers; and,</li> <li>• Operating within the target provinces.</li> </ul> <p><b>For SFF/Borrowers:</b></p> <ul style="list-style-type: none"> <li>• Registered in the Registry System for Basic Sectors in Agriculture (RSBSA);</li> <li>• Must be a member of the service conduit;</li> <li>• With no outstanding loan with any financing institution for the same project being applied for.</li> </ul>
c) Eligible Projects	Eligible projects are production of priority commodities of the Department of Agriculture such as livestock, fishery and crops other than palay.
<b><i>Lending Policies</i></b>	
d.1 Amount of Loan	Based on the credit requirement of the project but not to exceed the loan ceilings prescribed by Landbank or based on 80% of the project cost, if no loan ceiling is available. The Program National Executive Committee shall determine loan cap, if necessary.
d.2 Loan Purpose	<ol style="list-style-type: none"> <li>1) To cover costs of production such as purchase of inputs for corn, high value crops, livestock/poultry and fish production; and,</li> <li>2) To finance the acquisition of tools, equipment and machineries needed in producing/growing crops, livestock/poultry and fish.</li> </ol>

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d.3 Interest Rate	Interest rate charged to end-borrowers shall be fifteen percent (15%) per annum. This rate may be adjusted by the National Executive Committee as may be warranted.
d.4 Term of Loan	The term of the loan shall be based on the crop/ production/project cycle, for production loan and estimated useful life of fixed assets/equipment acquired but not to exceed 5 years, for fixed asset acquisition loan.
d.5 Mode of Payment	Based on cash flow of the project
d.6 Loan Security	Deed of Assignment of promissory notes and crop insurance proceeds. Titles of real estate properties and/or other proof of ownership of other properties/livestock (OR/CR, Certificate of Large Cattle) shall only be held for safekeeping by Landbank and shall not be subject to appraisal and mortgage.
d.7 Other Requirements	Copy of Purchase Order/Marketing Agreement with buyers

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### **3. PCIC Insurance Cover**

As applicable, borrowers are required to enroll their agri-fishery production projects for coverage under the appropriate PCIC insurance facility. PCIC shall provide the insurance coverage without cost to the borrower whenever applicable as per PCIC existing programs.

### **4. Performance Incentive Guidelines**

#### **a) Performance Incentive (Interest Rebate)**

To encourage the Borrower Organizations under the PCFC Program to charge lower interest rates to eligible sub-borrowers, a performance incentive in the form of interest rebate, shall be made available to participating Borrower Organizations. Likewise, to encourage the Service Conduits of Landbank in assisting in the lending and collection of loans from individual members, interest rebate shall also be granted. The rate of interest rebate shall be set by the National Executive Committee (NEC). The interest rebate shall be charged against and subject to availability of interest income generated from Landbank's lending under the Program.

#### **b) Eligible Recipients**

Eligible recipients are Borrower Organizations under the PCFC Program and Service Conduits under the Landbank Program.

b.1. For the PCFC Program, the recipient must meet the following criteria:

- i. Extended loans to eligible sub-borrowers at the preferred interest rate of the program (lower interest rate desired by the Program as set by the NEC);
- ii. 100% compliance to program's lending guidelines to eligible sub-borrowers as well as compliance to program reportorial and loan disbursement requirements; and,
- iii. Fully paid the amount due (principal and interest) on time.

b.2 For the Landbank Program, eligible recipients are Service Conduits that have achieved outstanding repayment performance from the members/individual

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borrowers endorsed. The rate of incentives and performance standards shall be set by the National Executive Committee.

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**Program Title: SUSTAINABLE LIVELIHOOD PROGRAM**

**Program Description:** SEA-K Program is a capability building program of the DSWD and local government units which aims to enhance the socio-economic skills of poor families through the organization of community-based associations for entrepreneurial development.

The SEA-K was enhanced and transformed into a **Sustainable Livelihood Program (SLP)**. The SLP adopts a community-based comprehensive family approach wherein the livelihood strategies are informed and rooted in the context of the community in view of improving the welfare and development of marginalized families.

**Key Improvements:**

1. Access to multiple sources through the two-track program, which are the Self-Employment Assistance Kaunlaran (SEA-K) Microenterprise Development Track and the Guaranteed Employment Track. This feature seeks to extend income to more than one (1) member of the family.
2. Development of resource-based and market driven ventures to improve the economic viability and profitability of the microenterprises. This component mitigates the possibility of failure and foreclosure of the microenterprises.
3. Promotion of diversified microenterprises ventures by having primary and secondary projects. This will lessen the vulnerability of the household to external factors such as shocks, trends and seasonability.

**Program Objectives:**

**General:**

- To improve the socio-economic capacity of the poor through a capacity building program that will develop the entrepreneurial and technical skills of the poor households identified through the National Household Targeting System for Poverty Reduction (NGTS-PR) by enabling them to manage sustainable microenterprises and linking them to locally-available jobs in order to enhance their access to basic social services and their standard of living.



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**Specific:**

- To facilitate opportunities for the development and management of resource based, culturally sensitive, market driven and economically viable microenterprises.
- To prepare the program participants for accessing locally available jobs that are appropriate to their skills and capacities.
- To sustain and expand the socio-economic benefits gained by the Pantawid Pamilya beneficiaries even beyond the five-year intervention of the Conditional Cash Transfer (CCT) intervention through the SLP and Guaranteed Employment Tracks.
- To link poor families included in the NHTS-PR list, prioritizing the Pantawid Pamilya beneficiaries to the support services and programs provided by the partner NGAs, NGOs, CSOs and Private Sector for entrepreneurial advancement and formal employment.
- To link poor families included in the NGTS-PR list, prioritizing the Pantawid Pamilya beneficiaries to micro-insurance providers for security measures brought by external shocks.
- To continuously build, expand and update the portfolio of public and private sector partners for the job generation needs under the Guaranteed Employment Track.
- To promote comprehensive family based approach and community participation.

**Eligibility Requirements of SLP participants:**

- Belong to poor households as identified through the NGTS-PR, prioritizing Pantawid Pamilya beneficiaries
- For microenterprise, a beneficiary of DSWD's social protection programs and services who has limited or no access to formal credit facilities
- For guaranteed employment/job network services, a beneficiary of DSWD's social protection programs and services with labor skills but no formal employment or unemployed.
- Willing to reside in the community for succeeding two years
- Show positive relationships within the family and community and demonstrate positive work attitudes, and aspiration for economic advancement using the household assessment and profiling, intake sheet and means test to be conducted by the City/Municipal Social Welfare Development Officer or Local Government Livelihood Focal Person and DSWD Project Development Officer assigned in the area.
- Preferably a beneficiary of the Pantawid Pamilya Pilipino Program for at least 2 years wherein the Social Welfare Indicators (SWI) show an improvement in standard of living and readiness in the SLP.

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**Project Strategy:** The program design has two tracks/strategies:

- **Track 1:** Resource-Based and Market-Driven Sustainable Microenterprise Development through Self-Employment Assistance-Kaunlaran Program – is a capacity building program that focuses on community development, skills enhancement, network building and capital assistance to poor families included in the NHTS-PR list, prioritizing the Pantawid Pamilya beneficiaries in order to improve their opportunities for managing a sustainable microenterprise.
- **Track 2:** Employable Individuals with Access to Locally-Available Jobs through Guaranteed Employment and Job Network Service – provides assistance to unemployed poor families included in the NHTS-PR list, prioritizing the Pantawid Pamilya beneficiaries who are seeking for job opportunities. They shall be provided with skills profiling; job matching; occupational guidance and counseling and job referrals.

**Program Components of Track 1:**

- Social Preparation – this involves the process of raising community awareness through participatory situational analyses involving the program participants of priority needs and problems, and appraisal of community resources using the community driven approach. This must lead to the identification of group and/or individual microenterprise ventures that will improve the income level of the households and develop the community.
- Capacity Building – this involves the conduct of training activities and other related sessions that will equip the participants in terms of knowledge, attitude, and skills in basic business management training and technical advancement in product and marketing development. The areas to be covered in this component include the following:
  - Training and Technical Assistance for Business Management and Productivity – this refers to the provision of training and technical assistance to benefit the SEA-K members in business development with focus on business start-up and incubation, product and market identification, and simple bookkeeping for business financial management system.
  - **Capital Assistance for Micro-enterprise** – A one-time provision of capital assistance shall be provided to the SEA-K participants as part of the business cycle to enable them to engage in hands-on entrepreneurial skills training through start-up business operations. Additional capital for business expansion shall be under the formal lending institutions to be accessed by the SEA-K associations.

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- Savings Mobilizations and Assistance – this involves a savings mobilization and capital build-up which aims to ensure the project sustainability in the course of managing the microenterprise until the full return of seed capital investment.
  - Accessing of Other Services – groups and association members shall be trained on how they can access other services based on their needs.

**Target Participants of Track 1:**

- The SEA-K program participants may be organized in any of the following units, depending on the local field implementers' assessment of the most appropriate form:
  - Self-Employment Kaunlaran Associations – SKAs
  - Self-Employment Kaunlaran Groups – SKGs
  - Self-Employment Kaunlaran Individuals – SKIs
  - Self-Employment Kaunlaran Family Enterprise – SEA-KABAYAN
  - Barangay Sub-Project Management Committees-BSPMC manage Common Service Facility potential for community income generation – under KALAHI-CIDSS initiative

**Purpose of Loan/Capital Assistance:**

- Micro-enterprise project that would generate income from sustainable livelihoods

**Terms and Requirements:**

**Loan Amount:** Capital assistance shall be based on the project requirements proposed by the participants, duly assessed and reviewed by the Project Development Officer, with maximum capital assistance worth Ten Thousand Pesos (PhP10,000.00) per member (note that 1 member refers to a family).

**Interest Rate:** Non-interest loan

**Maturity / Repayment:** Within 2 years of project operation

**Collateral:** Non-collateral loan

**Program Partners / Conduits:**

- City or Municipal Social Welfare Development Office in the different local government units nationwide

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**DEVELOPMENT BANK OF THE PHILIPPINES (DBP)**

Head Office: Sen. Gil J. Puyat Avenue corner Makati Avenue  
Makati City

**Program Title: RETAIL LENDING FOR MICRO AND SMALL ENTERPRISES****Program Objectives:**

- To strengthen the Bank's support to MSMEs and enhance the sector's access to credit.
- To help generate additional jobs and income for the people.

**Eligible Projects:**

- Any duly registered enterprise of good standing in the community.

**Eligible Borrower-MFIs:**

- Single Proprietorship
- Partnership
- Corporation
- Cooperative
- Other entities with legal personality to engage in a business enterprise

**Coverage:** Start-up or existing micro and small enterprises with asset size of not more than PhP15.0 million and with loan requirements of over PhP150,000 but not more than PhP10.0 million.

**Eligible Loan Purpose:**

- Production
- Working Capital
- Investment and expansion in Plant and/or equipment
- Purchase Order/Letter of Credit Financing (P.O./L.C.)

**Terms/Requirements:**

**Loan Amount:** Up to 90% of the Total Project Cost (TPC)

**Equity Requirement:**

- The borrower shall put up a minimum equity of 10% of total project cost.
- For P.O./L.C. financing, the loans shall be up to 80% of the amount of the instrument or based on actual cost of the goods purchased.

**Interest Rates:** Prevailing market rate

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***Fees:***

- A one-time service fee shall be charged upon approval of the loan equivalent to P1,000.00 or 0.1% of the loan, whichever is higher
- Documentary Stamp Tax
- Monthly Interest rates are inclusive of GRT and all other fees

***Collateral:***

- Unregistered Real Estate Mortgage and Chattel on TCT and Equipment
- Unregistered Mortgage on Tax Declaration/CLOA and OCT
- For P.O./L.C. Financing, a Deed of Assignment on Irrevocable P.O./L.C. is accepted provided the term shall not exceed its expiry date
- Other alternative collaterals such as post dated checks (PDCs), assignment of contracts/receivable/inventory

***Repayment Terms:*** Based on enterprise's development period and projected cash flow but not to exceed ten (10) years.

***Maximum Grace Period:***

- Three (3) years on principal for projects with short gestation period.
- Five (5) years on principal and interest on long gestating projects.

**Checklist of Requirements:****I. General**

- Application form
- Business Registration (from DTI/SEC/CDA/DOLE)
- Business Permit (from LGU)
- Business Evaluation Form (for loans above PhP1 million)

**For Corporations and Cooperatives**

- By-Laws and Articles of Incorporation/Cooperation
- Board Resolution and Secretary's Certificate authorizing the loan, indicating the authorized signatories

**II. Additional Requirements (if applicable)**

- Real Estate Collateral
  - Two copies of Sketch/Location Map
  - Two copies of TCT/OCT
- Chattel Collateral
  - Affidavit of Ownership and Certification of Non-Encumbrance with specifications
  - Copy of OR/CR for transportation equipment

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## Checklist of Requirements:

### ***Franchise:***

- Business Profile of Franchisor
- Photocopy of Franchise Agreement
- Endorsement by Franchisor
- Franchise Package Kit

### ***Term Loan (Start-Up):***

- Business Plan
- Statement of Assets, Liabilities and Networth of Principal Borrower/s
- Bank Statement for at least three (3) months
- Business Evaluation Form

### ***Term Loan (Existing):***

- Financial Statements for the past three (3) years (in house financial statements acceptable)
- Business Plan
- Business Evaluation Form

### ***Dealership:***

- Photocopy of documents submitted to the mother company
- Dealership Contract
- Letter of Endorsement from mother company/supplier

### ***Credit Line:***

- Bank Statement for at least three (3) months
- Projected Cash Flow
- Projected Income Statement

### ***Purchase Order (P.O.)/Letter of Credit (L.C.) Financing:***

- Projected Cash Flow
- Projected Income Statement
- Copy of Irrevocable L.C./P.O.

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Head, Small & Medium Enterprise Department

**SM Romeo B. Carandang**      Phone: (632) 892.2357  
Head, SME Unit      Trunkline: 818.9511/9611 loc. 2305

**Program Title: SOCIAL ENTERPRISE DEVELOPMENT  
PROGRAM- MICRO FINANCING**

**Program Objective:** To strengthen community financial institutions (CFIs) which provide micro financing services in poor rural communities.

**Specific Objectives:**

- To augment the loan portfolio of CFIs that serve financing requirements of individual producers and micro-entrepreneurs engaged in production of agriculture and aquaculture commodities.
- To augment the portfolio of CFIs such as primary cooperatives and NGOs operating microfinance program.
- To strengthen the capacity of CFI in mobilizing savings and increasing their capacity to provide credit to poor communities.
- To help CFIs in providing loans to micro and small enterprises with insufficient or without collateral.

**Eligible Borrowers:**

- Non-government Organizations (NGOs) – loans only
- Cooperatives – loans only
- Cooperative-Federations
- Rural Banks

**Financial Products and Services:**

- CFI commodity production loan (for agricultural loan portfolio)
- CFI microfinance loan (for microfinance portfolio)
- Wholesale loan (for Cooperative banks and federations)
- Development deposits
- Guarantee
- Equity

**Terms/Requirements:**

**Amount:** Minimum of P500 Thousand  
Maximum of P5.0 Million for first-time borrowers

**Interest Rate for loans:** 8% - 11% (subject to review of 3 Bottom Line (3BL) performance – economic, social, environmental indicators)

**Loan Maturity / Repayment:** One to five years maturity; monthly,

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quarterly, or semi-annual payments of principal and interest

**Security:**

- Real Estate Mortgage
- Deed of Assignment of Receivables or Deposit
- Joint and Several Suretyship (JSS) Agreement

**Contact Details:**

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**GSIS FAMILY BANK (GFB)**

2<sup>nd</sup> Floor, AIC Grande Tower, Garnet Road, Ortigas Center, Pasig City

**Program Title: GSIS FAMILY BANK MICROFINANCE LENDING PROGRAM****Program Objectives:**

- To introduce an accessible and affordable alternative credit system for the urban and rural poor for the financing of income-generating activities.
- To encourage the poor to use their time, effort and talents productively.
- To empower women through their involvement in economic activities and their participation in decision-making process.
- To reduce dependency on moneylenders who charge high interest rates and on dole outs and other forms of political patronage.

**Eligible Borrowers:**

- At least 18 years old but not more than 65 years old, preferably women. A student or an employed person cannot become a borrower since the livelihood activities require full-time responsibilities.
- Must have stayed in the present residence for at least one (1) year and is known in the community.
- Must be of good moral character as attested by the co-members.
- Must be poor, who is engaged in livelihood activities.

**Eligible Projects:**

- As a general rule, the business to be financed has to be existing for at least a year.
- Any micro-enterprise/livelihood activity (trading, services, vending) that can generate immediate additional income.
- Project(s) which is/are within the capacity of the borrower to manage.
- Must be a legal activity.

**Loan Purpose:** Additional working capital for any income generating activities.

**Terms/Requirements:**

**Loan Amount:** Minimum of P6,000.00; Maximum of P300,000.00

**Loan Term:** 6 months – 3 years

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**Interest Rate:** 3% per month

**Charges:**

- One-time service charge of 2% per cycle
- Insurance Premium for Credit Life Insurance
- Penalty Charge of 3% per month for unpaid amortizations

**Security:**

As much as possible, no collateral shall be required from the borrowers. In lieu, the following shall be required:

- The signatures of all her co-group and center members as joint and several co-makers;
- A Deed of Assignment of deposit and authority to debit to authorize the bank to apply the savings against the loan in case of default;
- The borrower must be covered by an accredited insurance company (loan insurance);
- Strictly abide with the policies and guidelines of the microfinance program.

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**LAND BANK OF THE PHILIPPINES (LBP)**

1598 M.H. Del Pilar corner Dr. J. Quintos Streets, Malate, Manila

**Program Title: MICROFINANCE PROGRAM FOR  
MICROFINANCE INSTITUTIONS (MFI) -  
RETAILERS**

**Program Rationale and Objectives:**

**General:**

- LBP is mandated by Law (RA 8425, otherwise known as the Social Reform and Poverty Alleviation Act) to open a special wholesale lending window for micro-borrowers;
- It also supports Countryside Financial Institutions (CFIs) to meet the new mandatory allocation of credit resources for micro, small and medium enterprises (MSMEs) as provided for under BSP Circular No. 625, series of 2008, and under the Magna Carta for MSMEs.

**Specific:**

- Strengthen partner-Microfinance Institutions (MFIs) in its microfinance operations and help deliver capacity building support to micro-enterprises;
- Expand the bank's outreach to the poor who do not have access to the formal financial system; and
- Promote savings mobilization of poor households.

**Basic Features:**

**Program Conduits:** As wholesaler of funds, the LBP taps the following entities as microfinance program conduits:

- Cooperatives (Coops)
- Countryside Financial Institutions (CFIs), composed of rural banks, cooperative banks and thrift banks
- Non-Government Organizations (NGOs)

**Eligibility Criteria**

- Borrowers must have juridical personality (i.e., Cooperative Development Authority, in case of cooperatives; Securities and Exchange Commission (SEC), in case of non-government and CFIs  
Also, for CFIs, they should be granted authority by the Bangko Sentral ng Pilipinas to have microfinance operations

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- With at least 3 consecutive year experience in lending, 1 year (most recent) of which is in microfinance;
  - With capacity to engage in microfinance, as evidenced by the following:
    - ✓ Established MIS/loan tracking system;
    - ✓ Microfinance operating manual/systems and procedures
    - ✓ Microfinance business plan for at least 3 years duly approved by its BODs;
    - ✓ At least 2 members of its BODs/officers are trained and familiar with microfinance
    - ✓ With a separate unit to handle microfinance operations.
  - CAMELS Rating of at least 3<sup>1/</sup>
  - PESO Rating<sup>2/</sup> of at least 70
  - Portfolio- at-Risk of 10%<sup>3/</sup>

<sup>1/</sup> *Rating for CFIs by BSP (Capital Adequacy, Asset Quality, Management, Earnings, Liquidity, Sensitivity)*

<sup>2/</sup> *Performance Standards for MFIs developed by the National Credit Council and stakeholders (Portfolio Quality, Efficiency, Sustainability, Outreach)*

<sup>3/</sup> *Formula :*

$$\frac{\text{Balance of Loans with 1 day missed payment}}{\text{Total Loan Outstanding}}$$

#### **Available Credit Facility:**

- Short Term Loan – Working Capital & Rediscounting
- Term Loan – Working Capital & Rediscounting

#### **Repayment Term**

- For Short Term Loan
  - ✓ Maximum of one year available via up to 360 Promissory Notes
- Term Loan
  - ✓ Five (5) years, payable quarterly

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## Acceptable Collaterals

Any or combination of the following:

- For Short-term loan
  - ✓ Post Dated Checks (PDCs)
  - ✓ Assignment of sub-PNs, including sub-borrowers' underlying collaterals, and guarantee cover, if any.
- For Term Loan
  - ✓ Real Estate Mortgage
  - ✓ Chattel Mortgage on machinery & equipment
  - ✓ Hold-out on deposit
  - ✓ Continuing assignment of receivables

Contact Details:

### **Programs Management Department I (PMD I)**

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**MENTORS PHILIPPINES MICROFINANCE FOUNDATION, INC.**  
(formerly Philippine Microenterprise Development Foundation, Inc.)  
G/F Melendres Building, F. Manalo Street, Pasig City

**Program Title: BALIKATAN SA KAUNLARAN**  
(Partnership for Progress)

**Program Objective:** To provide opportunities for poor Filipino families particularly women to achieve self-reliance through self-help, training, mentoring, and provision of sustainable financial services, including collateral-free loans.

**Eligible Borrowers:**

- Poor but enterprising women who fit the following criteria for poverty:
  - Their “house index” as indicated by the points system based on floor area, type of material and roofing used should not exceed the maximum of six (6) points; and,
  - Their income index per capita should not exceed P2,000.00 per month.
- Must be a group of 5 to 10 friends who trust each other and live closely to be able to look after each other;
- Must undergo a 2-day pre-loan orientation seminar to learn about the program’s philosophy and rules to be prepared for the discipline required and pass the Group Recognition Test;
- Must be willing to be federated with other recognized groups to form a Center with a minimum of 30;
- Must be willing to attend one-hour weekly Center meeting near their homes; and,
- Must be willing to memorize and live by the Clients’ Verbal Pledge (code of honor).

**Loan Purpose:**

- General Loan – as working capital for income generating activities (e.g. livelihood)
- Special Loan – to finance other non-business related needs such as tuition fee, house repair, electric and water utility installation, etc. Also to finance seasonal capital needs as in during Christmas season and school enrollment period.
- Emergency and Calamity Loans – to address the urgent needs during times of personal and natural calamities, such as sickness or death of an immediate family member, floods, typhoons, fire, and other natural calamities.

**Coverage:** Metro Manila, Rizal, Cavite, and Bulacan,

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## **Terms/Requirements:**

### ***Loan Amount:***

- General Loan – P1,000.00 to P75,000.00
- Special Loan – P1,000.00 to 30,000.00
- Calamity Loan – P3,000 to P5,000

***Interest Rate:*** Average interest ranges from 0.5% to 1% per week.

### ***Maturity / Repayment:***

- General Loan – 12 to 50 weeks in weekly payments.
- Special Loan – 4 to 50 weeks in weekly payments.
- Calamity Loan – 50 weeks in weekly payments.

### ***Security:***

- For loans less than P15,000.00 – no collateral.
- For loans of P15,000.00 & above– Post-Dated Checks.

## **Other Services Offered to Clients:**

- Enrollment with PhilHealth (voluntary basis)
- Family accident insurance coverage (very affordable premium)
- Death benefit for spouse and member
- Loan redemption coverage
- Voluntary and withdrawable savings with high interest earnings for members

## **Contact Details:**

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**Bacoor Branch:** (632) 489.9124

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**NATIONAL LIVELIHOOD DEVELOPMENT CORPORATION (NLDC)**  
7F, One Corporate Plaza, 845 A. Arnaiz Avenue, Makati City

**Program Title: LIVELIHOOD CREDIT ASSISTANCE PROGRAM  
(LCAP)**

**Program Objective:** To provide livelihood and enterprise development assistance to small farmer beneficiaries in the agrarian reform communities (ARCs) and members of the marginalized sectors by providing access to micro credit through accredited NLDC program partners/conduits, supported by capability building/institutional development interventions.

**Target Clients:**

- Program Partners/Lending Conduits
  - Rural Financial Institutions (RFIs)
  - Cooperatives
  - Non-Government Organizations (NGOs)
- End-Borrowers
  - Agrarian reform beneficiaries/small farmers and their wives/dependents in the ARCs; and,
  - Other non-farmer and marginalized households in the ARCs and Kalahi zones.

**Types of Services:**

- Revolving Credit Line – funds for relending to finance the livelihood project requirements of end-borrowers.
- Developmental Loan – loan amount shall be to a maximum of 10% of the Conduit's total loan outstanding. At least 50% of the credit line should have been utilized before it can be availed of. The loan is to be used specifically for the following:
  - For the conduct of capability-building/training of staff of the conduit handling the NLDC livelihood credit program and the conduct of social preparation activities for the end-borrowers; and,
  - For logistic support expenses as allowed by NLDC and depending on its assessment of the needs of the client.

**Accreditation Criteria for Partners/Conduits:**

- Registered with the appropriate government entity;
- Profitable operations for the last 3 years and interim;
- Satisfactory credit record with other creditors; and,
- At least 10% leverage Capital Risk to Asset Ratio (CRAR).



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## **Terms/Requirements:**

### ***Loan Amount:***

- Program Partners
  - Revolving Credit Line– Depends on the credit evaluation, program plans and number of target end-borrowers but not to exceed its total asset base.
  - Developmental Loan – depends on the needs of the Program Partner as assessed by NLDC but not to exceed 10% of the approved credit line.
- End-Borrowers – P3,000 to P50,000.

### ***Interest Rates:***

- Program Partners
  - Revolving Credit Line– 9% per annum
  - Developmental Loan – 4% per annum; loan duration shall depend on the nature of the soft loan utilization but not to exceed three (3) years.

### ***Security:***

- Program Partners
  - Continuing Deed of Assignment of end-borrowers' Promissory Notes and their underlying collaterals
  - Post-dated Checks
  - Chattel or Real Estate Mortgage, if any.
- End-Borrowers – no collateral

### ***Application Requirements:***

- Accomplished NLDC application forms;
- Registration and Incorporation papers;
- Board Resolution to borrow;
- Audited financial statement for the last 3 years and latest interim financial statement; and,
- Other requirements that may be deemed necessary by NLDC.

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**Program Title: LIVELIHOOD DEVELOPMENT PROGRAM FOR OVERSEAS FILIPINO WORKERS (LDPO)**

**Program Objective:** To help OFWs and their families start or sustain their own business through access to credit, capability building, market linkage and other forms of livelihood or entrepreneurial assistance.

**Target Clients:**

- All active and former member-OFWs of the Overseas Workers Welfare Administration (OWWA)
- OFWs' immediate family members (but only one family member per OFW can avail)
  - For married OFWs: spouse or children of legal age
  - For single OFWs: parents or children of legal age
- Former OWWA LDPO borrowers with good records of repayment

**Loan Purposes and Repayment Period:**

- For short-term operating capital of new or existing business - two-year revolving credit line to be availed of via 30 to 180 days promissory notes.
- For permanent working capital for purchase of stock inventory or cost of franchise - 3 years repayment including one-year grace period on the principal.
- For asset acquisition or construction (except for purchase of land) - payable in 3 to 5 years including one-year grace period on the principal.

**Terms/Requirements:**

***Loan Amount:***

- Individual Borrower – maximum loan of P200,000
- Organized and Registered Group of at least five members – maximum of P1.0 Million.

***Interest Rate:***

- NLDC to Program Partners
  - Interest: 3% per annum to be amortized with principal
  - Service Fee: 1% per annum to be deducted upon loan release and every start of succeeding year based on outstanding balance
- Conduits to OFW borrower
  - Interest: 9% per annum to be paid on maturity of short term loan or amortized with principal in case of 3-5 year loans
  - Service Fee: 2% per annum payable upon loan release and at the start of every year thereafter based on outstanding balance
  - Facilitation Fee: 3% one time for the entire term of loan

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(to cover for CI/BI, appraisal and processing expenses)

**Security:** Loans shall be 100% collateralized by any or a combination of the following unencumbered assets/rights:

- Real estate;
- Chattel properties;
- Stock inventories;
- Receivables;
- Insurance/pre-need policies; and,
- Other types of collateral acceptable to the NLDC conduit.

***Loan Requirements for OFWs:***

- Proof of OWWA contribution
- Business Plan/Project Feasibility Study
- Business permit/license for on-going projects
- Financial statements in case of existing business
- Documents to establish borrower's relationship with the OFW (for beneficiaries)
- Collateral papers/ownership titles, etc.

Contact Details:

**National Livelihood Development Corporation**

Phone: (632) 817.2657 • 894.1713 • 817.8730

Fax: (632) 817.2659

E-mail: [nlcd.publicrelations@gmail.com](mailto:nlcd.publicrelations@gmail.com)

URL: [www.nlcd.gov.ph](http://www.nlcd.gov.ph)

**Program Title: PROYECTO SA KAUSWAGAN SA KATILINGBAN (PKK)**

**Program Objective:** A microfinance lending program designed to alleviate poverty by empowering the marginalized sector towards economic growth through values formation and livelihood training programs, micro insurance, savings services in form of capital build-up, regular savings account, special savings account, and loan funds to a group of 35-45 micro entrepreneurs having a business activity without collateral documents.

**Eligible Borrowers:**

***New Clients:***

- Individual, male or female, 21-60 years old
- Presently engaged in a business that is profitable, decent and legal and which provides a stable source of daily or weekly income
- Engaged in present business for at least 1 year
- Residing in present address for at least 3 years. Residence must be within the bank's service area.
- Without any history of past due loan with other MFIs, creditors and suppliers
- Can provide a Barangay Business Permit

***Clients Graduating from PKK:***

- Individuals, male or female, 21-60 years old
- Presently engaged in a business that is profitable, decent and legal and which provides a stable source of daily or weekly income
- Engaged in present business for at least 1 year
- Residing in present address for at least 3 years. Residence must be within the bank's service area.
- PKK clients for at least 2 years and with good repayment and performance

**Loan Purpose:** Loans in small amounts for people involved in income generating activities, especially women, who do not have access to credit because of lack of collateral or assets. Specifically those who have small informal businesses and need working capital.

**Terms/Requirements:**

***Loan Amount:*** Minimum of P5 Thousand; Maximum of P150 Thousand

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**Interest Rate:** 2.5% per month

**Maturity / Repayment:**

- Three (3) to six (6) months
- Weekly and monthly payments (amortized)

**Security:**

- Clean for group loans
- Real Estate; Chattel of Motor Vehicles; Serialized Equipment and other Acceptable Securities for Individual Loans with loan amount of over P50,000.00.

**Requirements:**

- Application form (complete information provided and signed by applicant and spouse or co-borrower)
- ID picture
- Valid identification cards (IDs)
- Business license/Barangay permit
- Business records and receipts (if available)
- Official receipts for utility bill payments (last 3 months)
- Proof of loan payments and deposits (if applicable)
- Proof of ownership of assets
- Co-Maker's statement
- For Real Estate:
  - Machine copy of Certificate of Title certified (all pages) by the Registry of Deeds
  - Location and Vicinity Map signed and sealed by a Geodetic Engineer
  - Machine copy of Tax Declaration
  - Real Estate Tax Receipts and Tax Clearance
- For Chattels:
  - Machine copy of LTO Certificate of Registration
  - Machine copy of LTO Official Receipt
  - 3 sets of Stencils of Engine and Chassis Number
- Proof of ownership for serialized equipment and appliances
- Deed of Assignment

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**Program Title: MICRO ENTERPRISE TRANSITION PROGRAM (METP)**

**Program Objective:** A microfinance lending program designed to serve as bridge between “Proyekto sa Kauswagan sa Katilingban (PKK)” to Micro Enterprise Development Program (MEDP); developing micro enterprises by providing financial assistance to a smaller group of five micro entrepreneurs for the expansion of their existing businesses; increasing productivity and income; and creating employment opportunities for the unemployed and underemployed.

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**Eligible Borrowers:*****New Clients:***

- Individual, male or female, 21-60 years old
- Presently engaged in a business that is profitable, decent and legal and which provides a stable source of daily or weekly income
- Engaged in present business for at least 1 year
- Residing in present address for at least 3 years. Residence must be within the bank's service area.
- Without any history of past due loan with other MFIs, creditors and suppliers
- Can provide a Barangay Business Permit

***Clients Graduating from METP:***

- Individuals, male or female, 21-60 years old
- Presently engaged in a business that is profitable, decent and legal and which provides a stable source of daily or weekly income
- Engaged in present business for at least 1 year
- Residing in present address for at least 3 years. Residence must be within the bank's service area.
- PKK clients for at least 2 years and with good repayment and performance

**Loan Purpose:** Loans in small amounts for people involved in income generating activities, especially women, who do not have access to credit because of lack of collateral or assets. Specifically those who have small informal businesses and need working capital.

**Terms/Requirements:**

***Loan Amount:*** Minimum of P5 Thousand; Maximum of P150 Thousand

***Interest Rate:*** 2.5% per month

***Maturity / Repayment:***

- Three (3) to six (6) months
- Weekly and monthly payments (amortized)

***Security:***

- Clean for group loans
- Real Estate; Chattel of Motor Vehicles; Serialized Equipment and other Acceptable Securities for Individual Loans with loan amount of over P50,000.00.

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**Requirements:**

- Application form (complete information provided and signed by applicant and spouse or co-borrower)
- ID picture
- Valid identification cards (IDs)
- Business license/Barangay permit
- Business records and receipts (if available)
- Official receipts for utility bill payments (last 3 months)
- Proof of loan payments and deposits (if applicable)
- Proof of ownership of assets
- Co-Maker's statement
- For Real Estate:
  - Machine copy of Certificate of Title certified (all pages) by the Registry of Deeds
  - Location and Vicinity Map signed and sealed by a Geodetic Engineer
  - Machine copy of Tax Declaration
  - Real Estate Tax Receipts and Tax Clearance
- For Chattels:
  - Machine copy of LTO Certificate of Registration
  - Machine copy of LTO Official Receipt
  - 3 sets of Stencils of Engine and Chassis Number
- Proof of ownership for serialized equipment and appliances
- Deed of Assignment

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**Program Title: MICRO ENTERPRISE DEVELOPMENT PROGRAM (MEDP)**

**Program Objective:** A microfinance lending program that facilitates human transformation to any micro entrepreneurs; introducing them to the mainstream of the financial system through granting of the individual loans based on cash flow of their existing micro or small enterprises; and creating employment opportunities.

**Eligible Borrowers:**

- Individual, male or female, 21-60 years old
- Presently engaged in a business that is profitable, decent and legal and which provides a stable source of daily or weekly income
- Engaged in present business for at least 1 year
- Residing in present address for at least 3 years. Residence must be within the bank's service area.
- Without any history of past due loan with other MFIs, creditors and suppliers
- Can provide a Barangay Business Permit

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**Loan Purpose:** Loans in small amounts for people involved in income generating activities, especially women, who do not have access to credit because of lack of collateral or assets. Specifically those who have small informal businesses and need working capital.

**Terms/Requirements:**

**Loan Amount:** Minimum of P5 Thousand; Maximum of P150 Thousand

**Interest Rate:** 2.5% per month

**Maturity / Repayment:**

- Three (3) to six (6) months
- Weekly and monthly payments (amortized)

**Security:**

- Clean for group loans and Real Estate; Chattel of Motor Vehicles; Serialized Equipment and other Acceptable Securities for Individual Loans with loan amount of over P50,000.00.

**Requirements:**

- Application form (complete information provided and signed by applicant and spouse or co-borrower)
- ID picture
- Valid identification cards (IDs)
- Business license/Barangay permit
- Business records and receipts (if available)
- Official receipts for utility bill payments (last 3 months)
- Proof of loan payments and deposits (if applicable)
- Proof of ownership of assets
- Co-Maker's statement
- For Real Estate:
  - Machine copy of Certificate of Title certified (all pages) by the Registry of Deeds
  - Location and Vicinity Map signed and sealed by a Geodetic Engineer
  - Machine copy of Tax Declaration
  - Real Estate Tax Receipts and Tax Clearance
- For Chattels:
  - Machine copy of LTO Certificate of Registration
  - Machine copy of LTO Official Receipt
  - 3 sets of Stencils of Engine and Chassis Number
- Proof of ownership for serialized equipment and appliances
- Deed of Assignment



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**Program Title: MICRO, SMALL & MEDIUM ENTERPRISES  
DEVELOPMENT LENDING PROGRAM (SMED)**

**Program Objective:** A lending program for mainstreaming micro financing clients, micro, small and medium enterprises, open to individuals, partnerships, corporations and cooperatives for purposes of export financing, credit line, permanent working capital requirements and fixed asset acquisition (purchase of equipment, lot and inventories, building construction) and refinancing.

**Eligible Borrowers:**

**General:**

- Individuals between 21-60 years old during the time of application
- With decent, legal and stable source of income
- Residing in present address for at least 3 years. Residence must be within the bank's service area.
- No adverse credit findings and without any history of past due loans
- In good health and insurable
- No previous or pending court cases
- Not included in the Bank's client negative list

**MSMEs (Individuals, Partnerships, Corporations and Cooperatives):**

- MSMEs that are 100% Filipino owned for single proprietorship or partnership or cooperatives and at least 60% if a corporation.
- MSMEs that are within major sectors of the economy: Industry, services, practice of profession, tourism related establishments, agri-business.
- MSME with an asset size of less P3,000,001 and not more than P100,000,000.
- MSMEs must be duly registered with appropriate government agencies.
- At least three (3) year track record for existing MSMEs and one (1) year track record for start-up capital for newly established micro and small enterprises.
- MSMEs under a franchise agreement or franchisee.
- MSMEs owned by Individuals, Partnerships, Corporations and Cooperatives.
- BMBE (Barangay Micro Business Enterprises).

Note: MSMEs covered must not be a branch, subsidiary or division of a large scale enterprise. MSMEs must not be engaged in: Farm level crop, livestock and agra/aqua production; purely trading of imported goods; vice generating activities such as liquor, cigarettes extractive activities and housing projects.

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**Loan Purposes:**

- For fixed assets financing: covers acquisition of fixed assets (equipment or motor vehicle acquisition; lot acquisition (limited to 25% of the total loan) and building construction and improvements.
- For small and permanent working capital: covers permanent working capital to finance the receivables and/or inventory and soft or intangible investments such as: trade fair participation; pre-operating expenses for expansion project; training; rental deposit; IT software packages; franchise development packages and others.
- For loan refinancing: covers any of the above stated loan purposes from other banks and other financial institutions.

**Terms/Requirements:**

**Loan Amount:** Over P150,000.00; Maximum P10,000,000.00 (SBL)

**Interest Rate:** 16%-18% per annum

**Maturity / Repayment:**

- One (1) year to five (5) years
- Monthly (amortized)

**Security:**

- Real Estate; Chattel of Motor Vehicles; Serialized Equipment and other Acceptable Securities.

**Requirements:**

- Application Form
- Co-Maker's Statement
- Xerox Copy of Tax Identification Number (T.I.N.), Driver's License, Passport, SSS ID, PRC ID, Postal ID and any valid ID's issued by the government, any two (2) valid ID
- Two (2) pieces 2" x 2" ID pictures of the borrower, spouse and co-borrower
- Original Court Clearance
- Machine copy of Income Tax Returns and Audited Financial Statements (Balance Sheet, Income Statement and Cash Flow Statement) for the last three (3) years for existing MSMEs and at least one (1) year for start-up MSMEs.
- Bank Statements for the last six (6) months
- Machine copy of DTI Certificate of Business Name Registration, Mayor's Permit/NFA License/Contractor's License

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- For Real Estate:
    - Machine copy of Certificate of Title certified (all pages) by the Registry of Deeds
    - Location and Vicinity Map signed and sealed by a Geodetic Engineer
    - Machine copy of Tax Declaration
    - Real Estate Tax Receipts and Tax Clearance
  - For Chattels:
    - Machine copy of LTO Certificate of Registration
    - Machine copy of LTO Official Receipt
    - 3 sets of Stencils of Engine and Chassis Number
  - Project study or detailed business plan (for new projects and for expansion of existing project)
  - Projected Income Statement, Balance Sheet and Cash Flow Statement with basic assumptions for the term of the loan
  - Evidence/Affidavit of ownership of existing machinery/ies and equipment.
  - Building Plan, Bill of Materials, Cost Estimates specifications of proposed improvements and building permits
  - Price quotations and catalogs of machineries and equipment to be acquired
  - Conditional Contract to sell for property/ies to be acquired
  - Brief history of the business, partnership, cooperative and corporation

***Additional Requirements for Partnerships, Corporations and Cooperatives:***

- Notarized Board Resolution authorizing the management and its officers to obtain loan from the Bank and designating authorized officers as signatories
- Duly accomplished Basic Information Sheet
- Articles of Partnership and SEC Registration
- Bio-data of Board Members and Key Officers
- Notarized list of current Board Members, Key Officers, and current principal stockholders with their citizenship certified by Corporate Secretary
- Machine copy of Articles of Incorporation and By-Laws and SEC Certificate of Registration
- Machine copy of CDA Certificate of Registration, Articles of Cooperation and By-Laws
- Certified list of active members as of latest date, indicating each one's share in the cooperative's paid-up capital
- Latest Interim Financial Statements

**Contact Details:**

**Mr. Benjamin T. Montemayor**, President and CEO

Phone: (6333) 320.4887

Fax: (6333) 320.8347

E-mail: [kbankho@yahoo.com](mailto:kbankho@yahoo.com); [okbankpres@yahoo.com](mailto:okbankpres@yahoo.com)

URL: [www.omb.org.ph](http://www.omb.org.ph)

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**Branches:**

<b>LUZON</b>	Antipolo City, Rizal Telephone: (02) 630.0165
	Valenzuela City (LCDP) Telephone: (02) 293.6331
	Bagong Silang, Quezon City (LCDP) Telephone: (02) 962.9069
	Sapang Palay, Bulacan (LCDP) Telephone: (044) 691.5450
	Fairview, Quezon City (LCDP) Telephone: (02) 431.4452
	Lower Caloocan, Caloocan City (LCDP) Telephone: (02) 367.5349
<b>VISAYAS</b>	
Western	Jaro, Iloilo City Telephone: (033) 320.5831
	Leon, Iloilo (OBO) Telephone: (033) 331.0067
	Miag-ao, Iloilo (OBO) Telephone: (033) 315.9973
	Roxas City, Roxas Telephone: (036) 621.1908
	San Jose, Antique Telephone: (036) 540.7136
	Sigma, Roxas Telephone: (036) 647.0578
	Kalibo, Aklan Telephone: (036) 500.8839
Central	Minglanilla, Cebu Telephone: (032) 273.7468
	Car-car, Cebu (OBO) Telephone: (032) 487.9095
	Tagbilaran City, Bohol Telephone: (038) 411.5776
	Ubay, Bohol Telephone: (038) 331.1304
	Tubigon, Bohol (OBO) Telephone: (038) 508.8503
Eastern	Tacloban City, Leyte Telephone: (053) 325.4100
	Carigara, Leyte (OBO) Telephone: (053) 331.1116
	Ormoc City, Leyte Telephone: (053) 561.0885
	Calbayog City, Samar Telephone: (055) 209.2566

**Program Title: MICROFINANCE PROGRAM**

**Program Objective:** To provide the poor with access to livelihood credit and other microfinance services through accredited partner microfinance institutions (MFIs).

**Eligible Borrowers / Sub-Borrowers:**

- Borrowers (Accredited MFIs) – Non-Government Organizations (NGOs), Cooperatives, Rural and Cooperative Banks, Thrift Banks duly organized, with either a track record of lending operations or with proven capabilities in implementing microfinance programs that can augment the income of targeted poor clients.
- Sub-Borrowers – Households below the poverty threshold level as defined by the National Economic Development Authority (NEDA) and as identified by the Government's Social Reform Agenda through the National Anti-Poverty Commission (NAPC).

**Loan Purposes:**

- Borrowers/MFIs
  - Investment Credit – a revolving credit line for relending to sub-borrowers to finance their livelihood projects.
  - Institutional Credit – for capability building activities of MFIs.
- Sub-Borrowers – working capital for income generating activities (livelihood).

**Terms/Requirements:**

***Loan Amount:***

- Borrowers/MFIs – Based on evaluation/credit needs.
- Sub-Borrowers in Groups or Centers or Individuals – Up to a maximum of P150,000.00 depending on sub-borrowers' requirements and cash flows.

***Interest Rate:***

- Borrower/MFIs
  - Investment Credit: 10% to 12% p.a. based on interest guidelines plus 1% service fee.
  - Institutional Credit: 3% p.a. plus 1% service fee.
- Sub-borrowers – based on MFI's credit policies and guidelines

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**Maturity / Repayment :**

- Borrowers/MFIs

	Investment Credit (per drawdown)	Institutional Credit
Short	One year	Two years
Medium	Three years	
Long	Four years	

- Sub-Borrowers – Six months to one year term; normally payable weekly or as per policy of the MFI.

**Security:**

- Borrowers/MFIs

Investment Credit	Institutional Credit
Deed of Assignment of sub-borrowers Promissory Notes (PNs) and all underlying collaterals; Post-dated checks (PDCs) and/or others as may be required.	Deed of Chattel Mortgage (DCM) of assets to be acquired from loan proceeds, if any; Post-dated checks (PDCs) and/or others as may be required.

- Sub-Borrowers – Essentially no collateral.

**Program Partners or MFIs:** Please inquire from the following PCFC officials:

Contact Details:

Regions 1, 2, 3 and CAR:

**Atty. Jessica A. Barrun**

AVP-AMD 1

Phone: (632) 752.3745 local 120

Mobile: 0917.574.9915

Regions 4A, 4B, 5 and NCR:

**Mr. Erwin M. Idong**

AVP-AMD 2

Phone: (632) 752.3745 local 130

Cel No. 0917.574.9914

Regions 6, 7, and 8:

**Mr. Ariel M. Tatlonghari**

AVP-AMD 3

Phone: (632) 752.3745 local 140

Cel No. 0917.574.9912

Regions 9, 10, 11, 12

Caraga, and ARMM:

**Mr. Dennis A. Monong**

AVP-AMD 4

Phone: (632) 752.3745 local 150

Cel No. 0917.574.9968

Fax: (632) 325.0448

E-mail: [info@pcfc.ph](mailto:info@pcfc.ph)

URL: [www.pcfc.gov.ph](http://www.pcfc.gov.ph)

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**Program Title: MICRO-HOUSING LOAN FACILITY**

**Program Objective:** To support the government's effort to improve the quality of life of the poor thru financial assistance for housing improvement such as house repairs, renovation or expansion.

**Eligible Borrowers:**

- PCFC to MFI – accredited MFI partners
- MFI to Borrower – low income families in urban and rural areas

**Loan Purpose:**

- PCFC to MFI – to finance the MFI's relending program for its end-clients
- MFI to Borrower – to finance home improvement (repair, renovation, completion, expansion)

**Type of Credit Facility:** Term loan (non-revolving) available within one year from approval of credit facility

**Terms/Requirements:**

***Loan Amount:***

- PCFC to MFIs – based on 85% of credit needs of end-clients as indicated in the Housing Availment Plan (HAP)
- MFI to Borrower – in accordance with MFI's credit policies and end-clients repayment capacity (cash flow) but shall not go beyond P 150,000.00 inclusive of end-clients other loans with the MFI. (Labor may be provided as counterpart of end-clients.)

***Interest Rate and Service Charge:***

- PCFC to MFI
  - 10% to 12% p.a. based on interest guidelines plus 1% service fee.
- MFI to Borrower – based on MFI's credit policies and guidelines

***Maturity and Mode of Payment:***

- PCFC to MFIs – up to 5 years inclusive of 6-month grace period on principal for PNs with terms of 2 years or more; quarterly amortization on principal and interest
- MFI to Borrower – based on MFI's credit policies and guidelines but not to exceed 5 years

***Manner of Availment:***

- PCFC to MFI – reimbursement basis (i.e., drawdown against actual loan releases to end-clients) or liquidation basis (i.e.,

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drawdown based on projected loan releases); list of borrowers to be submitted within 2 months from drawdown with PCFC.

- MFI to Borrower – based on MFI’s credit policies and guidelines (*Staggered release based on work progress subject to loan utilization check of previous drawdown is suggested.*)

**Security:**

- PCFC to MFIs – post-dated checks; Deed of Assignment of sub-PNs and all underlying collaterals
- MFI to Borrower – based on MFI’s credit policies and guidelines, i.e., chattel mortgage and insurance for loans above P 75,000.00.

**Additional Availment Requirements:**

- PCFC to MFI – submission of Housing Availment Plan (HAP)
- MFI to Borrower – The house repair loan should be supported by a livelihood project and/or total household cash flow analysis.

**Contact Details:**

Phone (632) 897.8521 • 752.3745

**If you are from:**

Regions 1, 2, 3, and CAR	Local 125
Regions 4A, 4B, 5 and NCR	Local 134
Regions, 6, 7 and 8	Local 144
Regions 9, 10, 11, 12, Caraga & ARMM	Local 156

Fax No. (632) 325.0448

E-mail: [info@pcfc.ph](mailto:info@pcfc.ph)

URL: [www.pcfc.gov.ph](http://www.pcfc.gov.ph)

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**Program Title: MICRO-ENERGY CREDIT PROGRAM**

**Program Objectives:** To support reforms and priority investments to improve the quality of life in rural areas through the provision of adequate, affordable and reliable energy services specifically the small-scale renewable energy solar home system/solar lanterns. The program is operationalized in partnership with viable microfinance institutions.



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**Eligible Borrowers:**

- PCFC to MFI – accredited MFI partners
- MFI to Borrower – Low Income families in urban and rural areas (*Suggested priority areas are households in an un-energized barangays and un-energized households in “energized” barangays.*)

**Loan Purpose:**

- PCFC to MFI – to finance the MFI’s micro-energy program for its end-clients
- MFI to Borrower – to finance the acquisition of small scale renewable energy solar home system/solar lanterns of poor individual households

**Type of Credit Facility:** Term loan (non-revolving) available within one year from approval of credit facility

**Terms/Requirements:*****Loan Amount:***

- PCFC to MFI – based on 85% of credit needs of end-clients as indicated in the Solar Availment Plan (SAP).
- MFI to Borrower – in accordance with MFI’s credit policies and end-clients repayment capacity (cash flow) but shall not go beyond P150,000.00 inclusive of end-clients other loans with the MFI.

***Interest Rate and Service Charge:***

- PCFC to MFI
  - 10% to 12% p.a. based on interest guidelines plus 1% service fee.
- MFI to Borrower – based on MFI’s credit policies and guidelines

***Maturity and Mode of Payment:***

- PCFC to MFIs – up to 5 years inclusive of 6-month grace period on principal for PNs with terms of 2 years or more; quarterly amortization on principal and interest
- MFI to Borrower – based on MFI’s credit policies and guidelines but not to exceed 5 years

***Manner of Availment:***

- PCFC to MFI – reimbursement basis (i.e., drawdown against actual loan releases to end-clients) or liquidation basis (i.e. drawdown based on projected loan releases); list of borrowers to be submitted within 2 months from drawdown with PCFC.
- MFI to Borrower – based on MFI’s credit policies and guidelines (*Loan utilization check within 30 days from release is suggested.*)

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**Security:**

- PCFC to MFIs – post-dated checks; Assignment of (a) all PNs of end-clients or MFI's receivables from end-clients, (b) credit guarantee proceeds, and/or (c) buy-back proceeds.
- MFI to Borrower – based on MFI's credit policies and guidelines, i.e., chattel mortgage and insurance for loans above P 75,000.00.

**Additional Availment Requirements:**

- PCFC to MFIs – submission of Solar Availment Plan (SAP)
- MFI to Borrower – based on MFI's credit policies and guidelines. The micro energy loan should be supported by a livelihood project and/or total household cash flow. *[Loan Guarantee Fund (c/o RPP-LGF) and Buy Back Scheme (c/o supplier) are suggested.]*

**Contact Details:**

Phone (632) 897.8521 • 752.3745

**If you are from:**

Regions 1, 2, 3, and CAR	Local 125
Regions 4A, 4B, 5 and NCR	Local 134
Regions, 6, 7 and 8	Local 144
Regions 9, 10, 11, 12, Caraga & ARMM	Local 156

Fax No. (632) 325.0448

E-mail: [info@pcfc.ph](mailto:info@pcfc.ph)

URL: [www.pcfc.gov.ph](http://www.pcfc.gov.ph)

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**Program Title: MICRO-AGRI CREDIT PROGRAM**

**Program Objectives:** To provide financial opportunities for the agri-fishery projects of small farmers and fisherfolk households. The program is in partnership with Agricultural Credit Policy Council (ACPC).

Borrower Organizations may avail themselves of any of the following financing facilities:

- **Agri-fishery Microfinance Loan Facility** – for agri-fishery and other agri-related activities.
  - **Value Chain Financing Facility** – for value chain activities and asset acquisition for post-production/agri-enterprise or agri-business project.
  - **Asset Acquisition Financing Facility** – for acquisition of farm machinery and equipment (i.e., water pump, shallow tube well, thresher, etc.)
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### Eligible Borrowers:

- PCFC to MFI – accredited MFI partners
- MFI to Borrower
  - **Agri-fishery Microfinance Loan Facility** – spouses, household heads or adult working members of small farming/fishing households. (*Only one member per household is qualified to borrow at a single time under the program.*)
  - **Value Chain Financing Facility** – microfinance groups/centers or organizations with or without juridical personality that meet the following criteria:
    - Composed of at least five (5) members;
    - Engaged in any post-production / agri-enterprise / agri-business projects;
    - With firm market and established supply of raw materials.
  - **Asset Acquisition Financing Facility** – those eligible in agri-fishery and value chain financing facilities with at least one (1) year track record as microfinance sub-borrower.

### Loan Purpose:

- PCFC to MFI – to finance the MFI's relending program for its end-clients
- MFI to Borrower
  - **Agri-fishery Microfinance Loan Facility** – to finance any or combination of new farm, non-farm income generating activities and or refinance the rehabilitation of existing agri-fishery projects which have been affected by calamities.
  - **Value Chain Financing Facility** – loans availed by the borrower group shall be used for the following purposes:
    - a. Working capital to finance any of the value chain activities (i.e., processing and/or marketing); and
    - b. Acquisition of assets of an agri-enterprise / agri-business projects that are engaged in agri-fishery product marketing or agri-fishery inputs trading. (*Provided that such projects have direct forward or backward link with small farmers/fisherfolk.*)
- **Asset Acquisition Financing Facility** – loans availed shall be used for the acquisition of farm, machinery and equipment (i.e., water pump, shallow tube well, thresher, etc.)

**Type of Credit Facility:** Term loan (non-revolving) available within one year from approval of credit facility

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## Terms/Requirements:

### ***Loan Amount:***

- PCFC to MFI – based on evaluation/credit needs but not to exceed P 20.00 Mn per MFI.
- MFI to Borrower
  - ***Agri-fishery Microfinance Loan Facility*** – shall depend on the assessed repayment capacity of the sub-borrower based on household cashflow but not to exceed P150,000.00 per sub-borrower.
  - ***Value Chain Financing Facility*** – The financing limit per group/organization is P 1.00 Mn but not to exceed P150,000.00 per member, whichever is lower.
  - ***Asset Acquisition Financing Facility*** – shall depend on the assessed repayment capacity of the sub-borrower based on household cash flow but not to exceed P150,000.00 per sub-borrower.

### ***Interest Rate and Service Charge:***

- PCFC to MFI
  - 10% to 12% p.a. based on interest guidelines plus 1% service fee.
- MFI to Borrower – based on MFI's credit policies and guidelines

### ***Maturity and Mode of Payment:***

- PCFC to MFIs – up to 4 years inclusive of 6-month grace period on principal for PNs with terms of 2 years or more; quarterly amortization on principal and interest
- MFI to Borrower
  - ***Agri-fishery Microfinance Loan Facility*** – shall have a maturity not exceeding one (1) year and the amortization schedule shall be based on the household cash flow. At least 20% of the loan should be amortized either weekly or monthly and the remaining balance to be paid upon loan maturity.
  - ***Value Chain Financing Facility*** – shall have a maturity not exceeding three (3) years and the amortization schedule shall be based on the cash flow of the business.
  - ***Asset Acquisition Financing Facility*** – shall have a maturity not exceeding three (3) years and the amortization schedule shall be based on the household cash flow.

### ***Manner of Availment:***

- PCFC to MFI – reimbursement basis (i.e., drawdown against actual loan releases to end-clients) or liquidation basis (i.e. drawdown based on projected loan releases); list of

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borrowers to be submitted within 2 months from drawdown with PCFC.

- MFI to Borrower – based on MFI's credit policies and guidelines (*Loan utilization check within 30 days from release is suggested.*)

**Security:**

- PCFC to MFIs – post-dated checks; Deed of Assignment of sub-borrowers PNs and all underlying collaterals and credit guarantee proceeds.
- MFI to Borrower - Loans availed under Agri-fishery Microfinance Loan Facility, Value Chain Financing Facility and Asset Acquisition Financing Facility shall be secured with any or a combination of the following:
  - a. Joint and Several Signatures;
  - b. Issuance of post-dated checks;
  - c. Marketing Agreement (if applicable); and/or
  - d. Any other acceptable form of collateral/security.

**Additional Availment Requirements:**

- MFI to Borrower on Value Chain Financing –for groups with no juridical personality all documents shall be signed by all members of the group.

**Contact Details:**

Phone (632) 897.8521 • 752.3745

**If you are from:**

Regions 1, 2, 3, and CAR	Local 125
Regions 4A, 4B, 5 and NCR	Local 134
Regions, 6, 7 and 8	Local 144
Regions 9, 10, 11, 12, Caraga & ARMM	Local 156

Fax No. (632) 325.0448

E-mail: [info@pcfc.ph](mailto:info@pcfc.ph)

URL: [www.pcfc.gov.ph](http://www.pcfc.gov.ph)

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**Program Title: MFI EMPLOYEES LOAN FACILITY**

**Program Objectives:** To augment the MFI's employees' income by financing MFI's loan program for them, thereby supporting the government's efforts to reduce widespread poverty in the country.

**Eligible Borrowers:**

- PCFC to MFI – accredited MFI partners
- MFI to Borrower – MFI employees (priority to microfinance program staff)

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**Loan Purpose:**

- PCFC to MFI – to finance the MFI's loan program for its employees.
- MFI to Borrower – multi-purpose loan e.g. livelihood, salary loan, educational, emergency, appliance loan, house repair, hospitalization, etc.

**Type of Credit Facility:** One year revolving credit line

**Terms/Requirements:*****Loan Amount:***

- PCFC to MFI – based on credit needs of MFI staff at 85% of credit needs of value of sub-PN as indicated in the MFI Employees Credit Availment Plan (MECAP)
- MFI to Borrower – based on net take-home-pay of staff and/or household cash flow but not to exceed P 50,000.00 per employee in accordance with MFI guidelines

***Interest Rate and Service Charge:***

- PCFC to MFI
  - 10% to 12% p.a. based on interest guidelines plus 1% service fee.
- MFI to Borrower – based on MFI's guidelines

***Maturity and Mode of Payment:***

- PCFC to MFI – up to 3 years inclusive of 6-month grace period on principal for PNs with terms of 2 years or more; quarterly amortization on principal and interest
- MFI to Borrower – based on MFI's policies and guidelines but not to exceed 3 years PN; payroll deduction every 15 days

***Manner of Availment:***

- PCFC to MFI – reimbursement basis (i.e., drawdown against actual loan releases to staff)
- MFI to Borrower – based on MFI's guidelines [*Liquidation basis (drawdown based on projected needs) is suggested.*]

***Security:***

- PCFC to MFIs – post-dated checks; Deed of Assignment of sub- PNs and all underlying collaterals
- MFI to Borrower – against staff salary and benefits and other security requirements of the MFI

**Basic Implementing Guidelines:**

- For all MFIs, the line for this facility shall be equivalent to not more than 50% of investment credit facility or P20 million whichever is lower.

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Contact Details:

Phone (632) 897.8521 • 752.3745

**If you are from:**

Regions 1, 2, 3, and CAR	Local 125
Regions 4A, 4B, 5 and NCR	Local 134
Regions, 6, 7 and 8	Local 144
Regions 9, 10, 11, 12, Caraga & ARMM	Local 156

Fax No. (632) 325.0448

E-mail: [info@pcfc.ph](mailto:info@pcfc.ph)

URL: [www.pcfc.gov.ph](http://www.pcfc.gov.ph)

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**Program Title: GOVERNMENT EMPLOYEES LOAN FACILITY**

**Program Objectives:** To finance alternative livelihood projects of government employees and/or their immediate families, thereby supporting the government's thrust of providing income-generating projects to its employees to uplift their living condition.

**Eligible Borrowers:**

- PCFC to MFI – accredited MFI partners
- MFI to Borrower – government employees

**Loan Purpose:**

- PCFC to MFI – to finance livelihood projects of government employees and/or their immediate families.
- MFI to Borrower – working capital for income generating activities (livelihood).

**Type of Credit Facility:** One year revolving credit line

**Terms/Requirements:**

***Loan Amount:***

- PCFC to MFI
- MFI to Borrower – not to exceed P 150,000 per government employee in accordance with MFI guidelines.

***Interest Rate and Service Charge:***

- PCFC to MFI
  - 10% to 12% p.a. based on interest guidelines plus 1% service fee.
- MFI to Borrower – based on MFI's guidelines

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**Maturity and Mode of Payment:**

- PCFC to MFI – up to 2 years PN inclusive of 6-month grace period on principal; quarterly amortization on principal and interest.
- MFI to Borrower – based on MFI's policies and guidelines but not to exceed 2 years PN.

**Manner of Availment:**

- PCFC to MFI – reimbursement basis (i.e., drawdown against actual loan releases to government employees) or liquidation basis (i.e. drawdown based on projected loan releases); list of government employees to be submitted within 2 months from drawdown with PCFC.
- MFI to Borrower – based on MFI's credit policies and guidelines (*Loan utilization check within 30 days from release is suggested.*)

**Security:**

- PCFC to MFIs – post-dated checks; Deed of Assignment of sub- PNs and all underlying collaterals
- MFI to Borrower – based on MFI's credit policies and guidelines

**Basic Implementing Guidelines:**

- The MFI shall have the option to re-lend the funds to the Government Employees' Cooperatives for retailing to individual employees or to retail directly to government employees and/or their immediate families.
- Loan releases for government employees' credit facility shall be reported in a separate Summary of Expenditure (SOE) and separate caption in the Program Status Report (PSR).

**Contact Details:**

Phone (632) 897.8521 • 752.3745

**If you are from:**

Regions 1, 2, 3, and CAR	Local 125
Regions 4A, 4B, 5 and NCR	Local 134
Regions, 6, 7 and 8	Local 144
Regions 9, 10, 11, 12, Caraga & ARMM	Local 156

Fax No. (632) 325.0448

E-mail: [info@pcfc.ph](mailto:info@pcfc.ph)

URL: [www.pcfc.gov.ph](http://www.pcfc.gov.ph)



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**SMALL BUSINESS CORPORATION**

(Small Business Guarantee and Finance Corporation)  
17th & 18th Floors, 139 Corporate Centre, Valero Street  
Salcedo Village, Makati City

**Program Title: EQUITY FINANCING FOR CORPORATIZED MICRO ENTERPRISES**

**Purpose:** To finance MSMEs operating in industry clusters with funding requirements from P50K to P200K.

**Eligibility Requirements:**

- Duly registered as an enterprise with DTI/SEC
- BRR score of 5. Scoring can be based on simplified financial estimation/validation by SBCorp AO
- Debt Servicing Capacity of at least 1.5

**Terms and Requirements:****Loan Amount:**

- Group/Corporation – up to P2.0MM
- Individual – up to P200K

*Not to exceed 80% of the total estimated project cost*

**Repayment Term:** up to 36 months

**Interest Rate:** 10% to 12% p.a.

**Mode of Payment:**

- Through Post Dated Checks

**Specific Documentation:**

- Proof of membership in a group/association

**Common Documentary Requirements:**

- Duly filled-out SBCorp Application Form and notarized Client Information Sheet
- DTI/SEC Business Registration
- Latest 1-year financial estimation (Income Statement and Balance Sheet) validated by SBCorp AO
- Project visit with call report by SBCorp
- Proof of Billing (residence and business)

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**Program Title: LENDING TO MSME CLIENTELE OF DTI'S  
SHARED SERVICE FACILITIES (SSF) PROGRAM**

**Purpose:** To finance the working capital requirement of DTI SSF beneficiaries.

**Eligibility Requirements:**

- Duly registered as an enterprise with DTI/SEC
- BRR score of 5. Scoring can be based on simplified financial estimation/validation by SBCorp AO
- Debt Servicing Capacity of at least 1.5
- At least six (6) months track record in using SSF facilities

**Terms and Requirements:**

**Loan Amount:**

- Up to P1.0MM but not to exceed 80% of the total estimated project cost

**Repayment Term:** up to 36 months

**Interest Rate:** 10% to 12% p.a.

**Mode of Payment:**

- Through Post Dated Checks

**Implementation:**

- Financing will be for MSME's working capital requirement, i.e., AR and inventories

**Specific Documentation:**

- DTI Certification that the MSME has at least six months track record in using the SSF facilities.

**Common Documentary Requirements:**

- Duly filled-out SBCorp Application Form and notarized Client Information Sheet
- DTI/SEC Business Registration
- Latest 1-year financial estimation (Income Statement and Balance Sheet) validated by SBCorp AO
- Project visit with call report by SBCorp
- Proof of Billing (residence and business)

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## WHOLESALE MICROFINANCE PROGRAM

A lending facility of Small Business Corporation to microfinance institutions (MFIs) which have the organizational capability or strength to provide sustainable credit access to borrowers in the livelihood sector.

**Target End-Borrowers:** Pre-enterprise micros, which are either start-up or graduating micros.

**Type of Facility:** Credit Line

### Microfinance Facilities:

- **MICRO-LEAD.** Micro-lending through lead microfinance institutions (MFIs) whose lending portfolio and organizational structure are predominantly or at least 60% microfinance;
- **MICRO-LOCAL.** Micro-lending through MSME-oriented rural banks; and,
- **MICRO-LEAP.** Micro-lending through small microfinance providers such as community cooperatives and local non-government organizations (NGOs) or people's organizations (POs) who do not meet the SBC standards under MICRO-LEAD.

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### Program Title: MICRO-LENDING THROUGH LEAD MICRO FINANCE INSTITUTIONS (MICRO-LEAD)

#### Target Conduit:

- Micro Finance-Oriented Institutions (with asset size of at least P15 Million and not more than P100 Million)

#### Minimum Qualifications:

- At least 3 years in microfinance operations
- At least 3,000 microfinance clients; if wholesaler, at least 10 conduits
- Must have a manpower of at least 20 exclusively for microfinance operations; if wholesaler, at least 10
- At least 60% microfinance portfolio
- If bank, CAMELS rating of at least 3
- Latest Financial Ratios
  - Liquid assets not below 10% of deposits
  - Capital Adequacy Ratio of at least 20% (if bank, at least 10%)
  - Microfinance portfolio-at-risk (PAR) not more than 10%.

- 
- Borrower Risk Rating of “5” or better per SBC evaluation

**Loan Purpose:**

- Retail re-lending to micro-borrowers
- Wholesale relending to MFIs

**Terms and Requirements:*****Loan Amount:***

- Minimum of P3 Million
- Maximum of P100 Million on the first year
- Maximum of P200 Million for the succeeding years

***Line Drawdown:***

- Minimum of P100 Thousand but up to 50% of credit line per drawdown

***Term and Line Expiry***

- One year credit line, subject to renewal

***Repayment Term per Drawdown:***

- 360 days, payable quarterly; may be up to 2 years, if justified by nature of micro-borrowers’ business

***Interest Rate:*** Available upon request

***Service Fees:***

- Evaluation fee of 0.05% of credit line (none, if bank)
- Processing fee of 0.1% of loan availment (none, if bank)

***Security:***

- Continuing Surety Agreement of principals

***Documentary Requirements:***

- Letter of Intent to Borrow
- Notarized Client Information Sheet with 1x1 recent ID picture of each principal stockholders/officer (SBGFC form); for banks, Bio-data of all major stockholders and/or officers as submitted to BSP
- Business registration papers
- Board Resolution to borrow and on authorized signatories with specimen signature/s
- Audited financial statements for the past three years, if applicable, and latest interim financial statements (not more than 6 months old)
- Organizational structure/background information
- Schedule of borrowings including details on terms of payment, collateral cover and credit status
- Certificate of good standing from creditors (if applicable)
- Ageing of loan portfolio

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- Schedules of past due, microfinance PAR and loan-loss provisioning

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**Program Title: MICRO-LENDING THROUGH MSME-ORIENTED RURAL BANKS (MICRO-LOCAL)**

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**Target Conduit:**

- Rural and Cooperative banks with the following minimum qualifications:
  - At least 3 years in existence as a bank; may be on a start-up basis in microfinance
  - At least 50 existing microfinance clients; if start-up, should plan for at least 50
  - Must have a manpower of at least three exclusively for microfinance operations; if start-up, should plan for at least 3
  - Minimum asset size must conform with BSP guidelines
  - CAMELS rating of at least 3
  - Latest Financial Ratios
    - Liquid assets not below 10% of deposits
    - Capital Adequacy Ratio of at least 10% (per BSP guidelines)
    - Microfinance portfolio-at-risk (PAR) of not more than 10%
    - Past due rate not exceeding 15%, preferably at par with industry average
  - Borrower Risk Rating of “5” or better per SBC evaluation

**Loan Purpose:** For re-lending to micro-borrowers

**Terms/Requirements:**

***Loan Amount:***

- Minimum of P200 Thousand
- Maximum of P50 Million on the first year
- Maximum of P100 Million for the succeeding years

***Line Drawdown:***

- Minimum of P100 Thousand
- Maximum of 50% of credit line

***Term and Line Expiry:***

- One year credit line, subject to renewal

***Repayment Term per Drawdown:***

- 360 days, payable quarterly; may be up to 2 years, if justified by nature of micro-borrowers’ business as in the case of graduating micros

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**Interest Rate:** Available upon request.

**Service Fees:** None

**Security:**

- Continuing Surety Agreement of principals
- Hard collateral may be required if start-up in microfinance

**Documentary Requirements:** Same as those for MICRO-LEAD.

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**Program Title: MICRO-LENDING THROUGH SMALL MICRO  
FINANCE PROVIDERS (MICRO-LEAP)**

**Target Conduit:**

- Small community cooperatives
- Small non-government organizations (NGOs)
- People's Organizations (POs)

**Minimum Qualifications:**

- Asset size of at least P500 Thousand and net worth of at least P300 Thousand
- At least one year in microfinance operations
- At least 20 microfinance clients
- Must have a manpower of at least two, one of whom may be part-time
- Latest Financial Ratios
  - Current ratio of at least 1.2
  - Capital Adequacy Ratio of at least 20%
  - Past due rate not more than 20%
- Borrower Risk Rating of "5" or better per SBC evaluation

**Loan Purpose:** For re-lending to micro-borrowers

**Terms/Requirements:**

**Loan Amount:**

- Minimum of P200 Thousand
- Maximum of P10 Million on the first year
- Maximum of P20 Million for the succeeding years

**Line Drawdown:**

- Minimum of P100 Thousand
- Maximum 50% of credit line

**Term and Line Expiry:**

- One year credit line, subject to renewal

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***Repayment Term per Drawdown:***

- 360 days, payable quarterly; may be up to 2 years, if justified by nature of micro-borrowers' business as in the case of graduating micros

***Interest Rate:*** Available upon request.

***Service Fees:***

- Evaluation Fee of 0.2% to 0.5% of credit line
- Processing Fee of 0.5% of loan availment

***Security:***

- Continuing Surety Agreement of principals (a must)
- Hard collateral may be required on case to case basis.

***Documentary Requirements:*** Same as those for MICRO-LEAD and MICRO-LOCAL.

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**Program Title: WHOLESALE LENDING WINDOW FOR  
GRADUATING MICROs AND BMBEs  
(For All SBC Accredited Financial Institutions)**

***Sub-Borrower Definition:***

- With asset size of not more than P3.0 Million; and
- Total loans inclusive of the PFI's is not more than P500 Thousand.

***Consideration Granted on the Sub-borrower:***

- May be on clean basis in terms of collateral cover
- Any valid permit will suffice as business registration
- Financial information simply based on the certification of the PFI will suffice, in the absence of full financial statements

***Terms/Requirements:******Funding:***

- In the form of a one-year omnibus credit line (OCL) available for the PFI's short-term and medium-term graduating micros portfolio. The OCL amount is based on SBC's assessment of the PFI's absorptive capacity and risk rate.

An increase in the OCL amount may be requested during the life of the loan facility.

- Funding may be up to 90% of the outstanding loan balance of the sub-loan but not to exceed P500,000 per sub-borrower:

- 
- SBC offers the following funding options:
    - Short-term portfolio rediscounting, where a batch of sub-loans is funded based on the earliest maturing PN
    - Individual rediscounting where there is matching of terms
    - Advance drawdown (for liquidation within 60 days)

**Validity Period:** The graduating micro may be funded by SBC under these relaxed terms for a period of not more than four years.

### **Documentation Requirements for Availment:**

For submission to SBC prior to loan release:

- Information sheet of the sub-borrower as prepared by the PFI (SBC Form)
- PFI loan approval in favor of sub-borrower
- Sub-borrower's PN with consent to assignment, disclosure statement and amortization schedule

Should be available at the PFI office for SBC post-release audit:

- Loan agreement between PFI and sub-borrower, if applicable
- PFI's loan ledger on sub-borrower
- PFI's calculation of the sub-borrower's financials
- Sub-borrower's business permit or certification

### **Miscellaneous Guidelines:**

- The PFI may avail in batches of less than P500 Thousand under the window, but the loan floor of P100 Thousand per sub-borrower shall remain.
- Any micro-enterprise that complies with all the standards of SBC on collateral cover, on business registration with DTI or SEC and on the full financial statements may be funded under the regular SME Wholesale Lending Program.
- In addition to banks and to NBFIs, the Window is also open to microfinance institutions such as cooperatives and non-government organizations that have graduating micro-borrowers.

### **Pass-on Interest Rate – *available upon request***

Contact Details:

#### **SB Corporation Head Office**

17<sup>th</sup> Floor, 139 Corporate Centre  
Valero St., Salcedo Village, Makati City  
Phone No. (632) 751.1888  
Fax No.: (632) 894.1677  
URL: [www.sbgfc.org.ph](http://www.sbgfc.org.ph)



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# **SMALL AND MEDIUM ENTERPRISE (SME) FINANCING PROGRAMS**

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## **ACTIVE ALLIANCE FINANCE CORPORATION**

Suite 203 CLF Building, 1167 Chino Roces Avenue, Makati City

### **Program Title: SME LOAN PROGRAM**

**Program Objective:** To provide working capital requirements of small and medium-sized businesses.

**Eligible Borrowers:**

- Importers and Exporters
- Traders
- Suppliers to Top Corporations and Established/Well-known Companies
- Wholesale Lenders
- Travel Agencies
- Pre-Owned Car Dealerships
- Dealers of Agriculture Machinery and Equipment

**Loan Purpose:**

- Purchase Order (P.O.) Financing
- Receivables Financing
- Inventory Financing
- Acquisition of Machinery and Equipment
- Business Expansion
- Other Working Capital Requirements

**Terms/Requirements:**

**Loan Amount:** Minimum of P100,000 (an acceptable collateral may be required for higher loan amount)

**Interest Rate:** Prevailing market rate

**Repayment Term:** Flexible

**Mode of Payment:** Flexible

**Collateral:** The loan shall be secured by any of a combination of the following:

- Real Estate/Chattel Mortgage
- Deed of Assignment of Receivables/Inventories
- Continuing Suretyship of the Principals
- Other forms of security acceptable to Active Finance

A collateral shall not be the sole basis in the approval or disapproval of loan applications. All decisions shall be based on the creditworthiness of loan applicants thus; a collateral may or may no longer be required.

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**Processing Fee:** P1,500 or 1% of approved loan amount, whichever is higher (no outright fees to be collected, processing fee to be deducted from loan proceeds).

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**Program Title: AGRICULTURAL MACHINERY & EQUIPMENT,  
AND COMMERCIAL VEHICLE FINANCING  
PROGRAM**

**Program Objective:** To provide companies, cooperatives, or individuals an alternative way of acquiring agricultural machinery and equipment (i.e., tractors, implements) and commercial vehicles (i.e. trucks, delivery vehicles) through easy payment terms.

**Eligible Borrowers:**

- Small and Medium Enterprises
- Cooperatives
- Individuals

Their prospective clients are those operating profitably for the last two (2) years.

**Terms/Requirements:**

**Type of Facility:** Term Loan

**Downpayment:** Minimum of 20% of net cash price

**Interest Rate:** Prevailing market rate

**Repayment Term:** Flexible

**Mode of Payment:** Flexible

**Collateral:** The loan shall be secured by any of a combination of the following:

- Real Estate/Chattel Mortgage
- Deed of Assignment of Receivables/Inventories
- Continuing Suretyship of the Principals
- Other forms of security acceptable to Active Finance

A collateral shall not be the sole basis in the approval or disapproval of loan applications. All decisions shall be based on the creditworthiness of loan applicants thus; a collateral may or may no longer be required.

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**Processing Fee:** P1,500 or 1% of approved loan amount, whichever is higher (no outright fees to be collected, processing fee to be deducted from loan proceeds).

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**Program Title: FRANCHISE FINANCING PROGRAM**

**Program Objective:** Franchise Financing Program is a credit facility primarily aimed at individuals or enterprises that are interested to start their own business or expand existing ones through franchising.

**Eligible Borrowers:** Franchises must be members in good standing of the following associations:

- Philippine Franchise Association
- Association of Filipino Franchisers, Inc.
- Filipino International Franchise Association

**Terms/Requirements:**

**Loan Amount:** Minimum of P100,000 (an acceptable collateral may be required for higher loan amount)

**Interest Rate:** Prevailing market rate

**Repayment Term:** One (1) year, renewable annually

**Mode of Payment:** Flexible

**Collateral:** The loan shall be secured by any of a combination of the following:

- Real Estate/Chattel Mortgage
- Deed of Assignment of Receivables/Inventories
- Continuing Suretyship of the Principals
- Other forms of security acceptable to Active Finance

A collateral shall not be the sole basis in the approval or disapproval of loan applications. All decisions shall be based on the creditworthiness of loan applicants thus; a collateral may or may no longer be required.

**Processing Fee:** P1,500 or 1% of approved loan amount, whichever is higher (no outright fees to be collected, processing fee to be deducted from loan proceeds).

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## **Pre-Approval Documentary Requirements**

### **I. For Individuals**

#### **If Employed**

- 1 piece 2 x 2 ID picture
- Completely filled-out application form (downloadable at [www.activefinancecorp.com](http://www.activefinancecorp.com))
- Copy of valid identification (driver's license, passport, company ID, SSS and TIN ID)
- Copy of latest 2 months payslip
- Original and latest certificate of employment indicating position, monthly salary and length of employment
- Utility billing statement reflecting name of applicant and current residence address
- If credit card holder, photocopy of credit card (front and back) and latest 3 months credit card billing statements

#### **If Self-Employed**

- 1 piece 2 x 2 ID picture
- Completely filled-out application form (downloadable at [www.activefinancecorp.com](http://www.activefinancecorp.com))
- Copy of valid identification (driver's license, passport, company ID, SSS and TIN ID)
- Copy of latest community tax certificate
- Latest ITR
- Latest 3 years audited financial statements
- Latest 6 months bank statement
- Utility billing statement reflecting name of applicant and current residence address
- If credit card holder, photocopy of credit card (front and back) and latest 3 months credit card billing statements
- Business registration and /or Mayor's permit or PRC license

### **II. For Companies**

- Company profile
- List of Directors and Key Officers
- Latest 3 years audited financial statements
- Latest 6 months bank statements
- Credit and Trade references
- Articles of Partnership/Incorporation
- Board Resolution authorizing transaction and designating authorized signatories
- Copy of valid ID (driver's license, passport, company ID, SSS and TIN ID) of authorized signatory/ies

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**Active Alliance Finance Corporation (AAFC)** is a member of the CL Follosco Group ([www.clfolloscogroup.com](http://www.clfolloscogroup.com)), a multi-company organization involved in trading, manufacturing, financing services, travel-related services, consultancy services, construction, food processing, real estate development and logistics.

**Contact Details:**

**Ritchie F. Co Seng**

Vice President, Chief Operating Officer

Active Alliance Finance Corporation

Email: [coseng.ritchie@activefinancecorp.com](mailto:coseng.ritchie@activefinancecorp.com)

URL: [www.activefinancecorp.com](http://www.activefinancecorp.com)

**Branches Directory:**

<b>Makati Branch</b> Suite 203 CLF Building 1167 Chino Roces Avenue Makati City Tel. No. (02) 890.7423	<b>Dagupan Branch</b> 2/F JDA Building A.B. Fernandez Avenue Dagupan City Tel. No. (075) 522.5527
<b>Tarlac Branch</b> Room 210 2/F Jaral Building McArthur Highway, Sto. Cristo Tarlac City Tel. No. (045) 982.2284	<b>Davao Branch</b> Door 3 Principe Building J.P. Laurel Street Bajada, Davao City Tel. No. (082) 221.8265
<b>La Union Branch</b> Room 203 2/F Lasam Building Governor Luna Street San Fernando City, La Union Tel. No. (072) 607.8353	<b>Baguio Branch</b> Room 306 Laperal Building Session Road Baguio City
<b>Cebu Branch</b> Unit G-07 Ground Floor North Road Plaza Building Labogon, Mandaue City Tel. No. (032) 239.5401	

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**DEVELOPMENT BANK OF THE PHILIPPINES (DBP)**

Head Office: Sen. Gil J. Puyat Ave. cor. Makati Avenue, Makati City

**Program Title: RETAIL LENDING FOR MICRO AND SMALL ENTERPRISES (RLM)****Program Description:**

A retail lending facility that aims to enhance access of micro and small enterprises (MSE) to credit through simplified loan procedures and shorter turnaround time.

**Program Objectives:**

- Enhance access of micro and small enterprises (MSEs) to credit through simplified procedures and shorter turnaround time.
- Improve the Bank's role in developing MSEs and building up their assets.
- Expand the Bank's loan portfolio for MSEs consistent with the Magna Carta for micro, small, and medium enterprises (MSMEs).

**Eligible Borrowers:**

- Any duly registered MSEs of good standing in the community. Business ownership could be either be single proprietorship, partnership, corporation, cooperative, and other entities with legal personality to engage in a business enterprise.

**Eligible Projects:**

- All types of projects of a qualified MSE borrower shall be eligible for MSE financing, except those undertaken for unlawful purposes, or those which may pose a risk to health, national security and the environment.

**Coverage:**

- Start-up or existing MSEs with asset size of not more than PhP15.0 M and with loan requirements of over PhP150,000.00 but not more than PhP10.0 M

**Eligible Loan Purpose:**

- Production
- Working Capital
- Fixed asset acquisition
- Financing of confirmed Purchase Order (PO)/Letter of Credit (LC)
- Acquisition of Franchise



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**Loan Amount:**

- Up to 90% of the Total Project Cost (TPC)
- For PO/LC financing, the loan shall be up to 80% of the amount of the instrument or based on actual cost of the goods purchased, whichever is lower.

**Equity Requirement:**

- The borrower shall put up a minimum equity of 10% of total project cost.

**Interest Rate:**

- Prevailing market rate

**Fees:**

- A one-time service fee shall be charged upon approval of the loan equivalent to PhP5,000.00 or 0.1% of the loan, whichever is higher

**Collateral:**

- Real Estate Mortgage (REM) and Chattel on Transfer Certificate of Title (TCT) and Equipment
- Mortgage on Tax Declaration/Certificate of Land Ownership Award (CLOA) and Original Certificate of Title (OCT)
- For PO/LC Financing, a Deed of Assignment on Irrevocable PO/LC is accepted provided the term shall not exceed its expiry date
- Other alternative collaterals such as post-dated checks (PDCs), assignment of contracts/receivables/inventories, guarantee/surety cover, etc.

**Repayment Terms:**

- Based on enterprise development period but not to exceed 10 years, payable based on business cash cycle
- Maximum grace period of three (3) years on principal for projects with short gestation period and five (5) years on principal and interest on long gestating projects

**Checklist of Requirements:****I. General Requirements**

- Letter of Intent
- Application Form (DBP Form)
- Customer Record Form (DBP Form)
- Confidential Information Sheet (DBP Form)
- Certificate of Business Registration (from DTI/SEC/CDA/DOLE)
- Business Permit (from LGU)

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- Income Tax Returns for the past three (3) years (*if applicable*)
  - Financial Statements for the latest three (3) years (*if applicable*)
  - Business Plan, to include: projected income statement and cash flow
  - Authority for the Bank to conduct inquiry and provide credit information to/from credit bureaus and other banks/creditors (DBP form)

#### For Corporations and Cooperatives

- Latest General Information Sheet
- By-Laws and Articles of Incorporation/Cooperation
- Board Resolution and Secretary's Certificate authorizing the loan, indicating the authorized signatories and authorized person to transact the loan

### II. Additional Requirements Per Type of Loan

#### Term Loan (Start-Up)

- Statement of Assets and Liabilities and Networth of Principal Borrower/s
- Bank Statement for the last three (3) months

#### PO/ LC Financing

- Copy of Irrevocable LC/PO

#### Franchise

- Business profile of franchisor
- Photocopy of Franchise Agreement
- Endorsement by franchisor
- Franchise package kit

### III. Additional Requirements (*If Applicable*)

#### Real Estate Collateral/Security

- Two copies of Sketch/Location Map
- Two copies of TCT/OCT
- Latest Real Estate Tax Declaration and Tax Receipt

#### Chattel Collateral

- Affidavit of Ownership and Certification of Non-Encumbrance with specifications
- Suppliers Quotation complete with technical specifications, for machinery and equipment
- Contract to Sell, for machinery and equipment to be acquired
- Copy of OR/CR for transportation equipment

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Building to be constructed

- Bill of Materials and Cost Estimates
- Building Plan and Specifications
- Building Permit, to be submitted before construction

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**Program Title: MEDIUM ENTERPRISES (ME) AND OTHER BUSINESS ENTERPRISE (OBE) LENDING**

**Program Description:**

Retail and wholesale lending facilities to medium enterprises (MEs) and other business enterprises (OBEs).

**Program Objectives:**

- Improve the Bank's role in developing MSEs and building up their assets.
- Expand the Bank's loan portfolio for MSEs consistent with the Magna Carta for micro, small, and medium enterprises (MSMEs).

**Eligible Borrowers:**

- Any duly registered MSEs of good standing in the community. Business ownership could be either be single proprietorship, partnership, corporation, cooperative, and other entities with legal personality to engage in a business enterprise.

**Eligible Projects:**

- All types of projects of a qualified MSME borrower shall be eligible for MSME financing, except those undertaken for unlawful purposes, or those which may pose a risk to health, national security and the environment.

**Eligible Sectors:**

- Infrastructure and logistics
- Social services
- Environment
- Agriculture and agri-business
- Hotels and Restaurants
- Manufacturing
- Wholesale and retail trade

**Coverage**

- Duly registered medium enterprises (MEs) with asset size of more than PhP15.0 million up to PhP100.0 million and loan requirement of up to PhP100.0 million

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- Other business enterprises (OBEs) with asset size of more than PhP3.0 million up to PhP15.0 million and loan requirement of more than PhP10.0M

**Eligible Loan Purpose:**

- Production
- Working capital
- Export financing
- Fixed asset acquisition
- Purchase Order (PO) /Letter of Credit (LC)Financing
- Franchise Acquisition
- Re-lending scheme

**Loan Amount:**

- For OBE loans, up to 90% of project cost, depending on fund source and borrowing capacity
- For ME loans, up to 80% of project cost, depending on fund source and borrowing capacity
- For franchise, up to 70% of total project cost

**Equity Requirement:**

- Equity requirement shall be at a minimum of 10% and 20% of the total project cost for OBE and ME, respectively, prior to any loan release.

**Interest Rate:**

- Prevailing market rate

**Collateral:**

- Real Estate/Chattel Mortgage (REM/CHM).
- Assignment of life insurance and mortgaged properties insurance proceeds.
- Hold-out on deposit.
- Co-makethip or suretyship
- For export packing credit, assignment of letter of credit (LC)/ confirmed Purchase Order (PO) or sales invoice or assignment of project income.
- Guarantee from acceptable government agencies/corporations

**Repayment Terms:**

- Term of the loan shall be based on projected cash flow of the project as follows:
  - Export Packaging Credit – up to 180 days
  - Production Credit - up to one (1) year
  - Permanent Working Capital - up to five (5) years
  - Capital Expenditures – up to 10 years

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- Maximum grace period on principal shall not exceed one (1) year for working capital and three (3) years for fixed asset acquisition/building construction

## **Checklist of Requirements**

### **I. General Requirements**

- Application Form (DBP Form)
- Customer Record Form (DBP Form)
- Confidential Information Sheet (DBP Form)
- Certificate of Business Registration (from DTI/SEC/CDA/DOLE)
- Business Permit (from LGU)
- Income Tax Returns for the past three (3) years (*if applicable*)
- Financial Statements for the latest three (3) years (*if applicable*)
- Business Plan, to include: projected income statement and cash flow
- Authority for the Bank to conduct inquiry and provide credit information to/from credit bureaus and other banks/creditors (DBP form)

### **For Corporation and Cooperatives**

- Latest General Information Sheet
- By-Laws and Articles of Incorporation/Cooperation
- Board Resolution and Secretary's Certificate authorizing the loan, indicating the authorized signatories and authorized person to transact the loan

### **II. Additional Requirements Per Type of Loan**

#### **Term Loan (Start-Up)**

- Statement of Assets and Liabilities and Networth of Principal Borrower/s
- Bank Statement for the last three (3) months

#### **PO/ LC Financing**

- Copy of Irrevocable LC/PO

#### **Franchise**

- Business profile of franchisor
- Photocopy of Franchise Agreement
- Endorsement by franchisor
- Franchise package kit

### **III. Additional Requirements (*If Applicable*)**

#### **Real Estate Collateral/Security**

- Two copies of Sketch/Location Map

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- Two copies of TCT/OCT
  - Latest Real Estate Tax Declaration and Tax Receipt

**Chattel Collateral**

- Affidavit of Ownership and Certification of Non-Encumbrance with specifications
- Suppliers Quotation complete with technical specifications, for machinery and equipment
- Contract to Sell, for machinery and equipment to be acquired
- Copy of OR/CR for transportation equipment

**Building to be constructed**

- Bill of Materials and Cost Estimates
- Building Plan and Specifications
- Building Permit, to be submitted before construction

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**Program Title: INCLUSIVE LENDING FOR ASPIRING WOMEN (ILAW) ENTREPRENEURSPROGRAM**

**Program Description:**

A special loan facility and dedicated window for women entrepreneurs

**Program Objectives:**

- Empower women by supporting women entrepreneurship
- Help small businesses grow beyond microcredit
- Create jobs and build local economies
- Tap into the network of women organizations and experts

**Eligible Borrowers:**

Single Proprietorship/Partnership/Corporation/Cooperative duly licensed to engage in business with an asset size of PhP100.0 million and below, provided that for:

- Single Proprietorship – the Principal should be a woman;
- Partnership – Must have at least one (1) woman partner;
- Corporation – Must have a woman CEO or COO; and,
- Cooperative – Majority of the members must be women.

**Eligible Loan Purposes:**

- Production
- Working capital
- Fixed asset acquisition
- Financing of confirmed Purchase Order/Letter of Credit

**Loan Amount:**

- Minimum of PhP300,000.00
- Up to 90% of Project Cost (PC)

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**Equity Requirement:**

- Equity requirement shall be at a minimum of 10% and 20% of the total project cost for OBE and ME, respectively, prior to any loan release.

**Interest Rate:**

- Prevailing market rate

**Collateral:**

- Real Estate/Chattel Mortgage (REM/CHM).
- Assignment of life insurance and mortgaged properties insurance proceeds.
- Hold-out on deposit.
- Co-makership or suretyship
- For export packing credit, assignment of letter of credit (LC)/ confirmed Purchase Order (PO) or sales invoice or assignment of project income.
- Guarantee from acceptable government agencies/ corporations

**Repayment Terms:**

- Term of the loan shall be based on projected cash flow of the project as follows:
  - Export Packaging Credit – up to 180 days
  - Production Credit - up to one (1) year
  - Permanent Working Capital - up to five (5) years
  - Capital Expenditures – up to 10 years
- Maximum grace period on principal shall not exceed one (1) year for working capital and three (3) years for fixed asset acquisition/building construction

**Collateral:**

- Real Estate Mortgage
- Chattel Mortgage
- Hold out on deposit of at least two (2) monthly amortizations
- Other mortgageable properties, assets or alternative collaterals or security arrangements acceptable to DBP

**Checklist of Requirements:****General Requirements**

- Letter of Intent
- Application Form (DBP Form)
- Customer Record Form (DBP Form)
- Confidential Information Sheet (DBP Form)
- Business Registration (from DTI/SEC/CDA/DOLE)
- Business Permit
- Income Tax Returns for the past three (3) years (*if applicable*)

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- Financial Statements for the latest three (3) years (*if applicable*)
  - Simplified Business Plan
  - Authority for the Bank to conduct inquiry and provide credit information to/from credit bureaus and other banks/creditors (DBP form)

Additional Requirements for Corporation and Cooperative

- By-Laws and Articles of Incorporation/Cooperation
- Board Resolution and Secretary's Certificate authorizing the loan, indicating the authorized signatories and authorized person to transact the loan

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**Program Title: OVERSEAS FILIPINO WORKERS  
REINTEGRATION PROGRAM (OFW-RP)**

**Program Description:**

The OFW Reintegration Program (OFW-RP) is a financing assistance program to Overseas Filipino Workers (OFWs) for the establishment of viable income-generating activities.

**Program Objectives:**

- Provide economic opportunities to OFWs and their families by financing viable income-generating activities that will create employment and provide a steady income stream.

**Eligible Borrowers:**

- An OFW, whether active or inactive, who is a certified OWWA Member, and have completed an Entrepreneurial Development Training (EDT).
- OFWs may also be represented by an immediate family member through a Special Power of Attorney executed by the concerned OFW.
- Partnerships, corporations and cooperatives can qualify as borrowers provided that all partners/ stockholders/ directors/officers/members are OFWs who have been certified as OWWA Members and have completed an EDT.

In case where the stockholder or member is a juridical entity, its stockholders or members should all be OFWs.

**Eligible Projects:**

- All types of projects of a qualified OFW-RP borrower shall be eligible for financing, except those undertaken for unlawful purposes, or those which may pose risks to



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health, national security and the environment. However, all eligible projects should generate a net monthly income of at least PhP10,000.00.

**Eligible Loan Purpose:**

- Working capital
- Fixed asset acquisition
- Confirmed Purchase Order(PO)/Letter of Credit financing
- Franchise financing

**Loan Amount:**

- Minimum – PhP300,000.00
- Maximum – PhP2,000,000.00

**Equity Requirement:**

- Borrower's Equity – Minimum of 20% of the Total Project Cost (TPC)
- Loan – Up to 80% of TPC

**Interest Rate:**

- 7.5% per annum, fixed for the duration of the loan

**Loan Repayment**

- Credit Line (Short Term Loan) – maximum of one (1) year
- Term Loan – based on cash flow of the project but not to exceed seven (7) years inclusive of two (2) years maximum grace period on the principal

**Checklist of Requirements:**

**General Requirements**

- Certification from OWWA that the borrower is a bonafide OFW and has completed the EDT.
- Letter of Intent
- Application Forms (DBP Form)
- Customer Record Form (DBP Form)
- Confidential Information Sheet (DBP Form)
- Business Registration (from DTI/SEC/CDA/DOLE)
- Business Permit (from LGU)
- Barangay Clearance and Sketch of Residence
- Income Tax Returns for the past three (3) years (*if applicable*)
- Financial Statements for the latest three (3) years (*if applicable*)
- Bank Statement for at least three (3) months (if applicable)
- Statement of Assets, Liabilities and Networth (SALN)

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- Business Plan of the specific project that will generate a net monthly income of P10,000.00 for the OFW, to include projected income statement and cash flow
  - Special Power of Attorney (if applicable)
  - Authority for the Bank to conduct inquiry and provide credit information to/from credit bureaus and other banks/creditors (DBP form)

For Corporation/Cooperatives

- By-Laws and Articles of Incorporation/Cooperation
- Board Resolution and Secretary's Certificate authorizing the loan, indicating the authorized signatories and authorized person to transact the loan

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**Program Title: DBP CREDIT SURETY FUND (CSF) CREDIT FACILITY**

**Program Objectives:**

The DBP CSF Credit Facility is a special lending window in support of the CSF Program of the Bangko Sentral ng Pilipinas (BSP). It aims to support the development and growth of micro, small and medium enterprises (MSMEs), especially those who lack acceptable collaterals.

**Program Objectives:**

- Enhance access of MSMEs to credit by making the sector bankable.
- Improve the Bank's role in developing MSMEs and building up their assets.
- Expand the Bank's loan portfolio for MSMEs consistent with the Magna Carta for MSMEs.

**Eligible Borrowers:**

- Cooperatives and NGOs which are contributors to CSF
- MSME members of contributing cooperatives and NGOs
- Partnerships whose majority partners are members of the CSF-participating cooperative/NGO
- Corporations with at least 67% or 2/3 of its shares of stocks owned by a member of a CSF-participating cooperative/NGO.

**Coverage:**

- Applies to all retail and wholesale loans which are qualified for surety cover under the BSP's CSF Program.

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**Types of Facility:**

- Wholesale Credit Line for cooperatives and NGOs, for re-lending / sub-loan to its SME members
- Retail Credit Line for Cooperative/NGO member's own business
- Term loan for Cooperative/NGO/MSME member's own business for:
  - building construction
  - acquisition of equipment
  - working capital

**Loan Amount:**

- A maximum of up to 10 times of the member's contribution or the maximum amount eligible for CSF surety cover, whichever is lower.

**Interest Rate:**

- Prevailing market rate

**Security:**

- CSF Surety Cover is considered as an alternative security to the loan with a risk-sharing ratio of 80:20 (Surety vs. DBP)

**Repayment Terms:**

- Repayment term for the cooperative's credit line shall be based on the cooperative's cash flow. Maximum term for the credit line is up to 360 days, renewable annually.
- Based on enterprise development period but not to exceed 10 years, payable based on business cash cycle
- Maximum grace period of three (3) years on principal for projects with short gestation period and five (5) years on principal and interest on long gestating projects

**Checklist of Requirements:****A. Wholesale Lending**

1. Pre-approval of Credit Line for cooperatives and NGOs, for re-lending / sub-loan to its MSME members
  - a. Customer Record Form (DBP Form)
  - b. Confidential Information Sheet (DBP Form, to be prepared for each officer and/ or major stockholders of cooperative/corporation)
  - c. Certified true copy of Business Registration (CDA/SEC) / Business Permit (LGU)
  - d. By-Laws and Articles of Cooperation/Incorporation, including amendments (if any)
  - e. Certified list of Incumbent Board of Directors, addresses and contact numbers

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- f. Certificate of Good Standing Issued by CDA (for coops only)
    - g. Endorsement Letter from Oversight Committee indicating contribution to CSF
    - h. Financial Statements for the latest three (3) years
  - 2. Pre-Release/Pre-availment of Credit Line
    - a. Board Resolution and Secretary's Certificate authorizing the loan, indicating the authorized signatories and authorized person to transact the loan
    - b. Promissory Note with Disclosure Statement duly signed by the authorized official to transact with DBP
    - c. Letter of Surety Cover / Surety Agreement to be issued by the CSF Oversight Committee for each availment
  - B. Retail Lending
    - 1. Letter of Intent / Application Letter
    - 2. Application Form (DBP Form) (*For micro and small enterprises only*)
    - 3. Customer Record Form (DBP Form)
    - 4. Confidential Information Sheet (DBP Form, to be prepared for each officer and/ or major stockholders of cooperative/corporation)
    - 5. Latest General Information Sheet, (if applicable)
    - 6. Certified true copy of Business Registration (from DTI/SEC/CDA/DOLE)
    - 7. Certified true copy of latest Business Permit (from LGU)
    - 8. Income Tax Returns for the past three (3) years, if applicable
    - 9. Financial Statements for the latest three (3) years, if applicable
    - 10. Business Plan to include projected financial statements (balance sheet, income statement and cash flows) for the proposed term of the loan (DBP Form)
    - 11. Authority to conduct inquiries and verification, if applicable
    - 12. Additional requirements from cooperatives and corporations:
      - a. By-Laws and Articles of Incorporation/ Cooperation
      - b. Certified list of Incumbent Board of Directors, addresses and contact numbers / Certified List of Stockholders and officers including designations
      - c. Board Resolution and Secretary's Certificate authorizing the loan, indicating the authorized signatories and authorized person to transact the loan
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13. Additional requirements for CSF Coverage
    - a. Favorable endorsement from the CSF Oversight Committee
    - b. Certificate of borrower's Membership and Good Standing issued by the Secretary of the Cooperative to which the borrower belongs
    - c. Letter of Surety Cover from the Oversight Committee *(For cooperatives/NGOs only)*
    - d. Joint Letter of Surety Cover issued by the CSF Oversight Committee and by the Cooperative/NGO where it belongs *(For SME members, partnerships and corporations only)*
    - e. Certification stating that the participating cooperative wherein the borrowing partnership or corporation is a member, has contributed an additional amount equivalent to the base contribution to secure a CSF surety cover as a result of additional amount contributed by the majority owners/partner of the borrowing corporation/partnership *(For corporations and partnerships only)*
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**Program Title: DBP BANKABILITY ENHANCEMENT FOR  
SETUP TECHNOPRENEURS (DBP BEST)**

**Program Description:**

The DBP BEST Program is a financing assistance program which aims to support the development and growth of the business endeavors of Small Enterprise Technology Upgrading Program (SETUP) Technopreneurs.

**Program Objectives:**

- Harness the potential and capabilities of SETUP Technopreneurs as catalyst for job creation and local economic development
- Contribute towards an improved standard of living through the financing and support of SETUP Technopreneurs' entrepreneurial activities.
- Enhance the bankability of SETUP Technopreneurs

**Eligible Borrowers:**

- A SETUP Technopreneur who has completed one (1) cycle or at least 1.5 years of refund to DOST under the SETUP. DOST shall issue a certification indicating satisfactory repayment experience.

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- Those who have not availed of the technology financial assistance from DOST may still be eligible and shall be evaluated on a case to case basis.
  - Single Proprietorships, Partnerships, Corporations, Cooperatives and other business entities with legal personality to engage in a business enterprise with asset size of PhP100.0 million and below.

**Eligible Projects:**

- All types of micro, small and medium enterprises (MSMEs) that are owned and/or managed by SETUP Technopreneurs.

**ELIGIBLE Purpose:**

- Working capital
- Capital expenditures (building construction, plant/project expansion, fixed asset/equipment acquisition except those covered under DOST-SETUP), etc.)
- Purchase Order/Letter of Credit (PO/LC) financing

**Priority Sectors:**

Any of the following priority sectors which requires technological improvements in their existing operations:

- Food processing
- Furniture
- Gifts
- Housewares
- Decors
- Marine and aquatic resources
- Horticulture and agriculture
- Metals and engineering
- Health products and services/pharmaceuticals
- ICT/Electronics

**Loan Amount:**

- Minimum Loan Amount of PhP300,000.00 and up to maximum of 90% of the Project Cost Requirement

**Equity Requirement:**

- The borrower shall put up a minimum equity of 10% of the total project cost.
- For PO/LC financing, the loan amount shall be up to 80% of the total amount of the instrument or based on actual cost of the goods purchased

**Interest Rate:**

- Prevailing market rate

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**Repayment Terms:**

- Term Loan - Based on cash flow projection of the project but the same shall not exceed seven (7) years inclusive of two (2) years grace period
- Credit Line – Maximum of one (1) year

**Checklist of Requirements:****General Requirements**

- Letter of Intent
- Application Form (DBP Form)
- Customer Record Form (DBP Form)
- Confidential Information Sheet (DBP Form)
- Certificate of Business Registration (from DTI/SEC/CDA/DOLE)
- Business Permit (from LGU)
- Income Tax Returns for the past three (3) years (if applicable)
- Financial Statements for the latest three (3) years (if applicable)
- Statement of Assets and Liabilities and Networth of Principal Borrower/s
- Bank Statement for the last three (3) months
- Business Plan, to include: projected income statement and cash flow
- Authority for the Bank to conduct inquiry and provide credit information to/from credit bureaus and other banks/creditors (DBP form)

**For Corporation and Cooperatives**

- Latest General Information Sheet
- By-Laws and Articles of Incorporation/Cooperation
- Board Resolution and Secretary's Certificate authorizing the loan, indicating the authorized signatories and authorized person to transact the loan

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**Program Title: SUSTAINABLE AGRIBUSINESS FINANCING  
PROGRAM (SAFP)**

**Program Description:**

The Sustainable Agribusiness Financing Program (SAFP) provides credit for agribusiness projects engaged in the production, harvest, processing, and marketing of crops, poultry, livestock, and fishery.

**Program Objectives:**

- Provide credit for agri-agra projects in support to the Bank's compliance under Republic Act No. 10000, otherwise known as "The Agri-Agra Reform Credit Act of 2009."
- Respond to the food requirements of the country and provide a sustainable income for farmers and fisherfolk.
- Finance the promotion of agribusiness for countryside development by providing agri-based businesses access to loans to enhance global competitiveness, environmental integrity, food security, self-sufficiency, new technologies, and increase productivity for local and export markets in order to help in the eradication of extreme poverty and hunger.

**Eligible Borrowers:**

Wholesale:

(with at least one (1) year profitable operation)

- Banks - Commercial Banks; Thrift Banks; Rural Banks; Cooperative Banks; and Microfinance Institutions
- Non-Banks - Non-Government Organizations (NGO); Irrigators' Associations (IA); SEC registered Financing Companies; Cooperatives; Farmer/Fisherfolk Associations; other types of assoc./org. duly registered with the corresponding government agencies

Retail:

- Duly registered with SEC, DTI, DOLE, or CDA; and



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- Engaged in agri-business projects that will not pose risk to health, national security and the environment.
  - LGUs

**Eligible Projects:**

- All agri-business projects including but not limited to the traditional crops, high value crops, organic crops, from production, post-harvest, processing to marketing or the whole value chain;
- Poultry, livestock, fishery including cattle/goat dairy production, cattle breeding cum fattening, swine production, goat raising, fish production and harvest, processing to marketing of meat and other products/by-products, and other food production;
- Investment in bio-fuel feedstock projects such as production of coconut, sugar, cassava, sweet sorghum, palm oil, etc., including post-harvest facilities, processing to marketing;
- Production of organic products or the whole value chain; and
- Manufacturing and distribution of farm machinery, equipment and supplies

**Eligible Expenditures:**

Loan shall be utilized to partially finance the cost of agribusiness projects including but not limited to the following:

- Acquisition and development of land as project site
- Acquisition of stocks (cattle, swine, goat, poultry, fishery, etc.)
- Production and post-harvest related investment/ expenditures
- Working capital (short-term or permanent)
- Building construction and/or investment if plant expansion
- Post-harvest facilities
- Acquisition of machinery, equipment, tools, and other related components
- Processing and distribution of agricultural products and fishery
- Trading of agricultural and fishery products
- Manufacturing and distribution of farm machinery, equipment and supplies
- PO financing
- Other purposes that contribute directly to increase productivity and maintenance of the project

**Loan Amount:**

- Loan amount shall be up to maximum of 90% of the Total Project Cost (TPC).
- For Domestic Packing Credit, up to 80% value of PO

**Types of Facilities:**

- Term Loan

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- Credit Line
  - Domestic Packing Credit vs. Irrevocable and Confirmed Purchase Order (PO)

**Equity Requirement:**

- Minimum of 10% of the TPC
- For Domestic Packing Credit, a minimum of 20% value of PO/LC

**Interest Rate:**

- Prevailing market rate

**Loan Repayment Term:**

- Term Loan – shall be based on the project cycle and projected cash flow as determined by DBP but not to exceed ten (10) years, inclusive of grace period. Progress and/or balloon payment on principal and interest may be allowed.
- Credit Line – shall be based on the approved tenor/client's cash conversion cycle but not more than 360 days.
- Domestic Packing Credit – shall not exceed the expiry date of the PO.

**Grace Period:**

- Maximum of three (3) days for projects with short gestation period.
- Maximum of seven (7) years for projects with long gestation period.

**Basic Documentary Requirement:**

- Letter of intent
- Accomplished Application Form
- Business Registration Documents
- Duly accomplished Customer Record Form (DBP Form)
- Duly accomplished Confidential Information Sheet (DBP Form)
- Project Brief/ Business Plan
- Other documents that may be necessary in loan evaluation

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**Program Title: SUSTAINABLE AGRIBUSINESS FINANCING  
PROGRAM FOR THE DAIRY INDUSTRY (SAFP-  
DAIRY)**

**Program Description:**

The Sustainable Agribusiness Financing Program for the Dairy Industry (SAFP-DAIRY) is a sub-program under the SAFP especially designed to assist the National Dairy Authority (NDA) attain its roadmap's main objective which is to gain significant level in Ready to Drink (RTD) milk market.

**Program Objectives:**

- Provide credit for agri-agra projects in support to the Bank's compliance under Republic Act No. 10000, otherwise known as "The Agri-Agra Reform Credit Act of 2009."
- Respond to the food requirements of the country and provide a sustainable income for dairy farmers.
- Provide dairy business access to loans (to enhance global competitiveness, environmental integrity, food security, self-sufficiency, new technologies, and increase productivity for local and export markets in order to help in the eradication of extreme poverty and hunger).

**Eligible Borrowers:**

Wholesale:

(with at least one (1) year profitable operation)

- Banks - Commercial Banks; Thrift Banks; Rural Banks; Cooperative Banks; and Microfinance Institutions
- Non-Banks - Non-Government Organizations (NGO); Irrigators' Associations (IA); and SEC registered Financing Companies; Cooperatives; Farmer/Fisherfolk Associations; other types of assoc./org. duly registered with the corresponding government agencies

Retail:

- All types of Dairy Business Entities that are duly registered with SEC, DTI, DOLE, or CDA, and shall not pose risks to health, national security, and the environment
- LGUs and GOCCs with dairy development initiatives and commitments

**Eligible Projects:**

- Breeding
- Stock acquisition
- Growing/rearing
- Buildings and improvements
- Milking/processing machinery, equipment & tools for fabrication and maintenance
- Milk production and processing

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- Milk distribution and dealerships
  - Feed production/milling/mixing
  - Farm facilities
  - PO financing
  - Working capital
  - Forage production
  - Loan refinancing
  - Other dairy-related enterprises

**Eligible Expenditures:**

Loan shall be utilized to partially finance the cost of agribusiness projects including, but not limited to the following:

- Acquisition and development of land as project site
- Acquisition of stocks
- Production and post-harvest related expenditures
- Working capital (short-term or permanent)
- Building construction and/or investment if plant expansion
- Post-harvest facilities
- Acquisition of machinery, equipment, tools, and other related components
- Processing and distribution of dairy products
- Trading of dairy products
- Manufacturing and distribution of dairy machinery, equipment, and supplies
- PO financing
- Other purposes that contribute directly to increase productivity and maintenance of the dairy project

**Amount of Loan:**

- Loan amount shall be up to maximum of 80% of the Total Project Cost (TPC).
- For Domestic Packing Credit, up to 80% value of PO

**Types of Facilities:**

- Term Loan
- Credit Line
- Domestic Packing Credit vs. Irrevocable and Confirmed Purchase Order (PO)

**Equity Requirement:**

- Minimum of 20% of the TPC
- For Domestic Packing Credit, a minimum of 20% value of PO/LC

**Interest Rate:**

- Prevailing market rate

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**Loan Repayment Term:**

- Term Loan – shall be based on the project cycle and projected cash flow as determined by DBP but not to exceed ten (10) years, inclusive of grace period. Progress and/or balloon payment on principal and interest may be allowed.
- Credit Line – shall be based on the approved tenor/client's cash conversion cycle but not more than 360 days.
- Domestic Packing Credit – shall not exceed the expiry date of the PO.

**Grace Period:**

- Maximum of two (2) years

**Basic Documentary Requirement**

- Letter of intent
- Accomplished Application Form
- Business Registration Documents
- Duly accomplished Customer Record Form (DBP Form)
- Duly accomplished Confidential Information Sheet (DBP Form)
- Project Brief/ Business Plan
- Other documents that may be necessary in loan evaluation

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**Program Title: TREE PLANTATION FINANCING PROGRAM (TPFP)****Program Description:**

The DBP Tree Plantation Financing Program is a credit assistance program for the expansion, harvesting, maintenance and protection of existing tree plantations with at least 4 year old standing trees in at least 1% of the plantation area of qualified private and public land. The plantation is a designed and planned area of pre-identified tree species proven to be compatible and thriving in the area covering both lowland and forest lands.

**Program Objectives:**

- To promote the development and maintenance of tree plantations, and a planned approach in harvesting that will boost Philippine wood-based industries.
- To assist communities improve their socio-economic conditions through an integrated tree planting program that may address food sufficiency and health requirements.
- Arrest rapid deforestation and reduce the susceptibility of communities to natural disasters such as flooding and mudslides.

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### **Eligible Borrowers:**

Duly registered existing operators with at least 4-year-old tree plantation such as:

- Industrial tree plantation companies
- Wood producers
- Integrated Forest Management Agreement (IFMA) holders-members or accredited by the Philippine Wood Producers Association
- Socialized Integrated Forest Management Agreement (SIFMA) holders
- Private land owners
- LGUs
- Private schools
- Peoples' organization/cooperatives

Proponents who have existing and verified supply contract or processing plants will be given priority.

### **Eligible Expenditures:**

1. Expansion of tree plantation
  - Acquisition and planting of major tree planting stocks preferably cloned seedlings from certified nurseries)
  - Site development, including road system, where necessary
  - Maintenance and operating expenses for the expansion of plantation
  - Look-out tower
  - Bunkhouse
  - Water system
  - Firelines
  - Other related expenditures
2. Existing tree plantation of at least 4 –year-old tree species:
  - Maintenance and protection expenses – fertilization, pest control, weeding, strip brushing, and related expenditures.
3. Harvesting of fruits or mature tree species (provided replanting is undertaken)
4. Processing and Post-Harvest facilities including expenses for harvesting equipment, hauling, delivery, kiln treatment plant, fruit processing plant, and related expenditures.

### **Eligible Projects:**

Tree plantation projects should occupy at least 5 hectares up to 500 hectares of open, contiguous area suitable for the planting of forest/fruit tree species and other crops. These should support any of the following forest-based enterprises:

1. Furniture making and other wood based products from rattan, bamboo, timber trees and other forest species
2. Bio-fuels from energy producing plant and tree species

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3. Latex and rubber production
  4. Extraction and processing of essence from ilang-ilang and similar trees
  5. Processing of leaves/other parts for herbals, pesticides, pharmaceuticals and other medicinal products
  6. Food/Fruit processing
  7. Production of planting stocks/nursery operations
  8. Development of project sites as eco-tourism destination
  9. Other related enterprises

**Loan Amount:**

- Up to 80% of project cost for identified borrowers and 90% for LGUs, depending on fund source and borrowing capacity which in the case of LGUs shall be based on limitations on borrowings set forth by the Local Government Code and sub-limits on funding exposure that may be imposed by the Funders.

**Equity Requirement:**

- Minimum equity of 20% of the total project cost; equity financing and other equity infusion schemes other than the required upfront shall be allowed. This may include the planting of medium term trees. Minimum equity of 10% for LGUs.

**Interest Rate:**

- Based on prevailing interest rates. Interest payment due may be capitalized during grace period.

**Repayment Term:**

- Maximum of 15 years inclusive of grace period on principal and interest repayment not exceeding 5 years depending on funder's requirement. This may be accelerated with Certified Emissions Reduction (CER) revenues, if qualified.
- Monthly or quarterly or semi-annual amortizations depending on cash flow of the project, as may be shown by both medium term and major trees.

**Grace Period:**

- Up to 5 years on principal and interest repayment. Grace period varies depending on the gestation period of tree species and projected cash flow. Repayment term also indicated grace on interest payments (capitalized).

**Release of Loan:**

Staggered releases will be applied in accordance with the progress/accomplishments of the project based on its program of implementation.

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**Basis Requirements for Loan Application:**

1. Application Letter/Profile/Customer's Information Report
2. Project Development Plan/Planting and Maintenance plan  
Cash Flow
3. TCT or Title Lease Agreement or Tenurial Instrument
4. Status of tenure instrument
5. Stumpage value of trees certified by an accredited 3<sup>rd</sup> party  
(Society of Filipino Foresters) or DENR
6. Regulatory permits including permit to cut trees – for  
harvesting
7. Board Resolution to engage in the project activity
8. List of current key officers and Bio-data
9. Sanggunian Resolution authorizing the Local Chief Executive  
to negotiate, obtain, enter into, sign and contract a loan  
agreement (for LGU)
10. Audited Financial Statements and Income Tax Returns for  
the past 3 years, if applicable
11. Approved budget for the current year (for LGU)
12. Schedule of IRA for the last 2 years (for LGU)
13. MB Opinion under Section 123 of RA 7653 (The New  
Central Bank Act) – for LGU
14. Other documents that may be necessary in the  
evaluation/approval of the loan or required by the Bank.

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**Program Title: CONNECTING RURAL URBAN INTERMODAL  
SYSTEMS EFFICIENTLY (CRUISE) PROGRAM**

**Program Description:**

The CRUISE Program shall serve as DBP's umbrella program to guide the Bank's strategic thrust for connectivity infrastructure in the transportation, logistics, tourism sectors and their related information technology (IT) and climate change adaptation/ risk mitigation requirements. It shall also serve as the policy framework for the Bank's products, services, and activities in support of investments in the covered sectors.



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### **Program Objectives:**

- Support national plan to increase investments in transport, logistics, ICT, and tourism infrastructure and services through medium and long-term financing;
- Promote rural-urban integration and connectivity;
- Accelerate economic growth particularly in high potential growth sectors of manufacturing, agriculture, and tourism through provision of necessary connectivity infrastructure.

### **Eligible Borrowers:**

- Private corporations – at least 60% Filipino-owned; 70% Filipino owned for ODA project financing
- Cooperatives and Associations
- Local Government Units
- Government Owned and Controlled Corporations

### **Eligible Projects:**

- Land Transport Infrastructure and Services – Construction / Rehabilitation of toll roads and expressways, LGU provincial and municipal roads and bridges, construction of land transport terminals
- Water Transport – Construction / Upgrading / Rehabilitation of Seaports, Acquisition of Ships and other watercrafts
- Air Transport – Construction / Upgrading / Rehabilitation of Airports including landside and airside facilities, traffic control, navigation, safety and security facilities/equipment
- Rail Transport– Construction of railway tracks, tunnels and rail stations / Acquisition of rolling stocks and coaches, rail engine and equipment, signaling, safety and security facilities/equipment
- Urban Mass Transport Systems and Non-Motorized Facilities– Construction of Bicycle ways, underground walkways, sidewalks and footbridges
- Logistics
  - Bulk terminals and warehouses, logistics hubs
  - Inland container ports and terminals,
  - Cargo Handling Equipment,
  - Cold storage facilities including reefer vans and ships
- Related Information and Communication Technologies (ICT) requirements
- Related Climate Change Adaptation/ Risk Mitigation (CCA/RM) projects

### **Eligible Expenditures:**

- 1) Project preparation activities (not to exceed 10% of total project cost)
  - a) Pre - Feasibility studies
  - b) Detailed Engineering Design

- 
- c) Consulting Services
  - d) Other project preparation activities
- 2) Capital expenditures
    - a) Civil works with respect to construction, maintenance, rehabilitation, expansion, improvement or upgrading of physical assets and facilities
    - b) Acquisition of equipment and machinery
    - c) Interest during construction
  - 3) Initial working capital (equivalent to first 6 months of operations only)
    - a) Refinancing of loans may be allowed provided there is an additional loan intended to improve existing transport facilities

**Loan Amount:**

Loan amounts will be based on the following:

- Borrowing capacity of the proponent
- Cash flow of the subproject
- Total project cost or funding requirement of the project
- Eligible loan components
- Winning bid amount for subcontracted subprojects of public borrowers/proponents such as, LGUs and GOCCs

**Equity Participation:**

- LGU, GOCC – minimum of 10% of Total Project Cost
- Private companies/enterprises – minimum of 20% of Total Project Cost

**Interest Rate:**

- Interest rate shall be based on the existing DBP circulars on lending rates while the credit spread shall be based on the Borrower Risk Rating (BRR)

**Repayment Terms:**

- The term of the loan shall be based on the project cash flow. The mode of repayment shall be monthly or quarterly depending on the cash flow of the project and/or the business

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**Program Title: GREEN FINANCING PROGRAM****Program Description:**

The Green Financing Program is DBP's umbrella program to support the Bank's strategic thrust of environmental protection and the country's green growth strategy.

The program was designed primarily to assist strategic sectors, industries and local government units in adopting environment-friendly processes and technologies and incorporating climate change adaptation and mitigation and disaster risk reduction measures, by providing financing and technical assistance.

**Program Objectives:**

- To contribute in improving environmental quality for a cleaner and healthier environment by helping the private and public sectors finance investments that enable them to comply with environmental laws, regulations and standards;
- To contribute in reducing the carbon footprint of industrial operations and projects of both the private and government sectors; and
- To contribute in improving adaptive capacities of human communities to enable them to cope with environmental hazards including climate-related risks.

**Eligible Borrowers:**

- Private Corporations/Enterprises
- Local Government Units (LGUs)
- Government Owned and Controlled Corporations (GOCCs)
- Government Agencies (where allowed)
- Water Districts/Private Service Providers
- Cooperatives/Associations
- Private Financial Institutions (PFIs)/Microfinance Institutions (MFIs)

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## **Eligible Projects:**

### Air Pollution Prevention & Control

- Green Transport/Green Mobility
- Installation of equipment/devices/facilities that prevent or reduce air pollution

### Water Pollution Prevention & Control

- Sanitation
- Clean-up, rehabilitation and maintenance of water bodies
- Installation/upgrading of wastewater treatment systems/facilities

### Solid & Hazardous Waste Management

- Waste storage, collection and transport including collection vehicles and related equipment
- Construction of sanitary landfills including acquisition of equipment for waste disposal
- Closure and rehabilitation of existing dumpsites
- Materials recovery facility/composting facility/recycling facility
- Hazardous waste management facilities (treatment/processing/disposal)
- Waste-to-energy/Waste-to-fuel

### Resource Conservation, Resource Efficiency & Cleaner Production

- Green building/construction/property management
- Energy efficiency
- Installation of systems/equipment to conserve resources such as energy, water and raw materials
- Installation of cleaner production technologies/facilities/equipment

### Climate Change Adaptation & Mitigation and Disaster Risk Reduction

- Greenhouse gas (GHG) emission reduction/avoidance projects
- Disaster risk reduction projects

### Other Environmental / Green Projects / Initiatives

- Technologies/systems/facilities/equipment/devices for environmental monitoring
- Environmental laboratories
- Occupational health and safety improvement project
- Urban greening (e.g. urban parks with dense greenery)
- Installation of green technologies
- Eco-tourism projects
- Renewable energy
- Water supply

## **Eligible Expenditures:**

- Capital Investments
  - Installation, construction, maintenance, rehabilitation, expansion, improvement or upgrading of physical assets and facilities
  - Acquisition of equipment

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- Initial Working Capital
    - Prototype design, testing and production
    - Marketing and promotion activities (e.g. participation in Green Trade Shows and Exhibitions)
    - Financing production of booked sales orders/purchase order financing
  - Consulting Services such as cost of eco-design, preparation of feasibility study and detailed engineering design
  - Transaction Costs for CDM or other carbon crediting mechanisms
  - Refinancing of eligible existing operational projects, provided that it is in addition to a new loan proposal for an eligible project

**Loan Amount:**

- Private corporations/enterprises/cooperatives/associations
  - up to 80% of total project cost
- LGUs/GOCCs/GA
  - up to 90% of total project cost

**Equity Participation:**

- Private corporations/enterprises/cooperatives/associations
  - minimum of 20% of total project cost
- LGUs/GOCCs/GA
  - minimum of 10% of total project cost

**Interest Rate:**

- Prevailing market rate

**Repayment Terms:**

- Up to fifteen (15) years with maximum of five (5) years grace period

**Basic Documentary Requirements:**

- Letter of Intent
- Company Information/Profile
- Audited Financial Statements (past 3 years)
- Feasibility Study or Project Proposal
- Applicable Environmental Permits (e.g. ECC/CNC)

**Note:** Additional documents may be required based on the nature of the project.

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**Program Title: FINANCING UTILITIES FOR SUSTAINABLE ENERGY DEVELOPMENT (FUSED)****Program Description:**

The FUSED Program aims to contribute in the increase access to electricity services through financing in order to help achieve inclusive growth and poverty reduction. At the end of the FUSED Program by 2030, it is expected to have at least funded Php 40 Billion of the estimated investment requirement for power generation and distribution in the Philippine Energy Plan 2012-2030.

**Program Objectives:**

1. Power Generation
  - Increase in electricity exported to the grid
  - Potential additional/existing connections generated/supported
  - Carbon dioxide emissions avoided
  - Volume of fossil fuel avoided
2. Power Distribution
  - Additional connections generated
  - Avoided system loss

**Eligible Borrowers:**

- Private Corporations
- Electric Cooperatives
- Local Government Units
- Government Owned and Controlled Corporations
- Private Financial Institutions

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**Eligible Projects:**

- Development and construction of energy generation or mini-grid rural electrification projects thru conventional (coal, diesel, bunker, etc.) and renewable energy resources (hydro, wind, solar, biomass, geothermal and other emerging technology) to address power supply system constraint.
- Power distribution and transmission projects that will improve power supply system safety, reliability, efficiency such as reduction of system losses and power service quality for existing customers through rehabilitation and upgrading of distribution system.
- Purchase of necessary equipment (hardware and software), service vehicles, tools, and other non-network projects (e.g. office building, warehouse) to improve efficiency and service delivery.
- Any project which improve the reliability and efficiency of rural power supply and increase access to electricity services.

**Eligible Expenditures:**

- Capital Investment
- Institutional development
- Working capital requirement (i.e. prompt payment rebate, operations and maintenance)
- Interest during construction
- Plant acquisition and/or refinancing of existing loan
- Consultancy services
- Project preparation activities for renewable energy projects (i.e. feasibility study, detailed engineering design)

**Equity Participation:**

- Private corporations – minimum of 20% based on total project cost
- Electric Cooperatives, Local Government Units and Government Owned and Controlled Corporations – minimum of 10% based on total project cost

**Repayment Term:**

- The term of the loan shall be based on the project cash flows or depending on the source of fund. The mode of repayment shall be monthly or quarterly depending on the cash flow of the project and/or the business.

**Basic Documentary Requirement:**

- 1) For Renewable Energy Power Projects:
  - a) Feasibility Study
  - b) Detailed Engineering Design
  - c) ECC/CNC including EIA Report/IEE Checklist
  - d) Water Rights Permit

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- b) Renewable Energy Development Service Contract
  - c) Certification Pre-Condition/Certificate of Non-Overlap
  - d) Grid Impact Study/Distribution Impact Study
  - e) Electricity Sales Agreement approved by ERC/Renewable Energy Supply Agreement
  - f) Engineering, Procurement and Construction (EPC) Contract
  - g) Proof of Ownership or Authority to Use Project Site/Right of Way
- 2) For Conventional Power Projects (coal, diesel, bunker, etc.)
- a) Feasibility Study
  - b) Detailed Engineering Design
  - c) ECC/CNC including EIA Report/IEE Checklist
  - d) Water Rights Permit
  - e) Engineering, Procurement and Construction (EPC) Contract
  - f) Certificate of Endorsement by Dept. of Energy
  - g) Certification Pre-Condition/Certificate of Non-Overlap
  - h) Grid Impact Study/Distribution Impact Study
  - i) Electricity Sales Agreement approved by ERC
  - j) Fuel Supply Agreement
  - k) Description of air pollution control facilities and the expected quality of emission. Note that the supplier should guarantee compliance of the emission to the National Emission Standards for Source Specific Air Pollutants.
  - l) Proof of Ownership or Authority to Use Project Site/Right of Way
- 3) For Transmission and Distribution Projects
- a) CAPEX Application submitted to ERC including Distribution Development Plan
  - b) Latest Monthly Engineering Report
  - c) ECC/CNC including EIA Report/IEE Checklist
  - d) NEA Clearance to Borrow
  - e) Certification Pre-Condition/Certificate of Non-Overlap
  - f) Proof of Ownership or Authority to Use Project Site/Right of Way

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**Program Title: WATER FOR EVERY RESIDENT (WATER)  
PROGRAM**

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**Program Description:**

WATER Program aims to contribute in the provision of safe and affordable water supply through financing in order to help achieve inclusive growth and poverty reduction. At the end of the WATER Program by 2025, it is expected to have at least funded Php 25 Billion of the estimated investment requirement for water supply sector as defined in the Philippine Water Supply Sector Roadmap prepared by the National Economic Development Authority.

**Program Objectives:**

WATER Program further defines DBP's water sector roadmap up to year 2025 to expand coverage from waterless area to include the entire water supply sector; Increase target investment from Php 5 Billion (2011-2016) to PhP 25 Billion up to year 2025. By this, the program is expected to achieve the following specific objectives:

1. Source Development
  - Increase in billed volume (m<sup>3</sup>)
  - Potential additional/existing connections generated/supported
2. Water System rehabilitation, expansion and upgrading
  - Additional connections generated
  - Reduction in Non-Revenue Water (NRW)

**Eligible Borrowers:**

- Private Corporations
- Water Districts
- Local Government Units
- Other Water Service Providers
- Private Financial Institutions/Micro Finance Institutions

**Eligible Projects:**

- Source development for distribution or for bulk water supply.
- Water transmission and/or distribution system rehabilitation, expansion and upgrading.
- Development/installation of water treatment facilities/equipment.
- Investment for Non-Revenue Water reduction or other efficiency-enhancing measures, such as but not limited to computerization of accounts, billing and collection system, installation of energy-saving equipment.

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- Purchase of necessary tools and equipment such as but not limited to generator sets, service vehicles, trucks, water leak detector including construction or rehabilitation of existing non-network facilities (e.g. office building, warehouse) to improve efficiency and service delivery.
  - Investment for Climate Change Adaptation Technologies (e.g. rain water collection system)

**Eligible Expenditures:**

- Capital Investment
- Working capital requirement
- Interest during construction
- Refinancing of existing loan
- Consultancy services
- Project Preparation Activities (i.e. feasibility study, detailed engineering design)

**Equity Requirement:**

- Private Corporations – minimum of 20% based on total project cost
- Water Districts, Local Government Units, Associations and Cooperatives – minimum of 10% based on total project cost

**Interest Rate:**

- Interest rate shall be based on the existing DBP circulars on lending rates while the credit spread shall be based on the Borrower Risk Rating (BRR).

**Loan Term:**

- The term of the loan shall be based on the project cash flows or depending on the source of fund. The mode of repayment shall be monthly or quarterly depending on the cash flow of the project and/or the business

**Documentary Requirements:**

The checklist of requirements for the technical due diligence of the proposed project under the WATER Program is listed under **Annex B**.

- I. General Information
  - a. Company Profile –
  - b. Existing Water Supply System (Service coverage areas on per system basis; Inventory of Existing Facilities including capacities, as applicable; Status of Operation – latest 3 months operation; Process flow of the water system with diagram; Water quality test results as compliance to Philippine National Standards for Drinking Water parameters

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- II. Proposed Project  
(Feasibility Study / Project description and rationale; Detailed Cost Estimates/Bill of Materials/Quantities; Service Coverage Areas -projected service connections and water demand up to the term of the loan; Detailed Engineering Design with Design Report and Drawings with computations for source development, transmission and distribution pipelines, storage and treatment facility (as applicable))

**Technical Requirements:**

- Source Development(Description of the proposed Water Source/s (type, location and discharge capacity); Hydrologic Study for surface water source (e.g. river, spring, falls); Geo-Resistivity Survey and Drilling Report for ground water source or deep well; Water quality report
- Transmission and Distribution Pipelines (description on length, size and type of pipes; results and interpretation of hydraulic analysis; Pipeline network plan)
- Storage Facility (description on number, volume capacity, material, location);
- Treatment Facility (Design, type of technology/processes of treatment to be employed; For new technology, information on similar installations, availability of spare parts and warranty
- Other Equipment (Generator Set, Booster Pumps) - Description, specifications and capacity

- III. Permits, Licensees and other Requirements
- NWRB Drilling Permit ( for ground water development)
  - Water Permit issued by NWRB
  - DENR-EMB Environmental Compliance Certificate (ECC) /Certificate of Non-Coverage (CNC) including copies of the proponent's Initial Environmental Examination (IEE) of the Environmental Impact Assessment (EIA) reports.
  - Water Supply Agreement/Memorandum of Agreement/Joint Venture Agreement with partner proponent (as applicable)

Social Safeguards – Details on project components that may require resettlement and compensation of project-affected persons (including informal settlers, indigenous people), details on women participants and beneficiaries

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**Program Title: SUSTAINABLE HEALTH CARE INVESTMENT PROGRAM (SHCIP)**

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**Program Description:**

The DBP Sustainable Health Care Investment program aims to narrow the gap and improve the delivery of quality health care services in the country. The program extends credit for health care investment projects that promote availability, accessibility, and affordability of health care services to people belonging to the lowest income group. The program facilitates adequate referral system from lower to higher level health facilities.

**Program Objectives:**

- Supports Nation Objectives for Health to achieve health system targets.
- Provides credit facilities for primary health care, health enterprises, and hospitals.
- Makes health services available, accessible, and affordable to Filipinos
- Promotes public-private partnerships in the delivery of health services

**Eligible Borrowers:****A. Retail**

1. Local Government Units, Government-owned hospitals (LGUs, DOH)
2. Private Health Care Providers – Family Physician, General Practitioners, Nurses, Midwives, Business Solution Companies, NGOs, Micro Finance Institutions

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and Cooperatives supporting/operating primary care clinics, drugstores, private hospitals/clinics/diagnostic centers/laboratories

3. Partnerships, Joint Ventures

B. Wholesale

1. DBP accredited Rural/Thrift banks and Micro Finance Institution for relending to small-scale community health care providers (i.e. midwives, general practitioners, Botikang Bayan/Barangay)

**Eligible Projects / Loan Purpose:**

- Civil works construction, expansion, upgrade/rehabilitation of hospitals, medical clinics (i.e. Rural Health Units, Barangay Health Stations, diagnostic/laboratory centers), drugstores (i.e. Botikang Bayan/Barangay), lying –in clinics
- Civil works include provision of clean water supply, sanitation and appropriate waste management
- Acquisition of medical and nonmedical equipment for hospitals, medical clinics, lying-in clinics, laboratories and diagnostic centers to meet PhilHealth accreditation standards
- Working capital for the preparation of feasibility study, architectural and engineering design, civil work supervision, environmental risk mitigation, stocks of medicines and medical supplies, and ICT equipment
- Partnerships outsourcing technical and medical and ancillary services, support services such as security, housekeeping , food providers, co-management of public-owned facility, contracting private providers to deliver health services; and contracting private insurance schemes for target population

**Loan Amount:**

- LGUs: 90% of total project
- Private: 80% of the total project cost

**Equity Requirement:**

- Minimum of 10% (for LGUs) and 20% (for other groups)

**Interest Rate:**

- Prevailing market rate (fixed or variable)

**Repayment Terms:**

- Civil works: Maximum of 15 years (inclusive of 3 years grace period on principal repayment)
- Equipment: Maximum of 10 years (inclusive of 3 years grace period on principal repayment)
- Working Capital: Maximum of 5 years (inclusive of 3 years grace period on principal repayment)

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**Basic Requirements:**

- Letter of Intent
- Business Plan/Feasibility study
- Permit to Construct From the Department of Health (DOH)
- License or proof of filing of Department Health's License To Operate
- Accredited or proof of filing of PhilHealth accreditation
- Environmental Compliance Certificate/Certificate of Non-Coverage or proof of filing ECC/CNC application
- Waste Management and Disposal Plan/Program
- Compliance with the environmental and social safeguards policies of the Government and the Funders
- SEC registration, articles of incorporation and By-laws
- Resolution of the Board of Directors and SanguniangBayan/Panlalawigan authorizing the filing of loan application/transactions with DBP
- City/Municipality Business Permit
- Audited Financial Statements (last 3 years)
- Income Tax Returns (last 3 years)
- Certificate of Borrowing Capacity From Bureau of Local Government Finance
- Customer Record Form (DBP form)
- Customer Information Sheet (DBP Form)
- Other documents necessary in the evaluation of the loan

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**Program Title: RESIDENTIAL REAL ESTATE FINANCING PROGRAM (RRFP)****Program Description:**

The Residential Real Estate Financing Program (RRFP) is DBP's umbrella program to support the Bank's strategic thrust of social development through the provision of accessible financing to support shelter production and secure tenure delivery.

**Program Objectives:**

The Residential Real Estate Financing Program (RRFP) aims to effectively address the shelter and tenure security needs of employees in the public and private sector, OFW families, new households and homeless Filipinos while consciously promoting sustainable alternative construction technologies, environmental consciousness, housing microfinance and a holistic approach to community development.

**Eligible Borrowers:**

- Local Government Units in cities and municipalities in the country
- Government agencies for their employee housing projects
- Private Sector Groups
  - Private Developers
  - Cooperatives
  - NGOs
  - HOAs when supported by an LGU-guarantee
  - Private Companies for their employees
- Public-Private Partnerships for Housing Projects

**Eligible Loan Purpose:**

- Land Acquisition: Loan is encouraged to be taken with a site development or housing construction loan.
- Site Development: Site Upgrading or New Site Development
- Shelter Construction: Condominium / Medium-Rise Residential Building Development / Townhouse Development/ Apartment Development
- Housing Microfinance through Microfinance Institutions
- Project Preparation Financing

**Amount of Loan:**

- Based on actual needs but not to exceed ninety percent (90%) of the total project cost for LGUs and eighty percent (80%) for other groups
- Loan amortization should not exceed 20% of the regular income of the LGU, net of other borrowings
- Final loan amount shall be subject to validation of cost estimates by DBP appraisers

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**Equity Requirement:**

- Minimum of 10% (for LGUs) and 20% (for other groups)

**Interest Rate:**

- Market rate, fixed or variable

**Repayment Term:**

- Land Acquisition/Site Development and Shelter Construction: Maximum of 15 years with up to 3 years grace period.
- Project Preparation Facility: Maximum of 5 years when taken as a stand-alone loan. In conjunction with the term of site or housing development loan when availed simultaneously
- Housing Microfinance thru MFIs and RBs (*funded thru DPUCSP 2<sup>nd</sup> Gen*)
  - Housing loan/Project Preparation Loan - maximum of 10 years, inclusive of maximum 3-year grace period
  - Home Improvement Loan- maximum of five years, inclusive of one year grace period
  - Micro-enterprise loan: a) Credit Line-maximum of 1 year, b) Term Loan-maximum of 3 years; with one year grace period

**Checklist of Requirements:****General Requirements**

- Community Action Plan (CAP) or Feasibility Study
- Description of the proposed subproject to be financed and cost (DBP Form)
- Schedule of project costs and sources of financing of proposed DBP projects (DBP Form)
- Relevant permits and licenses
- For LGUs:
  - Monetary Board Opinion
  - Debt service cover computation for all projects, existing and proposed
  - BLGF certification indicating the maximum borrowing capacity and debt service cover
  - Sanggunian Resolutions
  - The project to be financed shall be included in the approved local development plan
- For Other Groups:
- Financial statements and background info. on affiliated firms.
- List of other projects – accomplished and on-going (location; no. of units constructed; status)



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Plans (for the Project Site)

- Consolidated and subdivided lot plans with tabulated technical description approved by the Bureau of Lands/HLURB
- Topographic plan, roadways, drainage and sewer system, water and electrical distribution systems
- Bill of materials/ specifications for site development and residential model plans, if with house construction.

Real Estate Collateral

- Two (2) blueprint copies of Lot Plan corresponding to lot described on title duly approved by Bureau of Lands or Lot Plan prepared and certified by a licensed Geodetic Engineer
- Two (2) blueprint copies of location/vicinity map
- Two photocopies of owner's duplicate copy of TCT/OCT (Pls. bring the original owner's copy for authentication) with corresponding latest real estate tax declaration, tax clearance and tax receipt
- Documents on right of way, if applicable

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**Program Title: FINANCING PROGRAM FOR EDUCATION (FiPE)**

**Program Description:**

DBP's umbrella program to support the Bank's strategic thrust of contributing to the improvement of lives of Filipinos across the nation to make available the highest possible standards of quality education.

The program is designed to support private and public education institutions, state universities and colleges, local universities and colleges, and vocational and technical education institutions, training centers, especially in rural and poor provinces/regions for their operational requirements and/or in upgrading of school facilities and infrastructure. A special lending program is also available to educational institutions for retail on-lending to financially challenged student end users.

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**Program Objectives:**

- To improve public and private school system
- To ensure quality and excellence education;
- To raise awareness of LGUs on the pressing education needs of their respective community
- To maximize utilization of SEF in LGUs with low real estate tax rates communities to funding support through low- cost financing
- To improve access of low-income communities to funding support through low- cost financing
- Training Centers accredited by government regulatory bodies.
- Other institutions (i.e., foundations) that supports educational programs.

**Eligible Borrowers:**

- Local Government Units (LGUs) authorized by their respective Local School Boards (LSBs)
- Private & Public Education Institutions recognized by the Commission on Higher Education, Department of Education (DepEd) and Technical Education and Skills Development Authority
- Micro Finance Institutions with educational loan programs

**Eligible Projects / Expenditures:****For LGUs & Public / Private Educational Institutions (EI)**

- Lot Acquisition and Infrastructure.
- Purchase of lot and construction, repair or renovation of the following: classrooms, libraries, laboratories, restrooms, recreational areas, study areas, audio-visual rooms, and other school facilities/buildings.
- Furniture and Equipment.
- Purchase of furniture such as, but not limited to, armchairs, desks, bookshelves and equipment such as but not limited to desktop computers, audio-visual equipment, science laboratory equipment (e.g. microscopes, anatomy models, chemistry sets), transportation equipment (e.g. school bus, school shuttle).
- Supplies and Materials.
- Purchase of school supplies and materials such as, but not limited to, school bags, pad papers, notebooks, textbooks, library books. This component shall not be eligible as a stand-alone project.
- Working Capital.
- Funding requirements for operations or to implement school programs and activities.
- Other Projects.

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- Other projects eligible for financing such as funding to award scholarships for teachers, local and international education-related travels and other development programs.

#### For Onlending to Students

- Cost of tuition, board and lodging, books, uniform, school materials, review and licensure fees, travel documentation, travel fees, airfare, and other training fees.

#### **Loan Amount:**

- For LGUs  
Maximum of 90% of Total Project Cost or Winning Bid Price whichever is lower.
- For Public & Private Educational Institutions  
Maximum of 90% of Total Project Cost.
- For Onlending to Students:  
Up to 90% of total cost but not to exceed One hundred Fifty Million Pesos (PhP 150 million) per Educational institution/training center.

#### **Equity Participation:**

- For LGUs / Public & Private Educational Institutions / Onlending to Students: Minimum of 10% of Total Project Cost

#### **Interest Rate:**

- Prevailing Market Rate

**Note:** For Onlending to Students:

*A maximum of 2% p.a. pass-on spread to student borrowers can be imposed by EI to cover its administrative cost on top of the agreed interest upon DBP's disbursement to EI.*

#### **Repayment Term:**

- Up to ten (10) years with a maximum of five years grace period

#### **Basic Documentary Requirements:**

- Application Letter
- Company information/Profile
- Audited Financial Statements (past 3 years)
- Business Plan
- Certificate of Registration & Regulatory Permits
- Board Resolution
- Monetary Board Opinion (for LGUs)

**Note:** Additional requirements may be required based on the nature of the project.

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## **Contact Information:**

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**Program Title: JICA INDUSTRIAL AND SUPPORT SERVICES  
EXPANSION PROGRAM II (ISSEP II)**

### **Priority Sector:**

- MSME Financing and Private Institution for Education

### **Eligible Borrowers:**

- Accredited Participating Financial Institutions (PFIs) and Microfinance Institutions (MFIs)

### **Beneficiaries:**

- MSME with total assets of less than Php200.0M before financing including privately supported education institutes that provide education which is strongly linked to manufacturing (no asset size limit for non-stock- non-profit educational institutions)

### **Eligible Projects:**

- Manufacturing and support services
- Cold chain
- Grains Highway
- Education strongly linked to manufacturing
- Fixed assets related to construction, expansion and modernization of projects
- Working capital loans
- Credit lines for working capital loans covered by Credit Line Agreement with a tenor of at least 1 year
- Loans to MFIs
- Refinancing of SME loans

### **Loan Amount:**

- 80% of Total Project Cost (TPC)
- Up to Php100.0M

- 
- For Working Capital Loans: Up to Php50.0M or 50% of Total Loan, whichever is lower

**Tenor:**

- 15 years with 5 years grace period
- For Working Capital Loans: Up to 7 years with 3 years grace period

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**Program Title: JICA DOMESTIC SHIPPING MODERNIZATION PROGRAM II (DSMP II)**

**Priority Sector:**

- Domestic Shipping Industry Improvement

**Eligible Borrowers:**

- Accredited PFIs including Leasing and Finance Companies

**Beneficiaries:**

- Filipino Citizens, LGUs, or Domestic Corporations at least 70% Filipino-owned and duly accredited by concerned agencies of government (MARINA, DOTC, PPA, etc.) to engage in the business of domestic shipping, ship repair/ship building, cargo handling, and other related terminal operations.

**Eligible Projects:**

- Shipping modernization / expansion
- Conversion or modification of vessels
- Upgrading/bringing a vessel into class
- Acquisition of machinery and equipment, necessary services
- Shipyard modernization / expansion
- Port development projects
- Construction of modern and safer type vessels
- Maritime education
- Lease purchase

**Maximum Loan:**

- LGUs – Up to 90% of TPC
- Private – Up to 80% of TPC but not to exceed the peso equivalent of JPY1.5B

**Tenor:**

- Up to 9/20/2028

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**Program Title: JICA LOGISTICS INFRASTRUCTURE  
DEVELOPMENT PROJECT (LIDP)**

**Priority Sector:**

- Private and Public Infrastructure

**Eligible Borrowers:**

- Accredited PFIs

**Beneficiaries:**

- Private corporations, LGUs, GOCCs, Cooperatives

**Eligible Projects:**

- Road RORO Vessels RRTS – Other Facilities
- Toll Roads, access roads, LGU Roads and Maintenance equipment
- Packaging, transport and distribution facilities
- Bulk chain and cold chain

**Maximum Loan:**

- LGUs/GOCCs/Coops – up to 100% of TPC
- Private – 80% of TPC
- Maximum Loan – equivalent to JPY1.5 billion. More than JPY 1.5 billion is subject to JICA's concurrence

**Tenor:**

- 3 to 15 years/ 5 years grace but not to exceed November 9, 2039 / November 9, 2019.  
(sub-loan term may be extended up to 20 years depending on sub-project cash flow).

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**Program Title: KFW INDUSTRIAL POLLUTION CONTROL LOAN  
PROGRAM II (KFW IPCLP II)**

**Priority Sector:**

- Pollution Control Support for MSMEs

**Eligible Borrowers:**

- Accredited PFIs

**Beneficiaries:**

- Existing local SMEs with pre-funding asset size not exceeding Php100.0M with at least 1 year operation prior to the approval of the sub-loan.

**Eligible Projects:**

- Investments in pollution reduction

- Occupational health and safety
- Reduction of the use of raw materials for production
- End-of-pipe treatment facilities and other waste disposal options
- Investments in monitoring emissions and effluents
- Transportation
- Hospital investment in medical waste disposal

**Maximum Loan:**

- Php60.0M

**Tenor:**

- 10 years with 2 years grace period

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**Program Title: KFW CREDIT LINE FOR MICRO, SMALL AND MEDIUM ENTERPRISES (KFW CMSME)**

**Priority Sector:**

- MSME Financing of Projects in Manufacturing Services and Trading

**Eligible Borrowers:**

- Accredited PFIs and MFIs

**Beneficiaries:**

- Micro, Small, Medium Enterprises with pre-asset size of Php15.0 – 60.0M funding

**Eligible Projects:**

- For Microenterprises: Fixed Asset acquisition and working capital requirement.
- For SMEs: Fixed Asset Acquisition

**Maximum Loan:**

- For Microenterprises: Php150,000 or 90% of TPC whichever is lower
- For SMEs: Php75.0M or 80% of TPC whichever is lower

**Tenor:**

- DBP to PFI – 10 years with 3 years grace period
- PFI to End-user – For Microenterprises: Average Term Loan will be less than 1 year.
- For SMEs: Repayment Term shall be adopted to the kind of project to be financed but shall not exceed 10 years with 3 years grace period.

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**Program Title: INDUSTRIAL GUARANTEE LOAN FUND (IGLF)  
REGULAR FACILITY**

**Priority Sector:**

- MSME Financing

**Eligible Borrower:**

- Accredited PFIs

**Beneficiaries:**

- Viable privately owned productive enterprises except those engaged in basic agricultural production without post-harvest production activities; SMEs with maximum asset size of Php200M; At least 60% Filipino-owned

**Eligible Projects:**

- Purchase of Project Site (For land – maximum of 25% IGLF Loan)
- Construction of project building suitable for the needs of the IGLF project to be financed. (Residential buildings are not allowed)
- Purchase of machinery / equipment / fixtures and installation
- Permanent working capital
- Business and entrepreneurial activities of micro industries and microfinance institutions designed to promote, provide and Support livelihood projects and opportunities

**Eligible Expenses:**

- Project related expenditures not more than 180 days prior to DBP's formal acceptance of loan application

**Maximum Loan:**

- Up to Php 100.0Million
- Up to 80% of Project Cost

**Tenor:**

Available in one or more tranches at the option of the borrower.

- Medium Term: 2 to 5 years maximum of 1 year grace period
- Long Term: 5 to 12 years maximum of 3 years grace period.
- Working Capital loans: Up to 7 years



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**Program Title: INDUSTRIAL GUARANTEE LOAN FUND  
(IGLF) SHORT-TERM CREDIT FACILITY FOR  
SME (REDISCOUNTING FACILITY)**

**Priority Sector:**

- MSME Financing

**Eligible Borrower:**

- Accredited PFIs including leasing companies; MFIs; Non-Government Organizations (NGOs)

**Beneficiaries:**

- Viable privately owned productive enterprises except those engaged in basic agricultural production without post-harvest production activities; SMEs with maximum asset size of Php200M; At least 60% Filipino-owned

**Eligible Projects:**

- Factoring of receivables
- Purchase of existing loan portfolio
- Lease financing
- Other investment undertaking except primary agricultural production without post-harvest production activities.

**Eligible Expenses:**

- For PN to be eligible for rediscounting, the outstanding principal balance should be 50% or more of the loan amount regardless of remaining term.

**Maximum Loan:**

- Up to Php100.0 Million per SME; Batch application regardless of number of accounts in the batch; Up to 90% of the outstanding principal balance.

**Tenor:**

- Available in single tranche release. Up to 2 years; repayment term shall not exceed the weighted average term of the sub-loans in the batch.

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**FOUNDATION FOR A SUSTAINABLE SOCIETY, INC. (FSSI)**

Unit E, 46 Samar Avenue cor. Eugenio Lopez Street  
South Triangle, Quezon City

**Program Title: SOCIAL ENTERPRISE DEVELOPMENT PROGRAM**

**Program Objectives:** To support the establishment and strengthening of social enterprises.

**Specific Objectives:**

- To enhance and/or expand operation of social enterprises that engage in agricultural production, providing support services to agriculture, processing/manufacturing, packaging, distribution and marketing, and retailing of commodities and/or its derivatives.
- To cover short-term financing requirements of commodity-based enterprises through short-term PO financing.
- To help finance investments of an enterprise other than capital assets acquisition and working capital which includes research and development, patenting, market development, organizational development, competency enhancement, and IT software development.
- To support CSO initiatives in setting-up and strengthening social enterprises owned or partly owned by marginalized social sectors in selected focus areas.

**Eligible Partners::**

- Non-Government Organizations (NGOs)
- Cooperatives
- Cooperative federations
- Small and Medium Enterprises (SMEs)

**Financial Products and Services:**

- Enterprise Loan (Term Loan, Credit Line)
- Start-up Enterprise Loan
- Bridge Financing (short-term PO financing)
- BDS Loan (soft loan for business development)
- Equity
- Grants (for CSOs and start-up social enterprises in FSSI focus areas)

**Terms/Requirements:**

**Loan Amount:** Minimum - P500,000.00  
Maximum - P5,000,000.00 - for first time borrowers (for Enterprise Loan and Start-up Enterprise Loan)

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Minimum – P200,000.00  
Maximum – P500,000.00  
(for Bridge Financing and BDS Loan)

**Grant Amount:** Minimum – P300,000.00  
Maximum – P1,500,000.00  
(for Start-up Social Enterprise Grant)

Minimum – P100,000.00  
Maximum – P300,000.00  
(for Capacity Building Grant)

**Interest Rate:** 8% - 12% (subject to review of 3BL performance – economic, social, environmental indicators)

**Loan Maturity/ Repayment:** One to five years maturity; Monthly, quarterly, or semi-annual payments of principal and interest.

**Security:**

- Real Estate Mortgage
- Chattel Mortgage
- Deed of Assignment of Receivables or Deposit
- Joint and Several Suretyship (JSS) Agreement

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**LAND BANK OF THE PHILIPPINES (LBP)**

1598 M.H. Del Pilar corner Dr. J. Quintos Streets, Malate, Manila

**Program Title: Credit Assistance for Cacao Agribusiness entities  
and other Organizations 100 (CACAO 100)  
Program**

This program aims to provide credit assistance to cacao industry stakeholders to help attain the industry's mission to increase production area to 100,000 hectares.

**Loan Purposes:**

- Production (new area and rejuvenation/rehabilitation of old trees)
- Working Capital
- Fixed Assets Acquisition
- Relending/Rediscounting

**Eligible Borrowers :**

- Individual Small Growers\*/Small Medium Enterprises (SMEs)
- Cooperatives/Associations/Farmers Organizations (FOs)
- Agri-Business Entities (ABEs)/Corporations

*\*small growers will be clustered (bayanihan group)*

**Eligible Projects :**

- New Plantation
- Maintenance/Rejuvenation

**Terms/Requirements:**

***Loan Amount :***

*Up to 80% of the total project cost*

***Interest Rate :***

Prevailing LBP rate at the time of availment.

***Collateral /Security :***

Any or combination of the following:

- Assignment of guarantee and/or insurance coverage
- Assignment of borrowers' promissory note, Mortgage Guarantee Cover, etc.
- Real Estate Mortgage
- Chattel Mortgage

**Securities/guarantees:**

All available credit enhancement instruments such as Production, Technical and Marketing Agreement (PTMA), Agricultural Guarantee Fund Pool, Philippine Crop Insurance

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**Documentary Requirements:**

- Certificate of registration with DTI/SEC/BOI/CDA, whichever is applicable
- Bio-data/Personal Information of borrowers/proprietors/partners/Officers and Directors, whichever is applicable
- Statement of Assets and Liabilities of entities who will sign as JSS (notarized)
- Certified true copy of Articles of Incorporation and By laws
- List of Officers and Directors as Certified by Corporate Secretary
- Alien registration certificate of foreign officers, if applicable
- List of stockholders and their shareholding (name, citizenship, amount of paid-up capital)
- Statement of Assets and Liabilities of Owners/Officers (notarized)
- Board resolutions designating the authorized signatories and authority to borrow
- Audited/BIR filed ITR and Financial Statement (last 3 years)
- Latest Interim Financial Statement (as of last quarter)

**Other Documents**

- Brief history of operations/company profile
- Business plan/feasibility study/projected financial statements
- Environmental Compliance Certificate (if applicable)
- List of Suppliers (including address, contact nos., and persons)
- Collateral Documents

*Additional documentary requirements shall depend on the client type.*

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**Program Title: Coffee 100 Financing Program**

The program aims to provide credit assistance to the coffee industry stakeholders to help answer the local demand of 100,000 metric tons (MTs)

**Loan Purposes:**

- Production loan
- Working Capital
- Fixed Assets Acquisition

**Eligible Borrowers :**

- Individual Small Farmers\*
- Small Medium Enterprises (SMEs)
- Cooperatives/Farmers Associations
- Non-Government Organizations

- 
- Countryside Financial Institutions (CFIs)
  - Agri-Business Enterprises (ABEs)/Corporations
  - Local Government Units (LGUs)

*\*Small farmers/growers will be required to group themselves into clusters of 5-20 members*

**Eligible Projects :**

- Mother plant/parent clone gardens and seedling nurseries establishment
- Development of new plantation
- Replanting and rejuvenation
- Postharvest/processing facilities (drying, milling, roasting and grinding)

**Terms/Requirements:**

***Loan Amount :***

*Up to 80% of the total project cost*

***Interest Rate :***

Prevailing LANDBANK rate at the time of availment.

***Collateral /Security :***

Any or combination of the following:

- Real Estate Mortgage;
- Chattel Mortgage;
- Assignment of guarantee (if applicable), surety and/or insurance coverage; and
- Assignment of Leasehold Rights signed between the landowner and lessee/investors, if applicable.

**Documentary Requirements:**

- Certificate of registration with DTI/SEC/BOI/CDA, whichever is applicable
- Bio-data/Personal Information of borrowers/proprietors/partners/Officers and Directors, whichever is applicable
- Statement of Assets and Liabilities of entities who will sign as JSS (notarized)
- Certified true copy of Articles of Incorporation and By laws
- List of Officers and Directors as Certified by Corporate Secretary
- Alien registration certificate of foreign officers, if applicable
- List of stockholders and their shareholding (name, citizenship, amount of paid-up capital)
- Statement of Assets and Liabilities of Owners/Officers (notarized)
- Board resolutions designating the authorized signatories and

- 
- authority to borrow
  - Audited/BIR filed ITR and Financial Statement (last 3 years)
  - Latest Interim Financial Statement (as of last quarter)

**Other Documents:**

- Brief history of operations/company profile
- Business plan/feasibility study/projected financial statements
- Environmental Compliance Certificate (if applicable)
- List of Suppliers (including address, contact nos., and persons)
- Collateral Documents

*Additional documentary requirements shall depend on the client type.*

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**Program Title: Coconut Production and Processing Financing Program**

The program aims to provide credit assistance to coconut industry stakeholders engaged in production and processing.

Specifically, the program aims to::

- Provide credit assistance to coconut industry stakeholders particularly coconut farmers for their planting/replanting, rehabilitation and fertilization needs;
- Generate more employment in the rural communities by optimizing the business opportunities in coconut; and
- Increase loan portfolio in coconut industry especially among coconut farmers.

**Loan Purposes:**

- Production (planting/replanting, rehabilitation or rejuvenation)
- Working Capital
- Fixed Assets Acquisition

**Eligible Borrowers :**

- Individual Small Grower/s
- Small Medium Enterprises (SMEs)
- Cooperatives
- Farmers Organizations (FOs)/Associations
- Agri-Business Enterprises (ABEs)/Corporations

**Eligible Projects :**

- Planting/Replanting
- Rehabilitation/rejuvenation/fertilization
- Processing/manufacturing (coco meat and other products)



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## **Terms/Requirements:**

### ***Loan Amount :***

*up to 80% of the total project cost*

### ***Interest Rate :***

Prevailing LANDBANK rate at the time of availment.

### ***Collateral /Security :***

#### Collateral:

Any asset acceptable to the bank.

For individual farmer-borrower: proof of ownership of properties be submitted to LBP for safekeeping as “table collateral”

#### Securities/guarantee:

All available credit enhancement instruments such as PTMA, AGFP, PCIC and other instruments maybe availed whichever is applicable.

## **Documentary Requirements:**

- Certificate of registration with DTI/SEC/BOI/CDA, whichever is applicable
- Bio-data/Personal Information of borrowers/proprietors/partners/Officers and Directors, whichever is applicable
- Statement of Assets and Liabilities of entities who will sign as JSS (notarized)
- Certified true copy of Articles of Incorporation and By laws
- List of Officers and Directors as Certified by Corporate Secretary
- Alien registration certificate of foreign officers, if applicable
- List of stockholders and their shareholding (name, citizenship, amount of paid-up capital)
- Statement of Assets and Liabilities of Owners/Officers (notarized)
- Board resolutions designating the authorized signatories and authority to borrow
- Audited/BIR filed ITR and Financial Statement (last 3 years)
- Latest Interim Financial Statement (as of last quarter)

## **Other Documents:**

- Brief history of operations/company profile
- Business plan/feasibility study/projected financial statements
- Environmental Compliance Certificate (if applicable)
- List of Suppliers (including address, contact nos., and persons)
- Collateral Documents

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*Additional documentary requirements shall depend on the client type.*

### **Program Title: Rubber Financing Program**

The program was implemented in 2008 and was revised in 2015 to be aligned with the Philippine Rubber Industry Development (PRID) Road Map for 2014-2020 with the following vision and mission statements:

**Vision:** An inclusive and globally competitive rubber industry providing sustainable benefits to all stakeholders.

**Mission:** Development of a cost-competitive, quality-driven, supply-reliable, product-diversified industry from farming to rubber products manufacturing under sustainable practices.

#### **Loan Purposes:**

- Production
- Working Capital
- Fixed Assets Acquisition

#### **Eligible Borrowers :**

- Cooperatives
- Small Individual Growers
- SMEs
- Corporations
- Local Government Units (LGUs)
- Countryside Financial Institutions (CFIs)

#### **Eligible Projects :**

- Establishment of nursery/bud wood gardens
- Rubber plantation development and maintenance (replanting and new plantings/expansion areas)
- Production inputs (for existing rubber farms with trees ready for tapping)
- Establishment of Rubber Wood Processing Plant

#### **Terms/Requirements:**

##### ***Loan Amount :***

*up 80% of the total project cost*

##### ***Interest Rate :***

Prevailing LANDBANK rate at the time of availment.

##### ***Collateral /Security :***

- Any asset acceptable to the Bank
- Assignment of proceeds of securities/guarantees such as CSF, PCIC and/or other similar instruments may be availed, whichever is applicable

- 
- Small individual growers: Proof of ownership/position (i.e. DENR issued certificate or leasehold rights signed between the owner and lessee) of the land (properties) to be submitted to LBP for safe keeping as table collateral.

#### **Documentary Requirements:**

- Certificate of registration with DTI/SEC/BOI/CDA, whichever is applicable
- Bio-data/Personal Information of borrowers/proprietors/partners/Officers and Directors, whichever is applicable
- Statement of Assets and Liabilities of entities who will sign as JSS (notarized)
- Certified true copy of Articles of Incorporation and By laws
- List of Officers and Directors as Certified by Corporate Secretary
- Alien registration certificate of foreign officers, if applicable
- List of stockholders and their shareholding (name, citizenship, amount of paid-up capital)
- Statement of Assets and Liabilities of Owners/Officers (notarized)
- Board resolutions designating the authorized signatories and authority to borrow
- Audited/BIR filed ITR and Financial Statement (last 3 years)
- Latest Interim Financial Statement (as of last quarter)

#### **Other Documents:**

- Brief history of operations/company profile
- Business plan/feasibility study/projected financial statements
- Environmental Compliance Certificate (if applicable)
- List of Suppliers (including address, contact nos., and persons)
- Collateral Documents

*Additional documentary requirements shall depend on the client type.*

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#### **Program Title: Banana Financing Program**

The program supports the industry's thrust of making the Philippines as a leading banana (product) exporter contributing towards food security and improvement of the socio-economic status of all the stakeholders.

The program aims to:

- Provide credit assistance to the stakeholders of the banana industry;
- Increase loan portfolio in banana industry especially among

- 
- banana farmers/growers; and
  - Encourage growing of bananas, under coconut trees, in Luzon.

**Loan Purposes:**

- Production
- Working Capital
- Fixed Assets Acquisition

**Eligible Borrowers:**

- Small Individual Grower/s\*
- Small and Medium Enterprises (SMEs)
- Cooperatives/Associations
- Agri-Business Enterprises (ABEs)/Corporation

*\*Small individual growers are those with less than 5 hectares banana plantation*

**Eligible Projects :**

- Nursery Establishment
- Development of New Banana Plantation
- Processing, trading and Export of Bananas/Banana Products

**Terms/Requirements:**

***Loan Amount :***

*Up to 80% of the total project cost*

***Interest Rate :***

Prevailing LBP rate at the time of availment.

***Collateral /Security :***

Any or combination of the following:

- Real Estate Mortgage
- Chattel Mortgage
- Assignment of guarantee (if applicable), surety and/or insurance coverage.
- Assignment of leasehold rights signed between the landowner and lessee/investors, if applicable.

**Documentary Requirements:**

- Certificate of registration with DTI/SEC/BOI/CDA, whichever is applicable
- Bio-data/Personal Information of borrowers/proprietors/partners/Officers and Directors, whichever is applicable
- Statement of Assets and Liabilities of entities who will sign as JSS (notarized)
- Certified true copy of Articles of Incorporation and By laws

- 
- List of Officers and Directors as Certified by Corporate Secretary
  - Alien registration certificate of foreign officers, if applicable
  - List of stockholders and their shareholding (name, citizenship, amount of paid-up capital)
  - Statement of Assets and Liabilities of Owners/Officers (notarized)
  - Board resolutions designating the authorized signatories and authority to borrow
  - Audited/BIR filed ITR and Financial Statement (last 3 years)
  - Latest Interim Financial Statement (as of last quarter)

**Other Documents:**

- Brief history of operations/company profile
- Business plan/feasibility study/projected financial statements
- Environmental Compliance Certificate (if applicable)
- List of Suppliers (including address, contact nos., and persons)
- Collateral Documents

*Additional documentary requirements shall depend on the client type.*

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**Program Title: KAlिकासंग KAbuhayan para sa WAstong PamaYANan (KAWAYAN) Program**

The program enables LANDBANK to champion a more sustainable environment protection through financial interventions. Thru this program, LANDBANK aims to further contribute in mitigating the effects of climate change, bamboo is a good alternative to hard wood and can have a variety of uses.

**Loan Purposes:**

- Bamboo Production (plantation)
- Working Capital
- Relending
- Nursery Production
- Fixed Assets Acquisition

**Eligible Borrowers :**

- Cooperatives
- Federations
- Associations
- Non-Government Organizations
- Countryside Financial Institution
- Small and Medium Enterprises
- Agri-Business Entities
- Local Government Units
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**Eligible Projects :**

- Bamboo Nursery
- Bamboo Plantation
- E-Bamboo processing and manufacturing of other products
- Trading
- Eco-Tourism

**Terms/Requirements:*****Loan Amount :***

*Up 80% of the total project cost*

***Interest Rate :***

Prevailing LBP rate at the time of availment.

***Collateral /Security :***

Any or combination of the following:

- Assignment of guarantee and/or insurance coverage
- Assignment of CFI promissory note, Mortgage, Guarantee Cover, etc.
- Real Estate Mortgage
- Chattel Mortgage
- Assignment of portion of the LGU's net income and IRA

**Documentary Requirements:**

- Certificate of registration with DTI/SEC/BOI/CDA, whichever is applicable
- Bio-data/Personal Information of borrowers/proprietors/partners/Officers and Directors, whichever is applicable
- Statement of Assets and Liabilities of entities who will sign as JSS (notarized)
- Certified true copy of Articles of Incorporation and By laws
- List of Officers and Directors as Certified by Corporate Secretary
- Alien registration certificate of foreign officers, if applicable
- List of stockholders and their shareholding (name, citizenship, amount of paid-up capital)
- Statement of Assets and Liabilities of Owners/Officers (notarized)
- Board resolutions designating the authorized signatories and authority to borrow
- Audited/BIR filed ITR and Financial Statement (last 3 years)
- Latest Interim Financial Statement (as of last quarter)

**Other Documents:**

- Brief history of operations/company profile
- Business plan/feasibility study/projected financial statements

- 
- Environmental Compliance Certificate (if applicable)
  - List of Suppliers (including address, contact nos., and persons)
  - Collateral Documents

*Additional documentary requirements shall depend on the client type.*

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### **Program Title: LBP-SMC Corn/Cassava Assemblers and Consolidators Financing Program**

The program is in partnership with San Miguel Corporation that will allow the engagement of small farmers, through the assemblers, in the production of cassava and corn, which are the major raw materials/ingredients in the manufacture of animal feeds.

#### **Loan Purposes:**

- Agricultural Production Loan
- Working Capital (Trading)
- Fixed Asset Acquisition Loan

#### **Eligible Borrowers :**

- Cooperatives
- Single proprietorship
- Corporation
- SMEs

#### **Eligible Projects :**

- Production of cassava and/or corn
- Processing of cassava chips
- Procurement of planting materials, production inputs, labor and working capital
- Acquisition/construction/installation of farm support and post-harvest facilities

#### **Terms/Requirements:**

##### **Loan Amount**

*For Production Loan - 80% of the total project cost*

*For Working Capital – 70% of the value of the purchase order issued by SMC*

*For Fixed Asset Acquisition – not exceed 80% of the total project cost*

##### **Interest Rate**

Prevailing LANDBANK rate at the time of availment.

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**Collateral /Security :**

Any or combination of the following:

- Assignment of guarantee and/or insurance coverage
- Assignment of CFI promissory note, Mortgage, Guarantee Cover, etc.
- Real Estate Mortgage
- Chattel Mortgage
- Assignment of portion of the LGU's net income and IRA

**Documentary Requirements:**

- Certificate of registration with DTI/SEC/BOI/CDA, whichever is applicable
- Bio-data/Personal Information of borrowers/proprietors/partners/Officers and Directors, whichever is applicable
- Statement of Assets and Liabilities of entities who will sign as JSS (notarized)
- Certified true copy of Articles of Incorporation and By laws
- List of Officers and Directors as Certified by Corporate Secretary
- Alien registration certificate of foreign officers, if applicable
- List of stockholders and their shareholding (name, citizenship, amount of paid-up capital)
- Statement of Assets and Liabilities of Owners/Officers (notarized)
- Board resolutions designating the authorized signatories and authority to borrow
- Audited/BIR filed ITR and Financial Statement (last 3 years)
- Latest Interim Financial Statement (as of last quarter)

**Other Documents:**

- Brief history of operations/company profile
- Business plan/feasibility study/projected financial statements
- Environmental Compliance Certificate (if applicable)
- List of Suppliers (including address, contact nos., and persons)
- Collateral Documents

*Additional documentary requirements shall depend on the client type.*



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**Program Title: Poultry Lending Program**

Poultry Lending Program promotes sustainable, competitive, and self-sufficient poultry production by providing funding for cooperatives, SMEs, agri-business entities and corporations

**Eligible Borrowers:**

- Cooperatives
- Individual/Small and Medium Enterprises
- Agribusiness Enterprises and Corporations

**Eligible Projects:**

- Construction of climate controlled poultry and conventional buildings;
- Purchase of tunnel ventilation system, equipment and generator set;
- Production of broilers, layers, parent stocks, breeders; ducks, quails, ostrich,
- turkey, and other poultry animals, including backyard raisers; and
- Other allied businesses (feed mill, dressing plant, hatchery, etc.)

**Loan Purpose:**

- Poultry production
- Working Capital
- Relending for co-ops and other conduits
- Acquisition of Fixed Asset

**Credit Facility:**

- Term Loan
- Short Term Loan
- Rediscounting Line

**Loanable Amount:**

- Up to 80 % of the total project cost.

**Interest Rate:**

- Regular pricing structure of each identified sector

**Collateral:**

- Any or combination of the following:
  - ✓ Real Estate Mortgage
  - ✓ Chattel Mortgage
  - ✓ Assignment of guarantee, surety and/or insurance coverage
  - ✓ Other collateral acceptable to the Bank

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**Repayment Period:**

- Quarterly, semestral, depending on the project's cash flow

**Other Requirements:**

- For start-up projects, loan must be fully secured. Likewise, a contract growing agreement (CGA) with integrator or Marketing Agreement with institutional buyers may be required.

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**Program Title: Seaweed Financing Program**

Seaweeds Financing Program is a credit assistance program for cooperatives, farmers associations, SMEs and large agri-business enterprises, for the promotion of seaweed production, harvesting and marketing as a means of livelihood business opportunity.

**Eligible Borrowers:**

- Cooperatives
- Farmers Associations
- Small and Medium Enterprises (SMEs)
- Large Agri-business Enterprises

**Eligible Projects:**

- Seaweed farming/production
- Seaweed trading
- Seaweed processing
- Post-harvest facilities

**Loan Purpose:**

- Production Loan
- Working Capital
- Acquisition of Fixed Asset

**Loanable Amount:**

- Up to eighty percent (80%) of total project cost

**Interest Rate:**

- Regular pricing structure of each identified sector

**Collateral:**

- Any or combination of the following:
  - ✓ Assignment of Promissory Notes (PNs)

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- ✓ Assignment of Purchase Orders (POs) for LBP clients who are seaweed processors
  - ✓ Assignment of insurance and/or guarantee proceeds, if any
  - ✓ Real estate mortgage/Chattel mortgage
  - ✓ Hold out on deposit

### **Repayment Period**

- For seaweed production: maximum of 90 days for fixed-bottom monoline; maximum of 180 days for floating/longline;
- For working capital, one year via 180 days PN;
- For fixed asset acquisition, depending on cash flow, but not more than the economic useful life of the acquired fixed asset.

### **Other Conditions:**

- The area to be financed under the Program shall be assessed and certified by BFAR as conforming to the technical parameters of seaweed production site;
- The sub-borrowers should have undergone technical training on seaweed farming;
- Cooperatives and Farmers Association should have a marketing agreement with processor/s or other institutional buyers;
- With signed Production, Technical and marketing Agreement (PTMA) with a provision that the buyer is willing to withhold loan amortization of seaweed farmer, in behalf of LANDBANK.

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## **Program Title: Integrated Support for the Development of Aquaculture (ISDA) Program**

ISDA is a growership program that provides funding for the fisheries sector anchored on institutional buyers or processors linked with small fisher and SME growers.

### **Eligible Borrowers:**

- Cooperatives/ Associations
- Federations
- NGOs
- SMEs
- Large Agribusiness Entities (LAEs)

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**Eligible Projects:**

- Seaweed farming/production
- Seaweed trading
- Seaweed processing
- Post-harvest facilities

**Loan Purpose:**

- Production Loan
- Working Capital
- Acquisition of Fixed Asset

**Loanable Amount:**

- Up to eighty percent (80%) of total project cost

**Interest Rate:**

- Regular pricing structure of each identified sector

**Collateral:**

- Any or combination of the following:
  - ✓ Assignment of Promissory Notes (PNs)
  - ✓ Assignment of Purchase Orders (POs) for LBP clients who are seaweed processors
  - ✓ Assignment of insurance and/or guarantee proceeds, if any
  - ✓ Real estate mortgage/Chattel mortgage
  - ✓ Hold out on deposit

**Repayment Period:**

- For seaweed production: maximum of 90 days for fixed-bottom monoline; maximum of 180 days for floating/longline;
- For working capital, one year via 180 days PN;
- For fixed asset acquisition, depending on cash flow, but not more than the economic useful life of the acquired fixed asset.

**Other Conditions:**

- The area to be financed under the Program shall be assessed and certified by BFAR as conforming to the technical parameters of seaweed production site;
- The sub-borrowers should have undergone technical training on seaweed farming;
- Cooperatives and Farmers Association should have a marketing agreement with processor/s or other institutional buyers;
- With signed Production, Technical and marketing Agreement (PTMA) with a provision that the buyer is willing to withhold loan amortization of seaweed farmer, in behalf of LANDBANK.

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**Program Title: Masustansiyang Inumin para sa Likas na Kalusugan (MILK) PROGRAM**

The MILK Program aims to help improve the local milk production, local demand, and reduce the country's dependence on imported milk products through the provision of necessary credit and technical support to industry players.

**Eligible Borrowers:**

- Cooperatives/Associations
- Federations
- Countryside Financial Institutions
- Small and Medium Enterprises
- Agribusiness Entities

**Loan Purpose:**

- Production
- Working Capital
- Relending for co-ops and other conduits
- Rediscounting
- Fixed Assets and Livestock Acquisition

**Credit Facility:**

- Term Loan
- Short Term Loan
- Rediscounting Line

**Loanable Amount:**

- Up to 80 percent of the total project cost.

**Interest Rate:**

- Regular pricing structure of each identified sector

**Collateral:**

- Any or combination of the following:
  - ✓ Real Estate Mortgage
  - ✓ Chattel Mortgage
  - ✓ Assignment of guarantee, surety and/or insurance coverage
  - ✓ Assignment of CFI promissory note, plus underlying collaterals
  - ✓ Other collateral acceptable to the Bank

**Mode of Payment:**

- Quarterly, semestral, depending on the project's cash flow

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**Program Title: BUILDERS Building Urbanization and Innovations  
Through Landbank's Diverse Engineering  
Resource Support**

The Builders Program is LANDBANK'S contribution to the Public-Private Partnership program of the National Government. The Program extends its financial support to the ever-growing needs of the construction industry in the midst of a sustainably growing economy of the Philippines.

The program shall provide duly-licensed contractors in the Philippines the needed working fund in ensuring the completion of awarded projects, application of much needed improvements or expansion of their existing businesses.

**Eligible Borrowers :**

Contractors duly licensed by the Philippine Contractors Accreditation Board (PCAB) under the following classification and categories:

- General Engineering Construction
- General Building Construction
- Specialized Construction

**Loan Purposes:**

**Under the Term Loan Facility**

- To finance capital expenditures (Capex) related to the Contractor's business and its operations.
- To finance permanent working capital related to the Contractor's business operations.

**Under the Short Term Loan Facility**

- To finance the Contractor's Purchase Orders and/or Contract Receivables or Processing, Manufacturing, Construction or Delivery of Infrastructures, Goods and/or Services.
- To use as Domestic Bill Purchase Line (for valued contractors with established business profitability and good credit track record only)
- To finance working capital requirement related to the Contractor's business operations.

**Eligible Projects :**

- Airport/Seaport
- Communications Infrastructure
- Commuter/Pedestrian Facilities
- Housing/Education/Real Estate Development
- Mass Housing Projects in connection to rehabilitation

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- undertakings for calamity stricken regions
  - Mass Transit Systems networks/structures
  - Power Energy/Renewable Energy Supply and Management Projects
  - Railway structures & facilities
  - Solid waste management infrastructure
  - Transport infrastructure
  - Water management infrastructure

## **Terms/Requirements:**

### ***Specific Terms and Conditions:***

- The maximum amount of loan per contract/PO shall be 70% of the Contract/PO Amount (This loan ceiling per contract is net of the 15% mobilization fund and the Contractor's profit margin)
- The Borrowers shall be required to open a Debt Service Reserve Account (DSRA) where the proceeds of collections shall be deposited to
- The Borrower shall provide the Bank with copy of the written notice to its Contractee stating that its receivables from the subject contract are assigned to LANDBANK
- Subject to the other standard terms and conditions of LANDBANK

### ***Loan Amount :***

#### ***For Awarded Contracts:***

- 70% of the validated Awarded Contract/PO amount

#### ***For Business Expansion Purposes:***

- Applicable cost sharing based on total project cost

### ***Interest Rate :***

Prevailing LANDBANK rate at the time of availment.

### ***Other Fees :***

Based on standard fees and charges of the Bank

### ***Mode of Release :***

#### ***For Financing Awarded Contracts***

- The approved loan to finance the awarded contract/PO shall be on a staggered manner based on the progress accomplishment of the financed contract/PO. However, one-time release of up to 70% of the contract/PO amount

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shall be allowed only if the credit rating of the borrower is at least PRIME and has at least three years satisfactory credit experience with the Bank subject to final assessment of the Head of the Lending Unit.

*For Financing Business Expansion*

- Releases shall be done in tranches, based on the percentage of project completion as validated by the authorized LANDBANK representative,

**Collateral /Security :**

- Real Estate Mortgage
- Chattel Mortgage
- Deed of Assignment of Contract Receivables and all future receivables of the borrower

Contract Receivables must be supported by Purchase Orders(PO). The POs that are acceptable must be issued by any of the following :

1. Government entity/agency/department with authority to place the POs and enter into a Contract.
  2. Existing borrower of LANDBANK whose objects of the POs/Contract Receivables are financed by the Bank.
  3. Issuer /Contractee should have profitable operations for the last three (3) years and/or with satisfactory credit rating
- Assignment of Deposits and Hold-out
  - Assignment of Investments and Other Money Market Placements
  - Guarantees
  - Any other collateral acceptance to LANDBANK
  - Post Dated Checks

**Documentary Requirements :**

**Pre-processing Requirements**

- Copy of Registration with SEC or other registering agencies
- Certified true copy of Articles of Incorporation and by-laws
- Bio-data of applicant/key officers
- List of stockholders and their stockholdings
- General Information Sheet
- Current PCAB Certificate/License
- List of completed and on-going projects including the amount status.



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- Business Permits
  - BIR-filled Financial Statements (last three years)
  - Latest Interim Financial Statement
  - Copies of Collateral documents
  - Board Resolution/Secretary's bearing Official Signatories and allowing transaction with LANDBANK
  - Validated Copy of Awarded Contracts
  - Validated Copy of the Purchase Orders
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### **Program Title: HEALTH-PLUS Health Progressive Lending for Upgraded Services Program**

The Health-Progressive Lending for Upgraded Services (HEALTH-PLUS) Program is LANDBANK's way of empowering healthcare providers through financial support aimed helping you provide quality medical care and enhanced health goods and services.

#### **Eligible Borrowers:**

- Hospitals and other health facilities that are either government or privately owned.
- Private healthcare providers and medical institutions licensed by the Department of Health (DOH)
- Small and Medium Enterprises (SMEs), Large Corporations in health and medical goods/services sector
- Associations, Cooperatives, NGOs in health and medical goods/services sector
- Drugstores
- Prescriptive drugs, medical equipment manufacturers and dealers

#### **Loan Purpose:**

- Capital expenditures such as, but not limited to:
  - Construction, renovation, repair, upgrading of hospitals and other health facilities, drug stores, and business facilities;
  - Acquisition of healthcare provision-related equipment and instruments, construction, renovation, repair, upgrading of hospitals and other health facilities, drug stores, business facilities and instruments, including systems for medical products manufacturing;
  - Project and business requirements, facilities and equipment in compliance with DOH regulations.
  - Working Capital / Permanent Working Capital for, but not limited to:
    - Acquisition of medical supplies/inventories and stocks of medicines;
    - Outsourcing of technical, medical and ancillary services, and support services;
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- Preparation of feasibility study, architectural and engineering design.

**Credit Facilities:**

- Short Term Loan Line
- Term Loan
- Letter of Credit

**Terms/Requirements:**

***Loanable Amount:***

Based on project cost or repayment capacity of borrower with project cost sharing limit:

- 80:20 for private borrowers
- 90:10 for Local Government Units (LGUs)/ Government-Owned and Controlled Corporations (GOCCs)

***Interest Rate:***

Prevailing LANDBANK rate at the time of availment.

***Loan Tenor:***

- For Short Term Loan Line: Via 30-360 days PNs
- For Term Loan: Based on project's /borrower's cash flow or the:
  - Buildings/Facilities: Maximum of 15 years
  - Equipment: Maximum of 10 years
  - Working Capital: Maximum of 5 years

Inclusive of up to three (3) years grace period on principal payment.

***Repayment Term:***

Payable monthly, quarterly, semi-annually or annually depending on the cash flow and based on the approved amortization schedule.

***Collateral:***

- Object of financing
- Real Estate Mortgage
- Chattel Mortgage
- Deed of Assignment of Receivables
- Assignment of Hold-out on Deposits
- JSS of principals or key officers

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### ***Credit Enhancers:***

- Post-dated checks
- Assignment of Insurance and/or Guarantee cover

### **Documentary Requirements:**

- Corporate/Registration Papers
- Financial Documents
- Feasibility Study/Business Plan
- DOH (Department of Health) Certificates/Permits/Licenses or Philhealth Accreditation document
- Certificates/Clearances from the Department of Environment and Natural Resources (DENR) and Local Government Unit (LGU)

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**Program Title: BRIGHTNESS Bringing Inclusive Growth in every Household Through National Electrification Support Services**

The Land Bank of the Philippines (LANDBANK) offers a special financing program to build the capacities of the rural power sector.

### **Eligible Borrowers:**

- Electric Cooperatives or ECs that are duly registered by the Cooperative Development Authority (CDA) or the National Electrification Administration (NEA) that passed Landbank criteria.
- Joint venture/consortium of ECs and/or the players in the electric power generation, transmission, distribution and supply sectors.
- Wholesale Power Aggregators duly registered/licensed by the Energy Regulatory Commission (ERC).

### **Loan Purpose:**

- Construction, upgrading or rehabilitation of the ECs power generator and/or distribution system, but not limited to the following:
  - a. Expansion and/or upgrading of EC power distribution lines (line voltage upgrading through construction of new transmission lines)
  - b. Rehabilitation and capacity upgrade of existing supply system
  - c. Establishment of Sub-stations (consists of line termination structures, high/low-voltage switchgears, one or more power transformers, surge protection, controls, grounding system, metering, etc.

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- d. Construction of power generation plants.
    - Acquisition, rehabilitation and upgrading of TRANSCO STAs
    - Purchase of capital equipment
    - Working capital
    - Fulfillment of prudential requirements (i.e., guarantee or security deposit) to be put up by ECs under the terms of Power Sales Contracts with aggregators/commercial power plants and as a precondition to their participation as direct member in the Wholesale Electricity Spot Market (WESM)

**Credit Facilities:**

- Short-Term Loan Line for working capital
- Term Loan for capital expenditure requirements
- Stand-by Letter of Credit to comply with prudential requirements of wholesale power aggregators or WESM
- Energy Efficiency Projects

**Financing Mix:**

- Electric Cooperative – 25% (in cash or in kind)
- LANDBANK – 75%

**Terms/Requirements:**

***Loan /Availability:***

- For Short Term Loan Line (STLL)
  - a. Available via maximum of 360-day Promissory Note (PN)
- For Stand-by LC Facility
  - a. Available based on standby LC terms and conditions up to a maximum of 360-day PN to coincide with the maturity of the line
- For Term Loan (TL)
  - a. Based on the economic useful life of the object of financing but not to exceed 10 years inclusive of 2-years grace period on principal.

***Interest Rate:***

Prevailing LANDBANK lending rate at the time of availment.

***Other Fees:***

Standard fees required by LANDBANK.

***Collateral:***

- Any or a combination of the following:
  - a. Deed of Assignment of Proceeds of Power Billings and Other Receivables
  - b. Other forms of Securities acceptable to the bank (i.e., REM, Chattel Mortgage, Guarantee Cover, etc.)

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## **Documentary Requirements:**

- a. Corporate Papers
  - NEA or CDA Registration
  - Articles of Incorporation/Cooperation and By-laws
  - Organizational Structure
  - Board Resolution to borrow and list of authorized signatories with specimen signatures
  - Information sheet of Board of Directors and Officers (with photos)
  - List of offered collateral
- b. Financial Documents
  - Three-year Audited Financial Statements
  - Latest Interim Financial Statements
  - List of existing and past loans
- c. Project Documents
  - Feasibility Study
  - Capital Investments Plan as approved by the Energy Regulatory Commission (for CAPEX)
  - Business Plan including investment plan and financial projections
  - Environment Impact Assessment (EIA) Report
  - Environmental Compliance Certificate (ECC), if applicable
  - NEA Clearance allowing ECs to borrow from other financial institutions

### **For projects involving construction:**

- Project plans and specification
- Cost Estimates
- Bill of Materials
- Work Program/Schedule duly approved by the Board

### **For Machineries and Equipment Acquisition:**

- List description and estimated cost of machineries and equipment based on price quotation
- Certification from dealer/supplier as to the availability of spare parts in the local market and other after-sales services.

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**Program Title: CREDIT FACILITY FOR STATE UNIVERSITIES  
AND COLLEGES (SUCs) Financing the growth  
and development of the education sector**

Let LANDBANK help your institution grow with our Credit Facility for State Universities and Colleges (SUCs). This credit facility supports qualified SUCs with their infrastructure expansion, fixed asset acquisition and other income generating / agri-related programs and projects.

**Eligible Borrowers:**

SUCs that meet the following criteria:

- Those operating profitably in the last three years
- Engage in agri-related programs and projects
- Have LANDBANK as their sole depository bank
- With DBM-CHED PASUC leveling of at least II

**Eligible Projects :**

SUCs with rating Level III and Level IV:

- Agri-related stand-alone projects
- Expansion of SUC facilities (to include construction of buildings, acquisition of farm implements, school equipment, etc.)

SUCs with rating Level II:

- Agri-related stand-alone projects  
This is in partnership with a private entity who is knowledgeable on the proposed project and has a positive track record in the proposed agri-related project. SUC-borrower shall identify its private sector partner in the project to be financed by LANDBANK.

**Terms/Requirements:**

***Term of Loan:***

- Fixed Asset Loans – based on cash flow but not to exceed five years
- Short Term Loans – via up to 180 days PN

***Loanable Amount / Project Cost Sharing:***

- Bank can shoulder up to 80% of the project cost
- Borrower's equity is minimum of 20%, may be in cash or in kind

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**Interest Rate:**

Prevailing LANDBANK rate at time of availment.

**Acceptable Collaterals:**

Any or combination of:

- Assignment of Hold-out on Deposits
- Assignment of Income of project(s) to be financed
- Assignment of SUC's income
- Chattel Mortgage
- Object of Financing
- Real Estate Mortgage

**Documentary Requirements for Loan Processing**

- Approved budget for the current year
- Audited Financial Statements in the last three years
- Board resolution to borrow
- Collateral documents
- Copy of SUC's strategic plan
- List of officials and their designation
- Monetary Board Opinion
- Other project-related documents that may be required
- Setting up of Project Implementation Structure (for stand-alone projects)

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**Program Title: CARES LANDBANK Calamity Rehabilitation Support Program**

The LANDBANK Calamity Rehabilitation Support (CARES) Program is available to the Bank's various existing and new customers who have been severely affected by calamity in areas that were declared under the state of calamity by the Office of the President or the Local Government Units.

**Loan Restructuring:**

**Existing Customers** of the bank have the option to restructure their outstanding loan obligation, subject to the Bank's existing restructuring guidelines and to the followings:

**Loan Tenor:**

- For short-term loans – tenor may be extended up to a maximum of three (3) years, inclusive of a maximum of one-year grace period on principal payment.
- For term loans – tenor can be extended for additional three years over the remaining term of the loan at the time of calamity, with a maximum grace period of three (3) years on principal payment.

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***Interest Rate:***

6% per annum, fixed for the remaining term of the loan

***Mode of Payment:***

Monthly, quarterly, semi-annual, annual basis based on the cash flow of the project.

***Availability:***

Within one year from the occurrence of the calamity

***Others:***

Other standard terms and conditions shall remain in force and effect.

**Rehabilitation Credit Program:**

The following rehabilitation credit programs shall be implemented in the calamity-stricken areas for the Bank's existing and new customers:

**A. Credit Program for LGUs**

***Loan Purpose:***

- Repair of existing facilities and equipment
- Construction or acquisition of new facilities or equipment

***Interest Rate:***

- 6% per annum, fixed for ten (10) years
- 6.5% per annum, fixed for fifteen (15) years

***Loan Tenor:***

Repair of existing facilities or equipment

- Maximum of ten (10) years, inclusive of up to 3 years grace period on principal payment.

Construction or acquisition of new facilities or equipment

- Maximum of fifteen (15) years, inclusive of up to 3 years grace period on principal payment.

***Amount of Loan:***

Based on the actual need of the project or up to 85% of the project cost, whichever is lower, but should be within the LGU's net borrowing capacity

***Mode of Payment:***

Monthly, quarterly, semi-annual or annual basis, based on cash flow of the project.



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**Availability:**

Within one year from the occurrence of the calamity

**Others:**

All other terms and conditions of the LGU Lending Program of the Bank shall remain in force and effect.

**B. Credit Program for Home Buyers**

**Loan Purpose:**

Repair of existing housing units or construction or purchase of new ones.

**Interest Rate:**

- For the first year, 5% per annum, fixed.
- For year 2 to year 5, 6% per annum, fixed for the period.
- Thereafter, the interest rate shall either be fixed or variable based on the EASY Home Loan posted rate less 1% but the resulting rate shall not fall below 6% per annum.

**Loan Tenor:**

For repair of existing housing units

- Maximum of ten (10) years, inclusive of six-months grace period on principal, provided the combined age of the principal borrower and the loan term shall not exceed 65.

For construction or purchase of housing units

- Maximum of twenty (20) years, inclusive of 1-year grace period on principal, provided the combined age of the principal borrower and the loan term shall not exceed 65.

**Amount of Loan:**

The amount of loan to be granted shall be based on the following, whichever has the lowest value:

- Borrowing capacity of the borrower;
- Amount applied for actual need; or
- Appraised value of project

Where ***borrowing capacity*** shall be based on the following:

- For ***private employees*** – 30% of the gross monthly income;
- For ***government employees*** – a monthly net take home pay of P4,000 (as required by the GAA), net of amortization.

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**Insurance:**

All insurance premiums for the first year coverage against all perils shall be advanced by the Bank and shall be covered by a separate monthly amortization schedule over a period of one year, interest free.

Thereafter, the Bank may also advance the premium at the option of the borrower.

**Availability:**

Within one year from the occurrence of calamity

**Securities:**

Real Estate Mortgage; or

In case of borrowing employees whose employer is willing to back up the loan, guarantee by the employer for the payment of the loan.

Other acceptable collateral to LANDBANK.

**C. Credit Program for SMEs****Loan Purpose:**

- For repair of existing facilities, purchase or acquisition of new ones.
- To augment working capital requirement

**Interest Rate:**

6% per annum, fixed for the term of the loan.

**Availability:**

Within one year from the occurrence of calamity

**Mode of Payment:**

Monthly, quarterly, semi-annual or annual basis, based on cash flow of the project.

**Loan Tenor:**

For repair of existing facilities or acquisition of new facilities

- Up to ten (10) years, inclusive of 1-year grace period

For working capital

- Up to 5 years

**Project Cost Sharing**

For **existing clients**:

- Borrower's Equity – Minimum of 10% of the Total Project Cost (TPC)
- Loan – Maximum of 90% of TPC

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For **new clients**:

- Borrower's Equity – Minimum of 20% of the Total Project Cost (TPC)
- Loan – Maximum of 80% of TPC

## **D. Credit Programs for Cooperatives and NGOs**

### **1. Livelihood Financing**

#### ***Loan Purpose:***

To augment the Coop or NGO's credit fund for on-lending to SFFs and MSME members or sub-borrowers.

#### ***Available Credit Facility:***

Short Term

- Working Capital for Relending
- Rediscounting

Term Loan

- Working Capital for Relending
- Rediscounting

#### ***Maximum Loanable Amount:***

Working Capital

Depending on the credit requirement of the sub-borrowers

Rediscounting Rate

Up to 85% of the sub-borrowers' outstanding loan balance / promissory notes (PN) in current status

#### ***Availability Period:***

Within one (1) year from the date of occurrence of calamity

#### ***Interest Rate:***

4.5% per annum, fixed for the term of the loan

#### ***Prescribed Interest Spread:***

Up to 4.5% of p.a.

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**Loan Tenor:**

For Short Term Loan – Working Capital and Rediscounting Line:

- Depending on the maturity of the PN per batch but not exceed 360 days PN

For Term Loan Rediscounting – Working Capital and Rediscounting Line:

- More than 1 year up to 5 years - payable quarterly, semi-annually or annually in arrears, depending on the project or borrower's cash flow for a maximum of 5 years

Should mirror the repayment term of the sub-borrowers

**Collateral / Security:**

Any or a combination of the following:

- Assignment of Receivables or promissory notes of sub-borrowers, plus underlying collaterals, if any
- Assignment of Agricultural Guarantee Fund Pool (AGFP) claim proceeds, if any
- Assignment of Credit Surety Fund (CSF) guarantee claim proceeds, if any

**2. Home Lending****Loan Purpose:**

To provide the Coop/NGO with a credit fund for the housing loan requirement of their members/borrowers.

Loan proceeds shall be used to finance any of the following:

- Repair of existing housing units
- Construction or purchase of a new house or dwelling unit

**Available Credit Facility:**

Term Loan

- Working Capital for Relending
- Rediscounting of long-term PNs

**Maximum Loanable Amount:**

Depending on the loan requirement of the coop-members or borrowers but not to exceed P400,000.00 per borrower (cost of socialized housing).

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**Availability Period:**

Within one (1) year from the date of occurrence of calamity

**Loan Tenor:**

Depending on the amount and tenor of the loan of sub-borrowers, as follows:

- Up to P150,000 – Up to 5 years
- Above P150,000 to P400,000 – Up to 7 years

A six-month to one year grace period on the principal may be allowed.

Payable monthly, quarterly or semi-annually

**Interest Rate:**

6% p.a., fixed for the term of the loan

**Prescribed Interest Spread:**

Up to 4.5% p.a.

**Collateral / Security:**

- Deed of assignment of receivables
- Real estate mortgage on Transfer of Certificate of Title (REM-TCT)
- Deed of assignment of insurance policies covering all insurable collaterals
- Other securities acceptable to the bank

**E. Credit Program for CFIs****Loan Purpose:**

To augment the CFI's capital for on-lending to SFFs and MSME and other type of borrowers

**Available Credit Facility:**

Short Term

- Working Capital for Relending
- Rediscounting

Term Loan

- Working Capital for Relending
- Rediscounting

**Maximum Loanable Amount:**

Working Capital

Depending on the credit requirement of the sub-borrowers

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Rediscounting Rate

Up to 85% of the sub-borrowers' outstanding loan balance / promissory notes (PN) in current status

***Availability Period:***

Within one year from the occurrence of calamity

***Loan Tenor:***

For Short Term Loan – Working Capital and Rediscounting Line:

- Depending on the maturity of the PN per batch but not exceed 360 days PN

For Term Loan Rediscounting – Working Capital and Rediscounting Line:

- Quarterly, semi-annually or annually in arrears, depending on the project or borrower's cash flow for a maximum of three (3) years

***Interest Rate:***

4.5% p.a., fixed for the term of the loan

***Collateral / Security:***

Any or a combination of the following:

- Assignment of Receivables or promissory notes of sub-borrowers, plus underlying collateral, if any
- Assignment of Agricultural Guarantee Fund Pool (AGFP) claim proceeds, if any
- Assignment of Credit Surety Fund (CSF) guarantee claim proceeds, if any

***Other Provision:***

Net Past Due Ratio of the participating CFIs shall not exceed 25%

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**Program Title: LANDBANK Home Loan Program  
Housing Opportunities Made Easy (HOME)**

The LANDBANK Housing Opportunities Made Easy (HOME) Program is a lending program that caters to both homebuyers and home developers. It offers the following facilities:

1. Easy Home Loan;
2. End-Buyers Tie-Up; and
3. Bahay para sa Bagong Bayani

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Let LANDBANK help you build or acquire your home, or if you are a developer, let us help you grow your business by supporting your housing projects or financing your clients' home acquisition or construction.

### **Easy Home Loan**

Easy Home Loan helps you buy or construct your dream home. It also allows existing home owners to refinance their current and existing home loan from other banks or financing firms or developers' in-house financing.

### **Eligible Borrowers:**

- Filipino Citizens
  - 21 years old (must not be more than 65 years of age upon loan's maturity)
  - Borrowers who are either gainfully employed or with lawful and profitable business

### **Terms/Requirements:**

#### ***Loan Purpose:***

For the purchase of:

- Townhouse
- Condominium unit
- Lot, House and lot
- Other residential unit
- Construction of a residential building on a lot owned by the borrower
- Refinancing of existing housing loan with other banks or financing firms or developers' in-house financing-provided account is in "current status"

#### ***Loanable Amount:***

Minimum of P500,000.00

#### ***For Private Applicants:***

- The borrowing capacity of the individual borrower and his/her spouse (if applicable) shall be based on the 30% of the verified Gross Monthly Income for private applicants gross monthly income.

#### ***For Government Employees:***

- The borrowing capacity shall be based on the amount as required by GAA, after housing loan amortization.

#### ***Tenor:***

The loan shall have a minimum term of 20 years, provided the combined age of the borrower and the term loan shall not exceed 65 years.

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**Collateral:**

The loan shall be secured by residential/commercial real estate properties acceptable to LANDBANK.

**Documentary Requirements:*****Employed Individuals:***

- Personal Information Data Sheet
- Certificate of Employment
- Latest pay slip indicating net take home pay of borrower
- Any two of the following billing statements:
  - Electric Bill
  - Phone Bill
  - Water Bill
  - Credit Card Bill
  - TV Subscription Bill

***Private individuals owning their business /  
With established source of income***

- Business Registration and Licenses
- Biodata
- BIR-stamped Financial Statements and Income Tax Returns for the last three years

***Others:***

Applicable for both employed and private individuals with business

For Condos:

- Master Deed of Restriction
- Building and Unit Floor Plan
- HLURB Permit to Sell
- HLURB Locational Clearance

**End Buyer's Tie Up Facility**

The End-Buyers Tie-Up Agreement helps you buy or construct your home through an accredited developer. It also helps developers grow their business by supporting their housing projects or financing their client's home acquisition or construction, after an accreditation process.

**Eligible Borrowers****Individuals / End-buyers of properties from:**

- Developers with existing credit lines with LANDBANK
- Developers and their subsidiaries with no existing credit lines with LANDBANK but have passed the "Accreditation Process"



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**For Developers:**

- Developers with existing credit lines/loans with LANDBANK
- Developers and their subsidiaries with no existing credit lines with LANDBANK must submit their duly Audited Financial Statements and must have passed the “Accreditation Process”

**Eligible Projects / Properties for Purchase**

- Lots only
- Properties ready for occupancy
- House and lots
- Townhouse
- Condominium units
- Lot and houses for construction

**Terms/Requirements:*****Loan Purpose:***

Acquisition/purchase of:

- Lot
- House and lot
- Townhouse
- Condominium units
- Acquisition/Purchase of a lot and the construction of a house
- Construction of a house on a lot owned by the borrower

***Loanable Amount:***

Up to 90% of the contract price which includes selling price, titling and taxes, or outstanding balance whichever is lower

**For Socialized Housing:**

- Outstanding balance which includes selling price, titling and taxes
- Loanable amount should be within the paying capacity of the borrower where paying capacity is computed at;

**For Private Employees:**

30% of the gross monthly income for private employees

**For Government Employees:**

Based on the amount as required by GAA, after housing loan amortization

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***Tenor:***

- The loan shall have a minimum term of twenty (20) years
- For Socialized Housing: Maximum of 30 years

***Collateral:***

Real estate Mortgage on property to be acquired from any residential projects of the accredited developers

**Documentary Requirements:*****End Buyer/Borrower:***

- Duly accomplished loan application form with 1" X 1" photo
- Latest certificate of income and employment
- Latest Income Tax Return with BIR stamp
- Marriage Contract, if applicable

***Developer:***

- Photocopy of TCT/CCT
- Photocopy of tax declaration (land improvements)
- Certified Lot Plan
- Certified Location and Vicinity Map
- Latest Real Estates Tax Receipt
- Photocopy of TCT/CCT Contract to Sell/Presell
- Master Deed of Restriction, in case of condominium
- HLURB Certification of Registration of Project
- HLURB Locational Clearance

**Bahay Para Sa Bagong Bayani (3B)**

A special lending program designed by Overseas Filipino Workers (OFWs), LANDBANK's Bahay para sa Bagong Bayani program allows OFWs to acquire, build or renovate their own homes at relaxed and flexible terms.

**Eligible Borrowers:**

- Filipino citizens
- OFWs holding a live from a reputable company
- 21 years old but not more than 65 years of age upon maturity
- Clear of adverse credit finding with other creditors

**Eligible Loan Purpose:**

- Purchase of:
  - Residential Lot
  - House and Lot
  - Residential Units / Condominiums / Townhouse
- Construction / improvement or renovation of existing residential unit owned by OFW

- 
- Refinancing of an existing housing loan of the OFW on “CURRENT” status
  - Assumption by an OFW an existing housing loan by another borrower either with LANDBANK or another creditor

### **Terms/Requirements:**

#### ***Loan Amount:***

Lowest of the paying capacity of the OFW or loan value of collateral with loan value of 80% provided that:

- Financing will be for the principal residence or dwelling of the borrower OFW; and
- The title should be under the name of the OFW

#### ***Tenor:***

- 20 years : for OFW with co-borrower
- 15 years : for OFW without co-borrower

#### ***Collateral:***

- Primary, the Object of Financing or separate prime property if warranted
- Others that may be accepted in addition to the object of financing:
- Deposit with Hold-out

#### ***Interest Rate:***

- Variable : Based on the posted rates at the time of availment
- Subject to yearly repricing<sup>1</sup>
- Fixed : Based on posted rates at the time of availment<sup>2</sup>
  - 2-3 years                      • 8-10 years
  - 4-5 years                     • 11-15 years
  - 6-7 years                    • 16-20 years
- For Socialized Housing : 1% below the posted EHL rates at the time of availment subject to annual repricing<sup>3</sup>

*Note:*

<sup>1,2</sup> Applicable to EHL, END-BUYER'S TIE-UP AND 3B

<sup>3</sup> Applicable to END-BUYER'S TIE-UP only

### **Documentary Requirements:**

#### ***For Credit Analysis:***

- Duly accomplished loan application form with 1” X 1” photo
- Copy of employment contract

#### ***For Appraisal:***

- Photocopy of TCT/CCT

- 
- Photocopy of Tax Declaration (land improvements)
  - Latest Real Estate Tax Receipts
  - Certified by a Geodetic Engineer
  - Lot Plan
  - Location and vicinity map

***For Construction and Renovation:***

- Photocopy of TCT/CCT

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**Program Title: RENEWABLE ENERGY LENDING PROGRAM**  
**Powering the development of country's energy sector**

LANDBANK's Renewable Energy Lending Program provides financing to renewable energy projects and supports the national government's thrust of promoting RE development, utilization and commercialization, and accelerating investments in the energy sector.

**Eligible Borrowers:**

- Sole Proprietorships
- Partnerships
- Corporations (at least 60% Filipino-owned)
- Cooperatives/Associations
- Local Government Units (LGUs)
- Financial Institution (FIs)
- Government-owned and controlled Corporation (GOCCs)
- Government Agencies (GAs)
- Non-Government Organizations (NGOs) with legal personality to borrow

**Eligible Projects:**

- Renewable Energy Projects as defined under RA 9513 or the
  - Renewable Energy Act of 2008
    - Biomass
    - Geothermal
    - Solar Power
    - Hydro Power
    - Ocean-generated energy
    - Wind-generated energy
- Biofuel
- Other Renewable Energy Projects such as but not limited to the following:
  - Hybrid System
  - Fabrication/Manufacturing of RE Technologies
  - Equipment, and Components
- Energy Efficiency Projects

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**Eligible Loan Purposes:**

- Working Capital
- Permanent Working Capital
- Project Preparation
- Capital Expenditures

**Terms/Requirements:*****Loan Tenor:***

- Short Term Loan Line:
- Working Capital – Via up to 360 days PN
- Term Loan:
- Permanent Working Capital and Project Preparation – Maximum of five years inclusive of six months grace period on principal payment
- Fixed Assets Investment – Based on cash flow, maximum of 15 years inclusive of three years grace period on principal payment
- Standby Letter of Credit (SLC)
- Available based on SLC terms and conditions up to a maximum of 360-day PN to coincide with the maturity of the line.

***Interest Rate:***

Prevailing LANDBANK lending rate at the time of availment

***Financing Mix:***

- Loan : Maximum of 80% of the Total Project Cost (TPC)
- Borrower's Equity : Minimum of 20% of TPC
- However, 90:10 for LGUs/GOCCs/ECs/GAs

***Collateral:***

Any or a combination of the following:

- a. Real Estate Mortgage
- b. Chattel Mortgage
- c. Assignment of Deposit with Hold-Out
- d. Assignment of Receivables/Contracts/Insurance, Internal Revenue Allotment, in case of LGU
- e. JSS of Principal Stockholders/Officers
- f. Other Securities that are acceptable to the Bank (i.e. Guarantee Cover)

Credit/Security Enhancers maybe required, such as:

- a. Post Dated Checks
- b. Pledge of Shares

**Documentary Requirements:**

- Corporate Papers
- Financial Documents
- Project Feasibility Study

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- Off-Take/Supply Agreements
  - Collateral Documents
  - Insurance/Risk Cover
  - Permit/Licenses/Regulatory Clearances
- 

**Program Title: Water Program for Everyone (H<sub>2</sub>OPE)**

LANDBANK's unified program for the water and sanitation sector

**Eligible Borrowers:**

- Water Districts (Creditworthy; Semi-Creditworthy; and Pre-Creditworthy WDs, subject to validation of their creditworthiness)
- Institutions/Corporations-Managed Water Utilities
- LGU-operated and managed water utilities
- Privately-Operated Water Utilities
- Cooperatives-Operated Water Utilities
- Rural Waterworks and Sanitation Associations
- Barangay Water and Sanitation Associations

**Eligible Projects:**

- A. Project Development
  - Feasibility Studies (F/S)
  - Test Well Drilling related to the F/S
  - Source Development
- B. Start-up / New Water System Projects
- C. Systems Expansion/Development
  - Expansion of Service Connections
  - Building Construction needed for the operation of the WDs
  - Construction of Reservoirs
  - Pipelaying
  - Installation and Acquisition of genset, machine & equipment, water treatment facilities, which are directly needed/ to be used for the water system project
- D. Capacity/Efficiency Building Enhancement Projects
  - Technical/Management/Operations Trainings
  - Upgrading/Acquisition of tools, equipment, electronics, an/or SCADA (Supervision Control and Data Acquisition) System
  - Acquisition of hardware and computer software for the establishment of computerized billing, accounting and payment system
  - Service vehicles for the operation of the water utility
- E. Repair / Rehabilitation Projects
  - Water Equipment, Machines & Tools Replacement

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- Pipeline Replacement/Upgrading
  - Water Sources Repair and Redevelopment
- F.** Emergency Financing Projects for water systems that are damaged by natural calamities such as mobile water filtration systems, among others
- G.** Water Sanitation Projects, like septage and sewerage treatment plants
- H.** Working Capital Requirement
- I.** Refinancing qualified water utilities' existing loans with LWUA or from any other financing institution, subject to the approval by their existing creditors and to the availability of funds.
- J.** Watershed Management Projects
- K.** Water Desalination Projects, Water Recycling Projects, and Rain Water Collection system Project
- L.** Financing of counterpart/equity requirements of foreign assisted WD projects

**Amount of Loan:**

Based on the project cost or repayment capacity of the water utility, whichever is lower.

**Project Cost Sharing;**

- 90% LANDBANK Loan Portion
- 19% Water Utility's/Borrower's equity (The borrower's equity shall be directly related to the project being financed)

**Loan Tenor:**

- For Term Loan
  - Based on the projected cash flow of the proposed project but not to exceed 20 years, with up to a maximum 3 years grace period on principal repayment.
- For Short Term Loan Line
  - Via 180 to 360 day PNs

**Interest Rate:**

Prevailing LANDBANK rate at the time of availment.

**Manner of Release for the Term Loan:**

In tranches subject to submission of Project's Progress Accomplishment Report to be duly validated by LANDBANK and the submission of Request for Payment.

**Repayment Term:**

Based on the cash flow of the Utility's proposed project.

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**Collateral/Security:**

- a. Real Estate Mortgage/ Chattel Mortgage
- b. Deed of Assignment of Receivables
- c. Deed of Assignments on Hold-out on deposits
- d. Post Dated Checks
- e. Guarantee Cover

**Documentary Requirements:****A. Pre-processing Requirements****General Requirements:**

- 1. Monthly Data Sheets (MDS) for the month end period of December each year of the last 3 years, plus the latest MDS
- 2. Certified list of owners, directors and key officers
- 3. Hydraulic Analysis/Hydraulic Run on the proposed water system for new systems, expansions, or rehabilitation and the report on the result of well test drilling (for ground water sources) plus the capacity measurement report (for the springs, falls, wells or surface water sources).
- 4. Regular documentary requirements pertaining to the offered collaterals such as TCT, tax declaration, real estate tax receipt, vicinity and lot plan.
- 5. For projects involving construction – cost estimates, plans and specifications, bill of materials and work program, certified by a licensed civil engineer and duly approved by the authorized representative of the water utility.
- 6. For acquisition of machinery and equipment – list of machinery and equipment and estimated cost based on firm quotations and guarantee from the dealers/suppliers as to the availability of spare parts in the local market, duly approved by the authorized representative of the water utility.

**Requirements Per Type of Borrower****A.1. For Corporations/Institutional/Partnership Water Utilities**

- a. SEC-certified Corporate Papers
- b. Audited BIR-filled and in-house F/S for the past three years
- c. Board Resolution authorizing an officer of the water utility to negotiate, borrow, mortgage, sign, and enter into a loan agreement with LANDBANK
- d. Feasibility Study, Utilities' Development Plan, drawings and Program of Work, reviewed and approved by LANDBANK



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**A.2. For Water Districts**

- a. Conditional Certificate of Comformance issued by LWUA
- b. COA audited financial statements for the past three years
- c. Board Resolution authorizing an officer of the water district to negotiate, borrow, mortgage, sign, and enter into a loan agreement with LANDBANK
- d. Feasibility Study, WD Development Plan and Program of Work approved by LWUA or reviewed and approved by LANDBANK
- e. Monetary Board Opinion (MBO) issued by BSP's Monetary Board on the monetary and balance of payments implications of proposed domestic borrowings by LGUs and Government Entities as per provisions of Section 123 of R.A. No. 7653
- f. Clearance from LWUA allowing the water district to secure a loan from LANDBANK

**A.3. For Single Proprietor Owned and Operated Utilities**

- a. DTI-certified Registration Papers
- b. Audited BIR-filed and in-house F/S for the past three years
- c. Feasibility Study, Utilities Development Plan, drawings and Program of Work, reviewed and approved by LANDBANK

**A.4. For LGU-operated Utilities**

- a. COA audited financial statements for the past three years
- b. Borrowing Ordinance authorizing the representative of the LGU to negotiate, borrow, mortgage, sign, and enter into a loan agreement with LANDBANK, among others
- c. Feasibility Study, Utilities Development Plan, drawings and Program of Work, reviewed and approved by LANDBANK
- d. Monetary Board Opinion (MBO) issued by BSP's Monetary Board on the monetary and balance of payments implications of proposed domestic borrowings by LGUs and Government Entities as per provisions of Section 123 of R.A. No. 7653

**A.5. For Cooperative-operated Utilities**

- a. Cooperative Development Authority Certified Entity Papers
- b. Audited and in-house F/S for the past three years
- c. Feasibility Study, Utilities Development Plan, drawings and Program of Work, reviewed and approved by LANDBANK

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## **B. Pre-release Requirements**

1. Board Resolution expressly confirming, approving and ratifying all previous representations and warranties and all the items and conditions of the loan agreement and related documents.
2. Public hearing documents (minutes of the meeting and attendance report) for acceptance of project and water rates adjustment, resolution of acceptance, etc.
3. Contract Agreement between the water utility and the winning bidder/ contractor and/or Project Agreement between LWUA or any entity and the water district
4. Environment Compliance Certificate and other licenses or permits, whenever applicable.
5. Water Extraction Permit from NWRB for each water source of the proposed system.
6. Cash equity on the project deposited with LANDBANK whenever applicable.
7. Standard LBP documentation (e.g. Loan Agreement, PN, REM, CM).

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**Program Title: ACCESS OF SMALL ENTERPRISES TO SOUND LENDING OPPORTUNITIES (ASENSO) formerly SULONG or SME Unified Lending Opportunities for National Growth**

### **Program Objectives:**

- To simplify and standardize the lending procedures of government financial institutions (GFIs) thereby enhancing the SMEs access to needed funds;
- To shorten the list of documentary requirements to further facilitate the lending process;
- To create a wider, borderless financing system that will afford the SMEs greater access to short- and long- term funds; and,
- To lower the effective cost of borrowing by SMEs and liberalize the requirements.

### **Eligible Borrowers:**

- Enterprises in all industries except trading of imported goods, liquor, cigarettes, and extractive industries; and,
- Enterprises that are at least 60% Filipino owned, whose assets are valued at not less than P3.0 Million, but not more than P100.0 Million, excluding the value of the land, or subject to ownership rules as defined under existing Philippine laws for specific industries.

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**Loan Purposes:**

- Short-Term Loans – For export financing (export packing credit) or a credit line for temporary working capital
- Long-Term Loans – For permanent working capital, purchase of equipment or lot, or construction of a building/warehouse

**Terms/Requirements:*****Loan Amount:***

- Short-term Loans – Up to 70% of the value of the LC/PO (export packing), or 70% of working capital requirement (temporary working capital); maximum P5.0 M
- Long-term Loans – Up to 80% of the incremental project cost; maximum of P5.0 M

***Interest Rates:***

- The participating GFIs will charge the same rate for the program based on a regular review.
- Interest rates are revised periodically.

***Maturity / Repayment:***

- Short-term loans – Maximum of one year
- Long-term loans – Maximum of five years, inclusive of a maximum one year grace period on principal monthly amortization

***Security:***

The program will not decline a loan only on the basis of inadequate collateral. However, the borrower must be willing to mortgage any available business and personal collateral, including assets to be acquired from the loan, to secure the borrowing. The following are acceptable collaterals:

- REM
- Machinery & Equipment
- Hold-out on Deposit
- Deed of Assignment on inventory and receivables
- JSS of principal stockholders/officers
- Guarantee cover from SBGFC

**Participating GFIs:**

Land Bank of the Philippines, Development Bank of the Philippines (DBP), Social Security System, Small Business Guarantee and Finance Corporation, Philippine Export-Import Credit Agency (PhilEXIM), National Livelihood Development Corporation (NLDC)

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**Contact Details:****Programs Management Department II (PMD II)**

Phone: (632) 522.0000 • (632) 551.2200 locals 2589 or 2650

Telefax: (632) 405.7640

E-mail: sme-pmu@mail.landbank.com

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**Program Title: RENEWABLE ENERGY for WISER and  
ACCELERATED RESOURCES DEVELOPMENT  
(REWARD)**

**Program Objectives:**

- To support the national government's call to develop renewable and alternative fuel/energy sources; and,
- To provide financial assistance to entities that are engaged in renewable energy projects.

**Eligible Borrowers:**

- Sole proprietorship (100% Filipino-owned)
- Partnership (100% Filipino-owned)
- Corporation (at least 60% Filipino-owned)
- Cooperatives
- Local Government Units
- Non-government organizations with legal personality to borrow

**Eligible Projects:**

Renewable energy projects such as, but not limited to the following:

- Biofuels projects
- Biomass-based projects
- Hydropower projects
- Wind projects (power and non-power)
- Geothermal projects
- Solar photovoltaic
- Solar water heaters
- Co-generation projects

**Eligible Expenditures:**

- Project Feasibility Studies Preparation/Engineering Design
- Working Capital
- Fixed Asset Investment

**Loan Tenor:**

- Working Capital - via up to 360-day PN
- Permanent Working Capital -maximum of 5 years
- Term Loan

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- LBP funds - maximum of 10 years
  - Special funds - up to 15 years

***Repayment Term:***

- Short Term Loan - Principal and Interest is based on PN maturity
- Term Loan
  - Principal - based on projected cash flow, with maximum 2 years grace period on principal
  - Interest - monthly or quarterly payment

***Collateral:***

Loans shall be secured by the object of financing and/or any combination of the following:

- Private enterprises (SMEs and large enterprises and corporations)
  - Real Estate Mortgage
  - Chattel Mortgage
  - Hold-out on deposits
  - Assignment of Receivables and/or inventories
  - JSS of principal stockholders/officers
  - Guarantee cover
  - Other securities acceptable to the Bank
- Local Government Units - Assignment of Internal Revenue Allotment

Contact Details:

**Programs Management Department II (PMD II)**

Phone: (632) 522.0000 • (632) 551.2200

locals 2448, 2589 or 2650

Telefax: (632) 405.7640

E-mail: sme-pmu@mail.landbank.com

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**Program Title: CREDIT LINE FOR ENERGY EFFICIENCY AND CLIMATE PROTECTION (CLEECP)**

**Program Objective:** To significantly reduce the direct consumption of primary energy (e.g., diesel, coal, gas) and direct greenhouse gas (GHG) emissions.

**Eligible Borrowers:**

- Private sector and entities (sole proprietorship, partnership, corporation of at least 70% Filipino-owned, cooperatives and associations)
  - Local Government Units (LGUs)
-

- National Government Agencies (NGAs); and
- Government Owned and Controlled Corporations (GOCCs)

**Eligible Projects\*:** All types of investments directly reducing primary energy (e.g., diesel, coal, gas) consumption and/or direct greenhouse gas emissions, such as:

- Replacement or retrofitting or energy efficient modernization of CFC, HFC and HCFC chillers
- Installation or energy efficient modernization of biomass cogeneration facilities, such as cogeneration from:
  - Sugar bagasse
  - Rice husk
  - Coconut husk
  - Methane from piggeries or poultrys, or food and beverage processing industries
  - Replacement or energy efficient modernization of machinery and equipment powered by primary energy resources (e.g., diesel, coal, gas), such as:
    - Public transport systems (e.g., bus, jeepney, taxicabs, tricycles)
    - Car or truck fleets
    - Ferries
    - Manufacturing systems
- Replacement of diesel generators or kerosene lamps by solar panels, mini-hydro or other renewable energy facilities
- Cogeneration from municipal solid waste.

\* Projects should comply with applicable Philippine laws and regulations governing environmental protection.

**Sub-Loan Amount:** Up to maximum loan of P200 million

**Loan Tenor:**

- Minimum of 2 years
- Maximum of 10 years with grace period of maximum of two years

**Interest Rate to Borrowers:** Fixed interest rate

**Project Cost Sharing:**

It is based on the Total Project Cost, as follows:

Borrower's Equity/LBP and/or Others (minimum)	20%
CLEECF (maximum)	80%
Total Project Cost	100%

**Collateral:** Loans shall be secured by the object of financing and any

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or a combination of the following:

- Private sector and entities (sole proprietorship, partnership, corporation of at least 70% Filipino-owned, cooperatives and associations) as borrowers:
  - Real Estate Mortgage
  - Chattel Mortgage
  - Hold-out on deposits
  - Assignment of Receivables and/or Inventories
  - JSS of principal stockholders/officers
  - Guarantee cover
  - Other securities acceptable to the Bank
- Local Government Units as borrowers:
  - Assignment of Internal Revenue Allotment
- National Government Agencies/Government Owned and Controlled Corporations as borrowers:
  - ROP Guarantee and other acceptable guarantee cover
  - Real Estate Mortgage
  - Chattel Mortgage
  - Hold-out on deposits

**Insurance:** All insurable collaterals shall be subject to insurance coverage in accordance with LBP's Credit Policy.

Contact Details:

**Landbank Branches and Lending Centers Nationwide  
Wholesale Lending Department (WLD)**

Phone: (632) 522.0000 locals 7338, 2364, 2365, 2707

Fax: (632) 528.8503

**Customer Care Center**

NCR – 405-7000

Toll free for non-NCR-1800-10-405-7000

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**Program Title: OFW REINTEGRATION PROGRAM**

**Program Objectives:** To extend financial assistance to qualified OFWs with credit worthy project that will provide OFWs and their families a steady income stream.

**Eligible Borrowers:**

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- Overseas Filipino Workers

**Eligible Project:**

- Projects with confirmed market or Purchase Order that will generate net monthly income of P10,000.00.
- Projects that are linked with the Food Supply Chain Program

**Eligible Loan Purposes:**

- Working Capital
- Fixed Asset Acquisition

**Project Cost Sharing:**

- Borrower's Equity – Minimum of 20% of the Total Project Cost (TPC)
- Loan – Maximum of 80% of the TPC

**Loanable Amount:** Loan amount shall depend on project needs and amount of equity participation of the borrower.

- Minimum – P300,000.00
- Maximum – P2,000,000.00

**Interest Rate:**

- Short Term Loan and Term Loan – 7.5% per annum fixed for the duration of the loan.

**Term Loan/Loan Repayment:**

- Short Term – maximum of 1 year
- Term Loan – based on cash flow but not to exceed 7 years, inclusive of maximum of 2 years grace period.

**Processing Requirements:**

- Certification from OWWA that the borrower is a bonafide overseas worker and has completed Enterprise Development Training
- A business plan on the specific project that will generate income for the OFW and his/her family
- Certificate of Registration with DTI
- Bio-data of applicant
- Mayor's Permit

**Processing Requirements:**

- Income Tax Return (last 3 years), if applicable
- Financial Statements (last 3 years, BIR-filed), if applicable
- Latest Interim Financial Statement if applicable
- Statement of Assets and Liabilities

Contact Details:



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## Programs Management Department II

Phone: (632) 522.0000 • 551.2200 local 7640

Telefax: (632) 528.8541

E-mail: [edeguzman@mail.landbank.com](mailto:edeguzman@mail.landbank.com)

## DIRECTORY OF LANDBANK LENDING UNITS FOR SME Loan Inquiries

Lending Center	Address	Email Address	Telephone Numbers	Fax Line
<b>Northern and Central Luzon Lending Group * /</b>				
La Union LC	2nd Floor LANDBANK Building, Quezon Ave., San Fernando City, La Union	luilc_reg1@yahoo.co	(072) 607-2576 (SEC) (072) 607-8429	(072) 607-2584 (072) 607-2576
Ilocos Sur LC	2nd Floor Plaza Maestro Complex, Florentino St., Vigan City, Ilocos Sur	ilocosurlc@gmail.co	(077)722-2621 604-0455	(077)604-0442
Pangasinan LC	2nd floor, LANDBANK Bldg., AB Fernandez Avenue, Dagupan City, Pangasinan	plcreg1@yahoo.com	(075) 656 2019 (SEC)	(075) 656 2013 (telefax)
Cagayan LC	LANDBANK Bldg., Bagay Road, Brgy. San Gabriel, Tuguegarao City, Cagayan	cagayan_lc@yahoo.c	(078) 846-4534 (SEC) (078) 846-2910 09178319334	(078) 846-2910 (telefax)
Isabela LC	Heritage Commercial Complex, Maharlika Rd., Santiago City, Isabela	lbpisabelalc@yahoo.	(078) 305-2605 (078) 305-3199 (SEC) 09175317453 09328629580 09088996114	(078) 682-5933 (telefax)
Nueva Vizcaya LC	2nd floor Galima Bldg., Poblacion South, Solano, Nueva Vizcaya	nuevavizcayalc@yah	(078)-392-0581 (SEC) 0998-973-7973	078-392-0581 (telefax)
Nueva Ecija LC	LANDBANK Bldg., cor. Gabaldon & Gen. Tinio Sts., Cabanatuan City, Nueva Ecija	lbpncl@yahoo.com.	(044) 463-1803 (044) 940-1718 (SEC) 940-8573	(044) 600-1835 (044) 463-1803

<b>Lending Center</b>	<b>Address</b>	<b>Email Address</b>	<b>Telephone Numbers</b>	<b>Fax Line</b>
Tarlac LC	LANDBANK Bldg., Mac Arthur Hi-way, San Sebastian, Tarlac City	tarlalc@yahoo.com	(045) 923-1407 923-1406 (SEC)	(045) 923-1407 (telefax)
Pampanga LC	3F LANDBANK Bldg., Jose Abad Santos Avenue, Dolores, City of San Fernando, Pampanga	pampangalendingcenter	(045) 963-6678 (SEC) 961-2186	(045) 963-9876
Bulacan LC	LANDBANK Bldg., Sumapang Matanda, McArthur Highway, Malolos City, Bulacan	bulacanlendingcenter	(044) 662-4126 (044) 796-1301 (SEC)	(044) 662-7499 (044) 796 0412
Bataan LC	LANDBANK Bldg., DAR Compound, San Ramon Highway, Dinalupihan, Bataan	bataanlendingcenter	(047) 633-2790 (SEC)	(047) 636-1268 or (047)633-2790 (telefax)
<b>Southern Luzon Lending Group */</b>				
Rizal LC	2nd Floor Ortigas Royale Condominium, Ortigas Avenue Extension, Cainta Rizal	rizallending@yahoo.com	655-4449 (SEC) 656-9535 240-5001 240-5202	655-4449
Cavite LC	2nd Floor, Virginia Mansion-NVCP Bldg., Aguinaldo Highway, Brgy. Zone 4, Dasmariñas City, Cavite	lbp_cavite_lc@yahoo.com.ph / lc_cavite@mail.landbank.com	(046) 416-5048 (SEC/Boss Jesse) (046) 416-1146 (Telefax) (046) 416-1241 / 1249 (046)416-5237	(046) 416-1146
Laguna LC	4th Floor, LANDBANK Building, Silangan Road, UP Los Baños Campus, Los Baños, Laguna	lagunalc@yahoo.com	(049)536-6349 (SEC) 827-4328	(049) 536-6459 (049) 536-6359

<b>Lending Center</b>	<b>Address</b>	<b>Email Address</b>	<b>Telephone Numbers</b>	<b>Fax Line</b>
Batangas LC	2nd Floor LANDBANK Building, Pres. Laurel Highway, Marauoy, Lipa City, Batangas	batangasl@yaho.c	(043) 756-0909 (SEC) (043) 981-0141	(043) 756-0909
Quezon LC	2nd flr., LBP Building, Quezon Avenue Ext., Barangay Gulang-Gulang, Lucena City	quezonlendingcenter	(042) 7972744 (SEC) (042) 797 2373 (042) 799 0990 (042) 797-0990	(042)7972442
Oriental Mindoro	FRDC Bldg., Brgy. Sto. Nino, Calapan City Oriental Mindoro	mindorolc@yaho.c	(043)288-2472(SEC)	(043) 288-2327
Occidental Mindoro	Punzalan Building, Quirino St., Brgy. 6, San Jose, Occidental Mindoro	lbp_occmdolc@yaho	(043) 491 - 4306	
Palawan LC	2nd Floor, Hagedorn Bldg., Rizal Ave., Puerto Princesa City, Palawan	palawan_lc@yaho.c	(048) 433-8092 (SEC)	(048) 433-2573
Camarines LC	2/f LBP Building, Panganiban Drive cor. Magsaysay Ave., Naga City	lbp_nagalc@yaho.c	(054) 473-3264 (SEC) (054) 473-2047	(054) 473-7924

**Visayas Lending Group \*/**

<b>Lending Center</b>	<b>Address</b>	<b>Email Address</b>	<b>Telephone Numbers</b>	<b>Fax Line</b>
Iloilo LC	3rd Flr. LANDBANK Bldg., Iznart cor. Solis Sts., Iloilo City, Iloilo	lbpiolc@yahoo.com.ph	(033) 336 0391 (SEC) (033) 300 0507 (033) 337 6368 (033) 5098913	(033) 336 9870
Negros Occidental	2nd Floor LANDBANK Building, Cottage Road cor. Gatuslao Street, Bacolod City, Negros Occidental	negoccl@yahoo.com	(034) 435 0144 (SEC) (034) 435 0145 (034) 707 6896	(034) 435 1107
Cebu LC	LANDBANK Building, Osmeña Blvd., cor. P. del Rosario St., Cebu City	lbpcbulc@yahoo.com	(032) 416 8011 (032) 253 2273 (SEC) (032) 255 3720 (032) 416 7698 (032) 254 3842 (032) 416 5098 (032) 416 8008	(032) 255 4962 (032) 255 3720 (032) 416 7698
Bohol LC	Bohol Provincial Capitol Complex, J.S. Torralba cor. C. Marapao Streets, Tagbilaran City, Bohol	lbohollc@yahoo.com	(038) 411 5235 (SEC) (038) 235 3129	(038) 501 9968
Negros Oriental	NORECO II Building, cor. Real and San Juan Sts., Dumaguete City, Negros Oriental	lbpnorslc@yahoo.com	(035) 225 0969 (035) 422 9548	(035) 422 5623
Leyte LC	2nd Floor LBP Bldg., Sagkahan St., Tacloban City	lbptaclc@yahoo.com	(053) 832 0962 (053) 321 6795 (053) 832 7754 (053) 561 3923	(053) 321 6794 (053) 321 3245
Samar LC	MRCR Bldg., Umbria St., cor. Rosales Blvd., Calbayog City Western Samar	lbpsamarlc@yahoo.com	(055) 533 - 8455	

<b>Mindanao Lending Group */</b>				
<b>Lending Center</b>	<b>Address</b>	<b>Email Address</b>	<b>Telephone Numbers</b>	<b>Fax Line</b>
Zamboanga del Norte LC	2nd Floor FSA Building, ABC Compound Quezon Ave., Dipolog City, Zamboanga del Norte	lbpzanc@gmail.com	(065) 212 3233 (065) 212 8068 (SEC)	(065) 212 8067
Zamboanga del Sur LC	Lower Ground Floor, LANDBANK Bldg., Gov. VM Cerilles St., Pagadian City, Zamboanga del Sur	lbpzambosur@gmail.com or lbpzambosur@yahoo.com	(062) 214 - 1590	
Zamboanga City	2nd Floor LANDBANK Building, F. Marcos cor. Valderosa Sts., Pettit Barracks, Zamboanga City, Zamboanga del Sur	lbpzambolc@gmail.com	(062) 991 3321 (062) 990 2365 (SEC) (062) 991 0494 (062) 992 6702	(062) 992 6702
Bukidnon LC	2/F LBP Building, Fortich St., Malaybalay City, Bukidnon	lbpbuklc@yahoo.com	(088) 813 4500 (SEC) (088) 813 3225 (088) 813 4500 (088) 813 4724	(088) 813 4500
Cagayan de Oro	2nd Flr. Boy Scout of the Phils., Green Tower Bldg., Velez & Luna Streets, Cagayan de Oro City, Misamis Oriental	landbankcdolc@gmail.com	(088) 856 5417 (SEC)	(088) 856 4968
Agusan del Norte	2nd Floor Onghoc Bldg., Montilla Blvd., Butuan City, Agusan del Norte	butuanlc@landbank.ph bayandsl.ph agusandelnortelc@gmail.com	(085) 341 4583 (SEC) (085) 815 6181 (085) 225 2050 (085) 341 5427	(085) 341 5427

Lending Center	Address	Email Address	Telephone Numbers	Fax Line
Davao LC	2nd Floor RDL Bldg., F. Torres St., Davao City	lbpdicxi@yahoo.com	(082) 224 5843 (SEC) (082) 225 0005 (082) 221 7080 (LAU)	(082) 221-5351
North Cotabato LC	2nd Floor LANDBANK Building, Quezon Avenue corner Alim Street, Kidapawan City	lbpcotab2lc@yahoo.com lbpkidlend@kidapawan.mozcom.com	(064) 577-4341 (SEC) (064) 577-3415	(064) 577-4341 (telefax)
South Cotabato LC	2nd Floor LANDBANK Building, Aquino Street corner J. Abad Santos St., Koronadal City	koronadal.lending@yahoo.com	(083) 228 9103 (SEC) (083) 228 8155 (083) 228 2663 (083) 228 3760	(083) 228 9103
General Santos LC	2nd flr, Vensu Bldg., National Highway, General Santos City, South Cotabato	gensan.lending@gmail.com	(083) 250 1093 (083) 302 2040 (SEC)	(083)302-2040
<b>Retail and Mid-Market Lending Group **/</b>				
SME-Mid-Market Lending Department I and II	18th Floor M.H. del Pilar corner Dr. J. Quintos Streets, Malate, Manila	<a href="mailto:NLSD@MAIL.LANDBANK.COM">NLSD@MAIL.LANDBANK.COM</a>	(02) 405-7431 (02) 405-7148 (02) 551-2200 locals 2468, 2131, 2130, 2797, 2365, 2449	(02) 528-8599 (02) 528-8503
<b>* / For provincial loan inquiries, interested parties may be referred to the indicated Lending Groups.</b>				
<b>** / For Metro Manila loan inquiries, interested parties may be referred to the indicated Lending Group.</b>				

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**OPPORTUNITY KAUSWAGAN BANK, INC.**  
A & L Building, E. Lopez Street, Jaro, Iloilo City

**Program Title: MICRO, SMALL & MEDIUM ENTERPRISES  
DEVELOPMENT LENDING PROGRAM (SMED)**

**Program Objective:** A lending program for mainstreaming micro financing clients, micro, small and medium enterprises, open to individuals, partnerships, corporations and cooperatives for purposes of export financing, credit line, permanent working capital requirements and fixed asset acquisition (purchase of equipment, lot and inventories, building construction) and refinancing.

**Eligible Borrowers:**

**General:**

- Individuals between 21-60 years old during the time of application
- With decent, legal and stable source of income
- Residing in present address for at least 3 years. Residence must be within the bank's service area.
- No adverse credit findings and without any history of past due loans
- In good health and insurable
- No previous or pending court cases
- Not included in the Bank's client negative list

**MSMEs (Individuals, Partnerships, Corporations and Cooperatives):**

- MSMEs that are at least 100% Filipino owned for single proprietorship or partnership, cooperatives and 60% if a corporation.
- MSMEs that within major sectors of the economy: Industry, services, practice of profession, tourism related establishments, agri-business.
- MSME with an asset size of less P3,000,001 and not more than P100,000,000.
- MSMEs must be duly registered with appropriate government agencies.
- At least three (3) year track record for existing MSMEs and one (1) year track record for start-up capital for newly established micro and small enterprises.
- MSMEs under a franchise agreement or franchisee.
- MSMEs owned by Individuals, Partnerships, Corporations and Cooperatives.
- BMBE (Barangay Micro Business Enterprises).

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Note: MSMEs covered must not be a branch, subsidiary or division of a large scale enterprise. MSMEs must not be engaged in: Farm level crop, livestock and aqua/aqua production; purely trading of imported goods; vice generating activities such as liquor, cigarettes extractive activities and housing projects.

**Loan Purposes:**

- For fixed assets financing: covers acquisition of fixed assets (equipment or motor vehicle acquisition; lot acquisition (limited to 25% of the total loan) and building construction and improvements.
- For small and permanent working capital: covers permanent working capital to finance the receivables and/or inventory and soft or intangible investments such as: trade fair participation; pre-operating expenses for expansion project; training; rental deposit; IT software packages; franchise development packages and others.
- For loan refinancing: covers any same of the above stated loan purposes from other banks and other financial institutions.

**Terms/Requirements:**

***Loan Amount:***

Over P150,000.00; Maximum P10,000,000.00 (SBL)

***Interest Rate:***

16%-18% per annum

***Maturity / Repayment:***

- One (1) year to five (5) years
- Monthly (amortized)

***Security:***

Real Estate; Chattel of Motor Vehicles; Serialized Equipment and other Acceptable Securities.

***Requirements:***

- Application Form
- Co-Maker's Statement
- Xerox Copy of Tax Identification Number (T.I.N.), Driver's License, Passport, SSS ID, PRC ID, Postal ID and any valid ID's issued by the government, any two (2) valid ID
- Two (2) pieces 2" x 2" ID pictures of the borrower, spouse and co-borrower
- Original Court Clearance
- Machine copy of Income Tax Returns and Audited Financial Statements (Balance Sheet, Income Statement and Cash Flow Statement) for the last three (3) years for existing MSMEs and at least one (1) year for start-up MSMEs.



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- Bank Statements for the last six (6) months
  - Machine copy of DTI Certificate of Registration, Mayor's Permit/NFA License/Contractor's License
  - For Real Estate:
    - Machine copy of Certificate of Title certified (all pages) by the Registry of Deeds
    - Location and Vicinity Map signed and sealed by a Geodetic Engineer
    - Machine copy of Tax Declaration
    - Real Estate Tax Receipts and Tax Clearance
  - For Chattels:
    - Machine copy of LTO Certificate of Registration
    - Machine copy of LTO Official Receipt
    - 3 sets of Stencils of Engine and Chassis Number
  - Project study or detailed business plan (for new projects and for expansion of existing project)
  - Projected Income Statement, Balance Sheet and Cash Flow Statement with basic assumptions for the term of the loan
  - Evidence/Affidavit of ownership of existing machinery/ies and equipment.
  - Building Plan, Bill of Materials, Cost Estimates specifications of proposed improvements and building permits
  - Price quotations and catalogs of machineries and equipment to be acquired
  - Conditional Contract to sell for property/ies to be acquired
  - Brief history of the business, partnership, cooperative and corporation

***Additional Requirements for Partnerships, Corporations and Cooperatives:***

- Notarized Board Resolution authorizing the management and its officers to obtain loan from the Bank and designating authorized officers as signatories
- Duly accomplished Basic Information Sheet
- Articles of Partnership and SEC Registration
- Bio-data of Board Members and Key Officers
- Notarized list of current Board Members, Key Officers, and current principal stockholders with their citizenship certified by Corporate Secretary
- Machine copy of Articles of Incorporation and By-Laws and SEC Certificate of Registration
- Machine copy of CDA Certificate of Registration, Articles of Cooperation and By-Laws
- Certified list of active members as of latest date, indicating each one's share in the cooperative's paid-up capital
- Latest Interim Financial Statements

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Contact Details:

**Mr. Angel L. de Leon, Jr.,** President and CEO

Phone: (6333) 320.4887

Fax: (6333) 320.8347

E-mail: kbankho@yahoo.com; okbankpres@yahoo.com

URL: www.omb.org.ph

**Branches:**

<b>LUZON</b>	Antipolo City, Rizal Telephone: (02) 630.0165
	Valenzuela City (LCDP) Telephone: (02) 293.6331
	Bagong Silang, Quezon City (LCDP) Telephone: (02) 962.9069
	Sapang Palay, Bulacan (LCDP) Telephone: (044) 691.5450
	Fairview, Quezon City (LCDP) Telephone: (02) 431.4452
	Lower Caloocan, Caloocan City (LCDP) Telephone: (02) 367.5349
<b>VISAYAS</b>	
Western	Jaro, Iloilo City Telephone: (033) 320.5831
	Leon, Iloilo (OBO) Telephone: (033) 331.0067
	Miag-ao, Iloilo (OBO) Telephone: (033) 315.9973
	Roxas City, Roxas Telephone: (036) 621.1908
	San Jose, Antique Telephone: (036) 540.7136
Central	Sigma, Roxas Telephone: (036) 647.0578
	Kalibo, Aklan Telephone: (036) 500.8839
	Minglanilla, Cebu Telephone: (032) 273.7468
	Car-car, Cebu (OBO) Telephone: (032) 487.9095
	Tagbilaran City, Bohol Telephone: (038) 411.5776
	Ubay, Bohol Telephone: (038) 331.1304
	Tubigon, Bohol (OBO) Telephone: (038) 508.8503
	Tacloban City, Leyte Telephone: (053) 325.4100
	Carigara, Leyte (OBO) Telephone: (053) 331.1116
	Ormoc City, Leyte Telephone: (053) 561.0885
Eastern	Calbayog City, Samar Telephone: (055) 209.2566

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**PHILIPPINE BUSINESS FOR SOCIAL PROGRESS (PBSP)**

Philippine Social Development Center

Magallanes corner Real Streets, Intramuros, Manila

**Program Title: SMALL AND MEDIUM ENTERPRISE CREDIT PROGRAM (SMEC)**

**Program Goal:** To contribute to poverty reduction by providing micro, small and medium enterprises (MSMEs) with access to financing and business development services to enable them to grow, generate jobs and provide income opportunities for men and women.

**Program Objectives:**

- Increase MSME and microfinance loan portfolio of SMEC-accredited intermediary financial institutions (IFIs) such as Rural Banks and Thrift Banks and Microfinance Institutions (MFIs).
- Enhance the institutional capacity of accredited IFIs and MFIs to deliver credit.

**Qualifications of MSME Sub-borrowers:** MSMEs can avail of the loan from SMEC-accredited IFIs if they meet the following qualifications:

- The principal owner is a citizen or permanent legal resident of the Philippines;
- Duly registered business organization which is at least 60% owned by Philippine nationals;
- Have their principal place of business in the Philippines;
- Must be 100% privately-owned with total assets of not more than P15 million at the time the loan is granted.

**Loan Purposes:** Loan funds may be used for:

- Starting a new business or expanding an existing business
- Acquiring fixed assets such as land, building and machinery
- Upgrading of facilities or equipment, or adoption of cleaner technology
- For services such as equipment installation
- Working capital

**Loan Amount, Interest, Repayment Terms and Security:** Subject to discussion/negotiation by the MSME sub-borrower with the IFI/MFI.

Contact Details:

**The Director**

Phone: (632) 527.7741 to 48

Telefax: (632) 527.3751

E-mail: [pbsp@pbsp.org.ph](mailto:pbsp@pbsp.org.ph)

URL: [www.pbsp.org.ph](http://www.pbsp.org.ph)

## **DIRECT LENDING PROGRAMS (DLP)**

### **Program Title: SHORT TERM – DIRECT LENDING PROGRAM (ST-DLP)**

**Program Objective:** To extend short-term loans to direct and indirect exporters, firms involved in priority projects of the National Government and import substitution industries.

#### **Eligible Borrowers:**

##### *Experience Requirements*

- Direct Exporter
  - With Minimum export volume of US \$100,000.00 or its equivalent within the last six months prior to application
  - Profitable operations for the last 2 years
- Indirect Exporter
  - Indirectly exporting in the immediately preceding year; and,
  - Profitable operations for the last 2 years.

##### *Credit Record*

- No substantial derogatory record on firm, its principals and officers;
- Satisfactory credit performance;

##### *Financial Standing*

- Maximum debt to equity ratio at 4:1 after financing
- Increasing trend in ROA and ROE

#### **Types of Credit Accommodation:**

- Transactional and/or Revolving Line

#### **Terms/Requirements:**

##### ***Loan Amount:***

- 80% of the value of the L/C, CPO, CSC and/or export bills provided maximum amount will not exceed P20.0M.
- For indirect exporters, 80% of the value of the receivable from the exporter provided maximum amount will not exceed P20.0M

##### ***Interest Rate:***

Applicable Base Lending Rate plus Spread

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***Tenor of Credit Accommodation:***

180 days PN extendible provided that shipment date and/or expiry of LC/CPO is extended but not beyond 360 days.

***Minimum Collaterals Required:***

- Real Estate Mortgage/Chattel Mortgage and/or
- Other acceptable collaterals

***Processing Fee:***

One-fourth (1/4) of 1% of approved loan amount plus gross receipt tax (GRT) which may be deducted from the loan proceeds

***Taxes:***

Applicable taxes for account of the borrower

***Conduit Banks:***

Conduit banks of PhilEXIM shall assist in the implementation of the program by extending the following international trade services to clients/accounts referred by PhilEXIM:

- Opening of import letters of credit; and
- Negotiation of export documents.

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**Program Title: MEDIUM AND LONG TERM – DIRECT LENDING PROGRAM (MLT-DLP)**

**Program Objective:** Medium and long term loans to direct and indirect exporters and firms involved in priority projects of the National Government and import substitution industries.

**Business Experience:** Profitable operations for the last 2 years.

***Loan Purposes:***

- Capital Expenditure (CAPEX) inclusive of land acquisition
- Permanent working capital

***Terms/Requirements:******Loan Amount:***

Up to P50 million but not more than 30% for land acquisition

***Interest Rate:***

Applicable Base Lending rate plus spread

***Maturity / Repayment:***

Principal and interest payable in arrears, quarterly or semi-annually

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**Collateral:**

Project assets and any acceptable collateral

**Processing Fee:**

One-fourth (1/4) of 1% of the approved amount plus gross receipt tax (GRT) which may be deducted from the loan proceeds.

**Conduit Banks:** Conduit banks of PhilEXIM shall assist in the implementation of the program by extending the following international trade services to clients/accounts referred by PhilEXIM:

- Opening of import letters of credit; and
- Negotiation of export documents.

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**Program Title: SME UNIFIED LENDING OPPORTUNITIES FOR NATIONAL GROWTH (SULONG)**

**Program Objective:** The program is a financing strategy collaborated by PhilEXIM and other government financial institutions (GFIs) to provide SMEs access to financing under a uniform lending structure.

**Loan Purpose:**

- Short-term Loans
  - Export Financing – for export packing credit
  - Revolving Credit Line – for temporary working capital
- Long-term Loans – for purchase of equipment, building construction, purchase of lot, purchase of inventories

**Eligible Enterprises:** At least 60% Filipino-owned whose assets are not more than P100 Million, excluding the value of the land, or subject to ownership rules as defined under existing Philippine laws for specific industries.

**Terms/Requirements:**

**Loan Limits:** 70% of the value of LC/PO; maximum of P5.0 Million

**Interest Rate:** SULONG lending rate; repriced quarterly by the SULONG Finance Committee.

**Maturity/Repayment:** Maximum of one (1) year

**Security/Collateral:**

- Postdated Check
- Registered/unregistered Real Estate Mortgage/Chattel Mortgage

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- Assignment of LC or CPO or life insurance
  - Guarantee cover (if franchise)
  - Assignment of lease rights (if franchise)

**Evaluation and Service Fees:** P2,000 for every P1.0 Million plus front-end fee of ½ of 1% of approved loan for both Short and Long-term loans.

**Program Title: WHOLESALE DIRECT LENDING PROGRAM**

**Program Objectives:** Short term loan and capability building assistance to SME Export Sector.

**Mode of Credit Delivery:** Funds to accredited partner-borrower for relending to its member exporters/clients.

**Eligible Borrowers/Conduits:**

- Financial Institutions – BSP accredited financial institution
- Exporter Association –
  - Duly registered with SEC/CDA with at least (two) 2 years in operation
  - Debt to equity ratio of 5:1
  - Well managed records, accounting and internal control systems, including:
    - Membership directory of at least ten (10) active members
    - Written policies
    - Board resolutions
  - With good leadership
  - Available to direct and indirect exporters
  - With at least 85% membership fee collection rate

**Eligible End-Borrowers:**

- Direct Exporters – any entity that earns foreign exchange revenues
- Indirect Exporters – supply chain of direct exporters

**Types of Credit Facility and Purposes:**

- For Financial Institutions Group
  - One year revolving credit line – for short-term working capital requirements
  - Two to three years medium term loan – for permanent working capital and equipment acquisition
  - Five-year long term loan – for fixed asset acquisition and improvement
- For Exporters Organizations Group
  - One year revolving credit line – for the following purposes:

- check rediscounting to finance POs and LCs of end-borrower/member
  - acquisition of small equipment and tools needed in operations
  - acquisition of common service facility (machinery or equipment) to be leased out to subcontractors on per job order basis to ensure standard quality outputs, maximize productivity and lower production cost
  - improvement of workplace, storage or warehouse facility
  - advertisement and promotion design, packaging and other quality maintenance and upgrading costs
  - participation of member exporters in local and international trade shows
- Subject to 2 years very satisfactory performance of check rediscounting facility and established policies and systems in place, the medium and long term loans may also be granted.

### **Terms/Requirements:**

#### ***Credit Limit:***

- Financial Institutions
  - Minimum: P10 Million
  - Maximum: P50 Million
- Exporters Organizations
  - Minimum: P10 Million
  - Maximum: P50 Million
- Single borrower's limit (SBL) for end borrower
  - P2.5 Million

#### ***Financing Charges for One Year Revolving Credit Line:***

Interest Rate	PDST-F rate plus applicable spread
Handling Fee	P10,000 payable upfront
Service Fee	P5,000 for every availment
Out-of-pocket	Actual
Expenses	Principal – One time payment based on maximum one (1) year Promissory Note
Repayment Terms	Interest - discounted

***Maturity / Repayment:*** One-time payment of principal

#### ***Security/Collateral:***

- REM, CHM and other acceptable collaterals
- Partner-borrower may require other collaterals



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## **GUARANTEE PROGRAMS**

### **Program Title: WHOLESALE GUARANTEE FOR SMEs**

**Program Objectives:** Guarantees on existing loan portfolios to direct and indirect SME exporters.

**Business Experience:**

- Direct Exporters
- Indirect Exporters

**Credit Facilities and Purposes:**

- One (1) year Revolving Credit Line for short term working capital requirements

**Guarantee Coverage:** Up to 90% of the portfolio enrolled

**Conduits:** Financial Institutions

**Criteria of Conduits:**

- Latest BSP CAMELS (Capital, Assets, Management, Earnings, Liquidity and Sensitivity) rating at least 3
- NPL (Non-Performing Loan) and Net NPL Ratio (average for the last three (3) years should not be higher than industry average

**Terms/Requirements:**

***Portfolio Requirement:***

- At least P50 million but not to exceed P200 Million per conduit
- Loans classified as current for the last 6 months

***Maximum Amount/Borrower:*** P20 Million

***Terms:*** Fixed or Revolving

***Interest Rate:*** Applicable Base Lending rate plus spread

***Collateral:*** All collaterals acceptable to the conduits

***Fees:***

- Processing Fee (for renewal):  
One-Eight (1/8) of 1% payable upon approval of renewal of portfolio enrolled, computed based on the guaranteed amount of the portfolio plus GRT.
- Application/Enrollment Fee:  
P100,000 plus GRT, payable up-front upon application, non-refundable

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- **Guarantee Fee:**  
To be determined based on default rate of conduit
  - **Amendment or Extension Fee:**  
P5,000 plus GRT per amendment

**Out of Pocket Expenses:** For account of the applicant as billed

**Taxes:** Applicable taxes for account of the borrower

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**Program Title: GUARANTEE PROGRAM FOR SMEs**

**Program Objectives:** Guarantees on short term loans to direct and indirect exporters, firms involved in priority projects of the government and import substitution industries.

**Business Experience:**

- Any entity, enterprise or corporation organized or licensed to engage in business in the Philippines.
- Profitable operations for the last two years.

**Credit Facilities and Purposes:** Working capital, such as but not limited to:

- Receivables financing
- Inventory financing
- Supplier's credit whether domestic or imported
- Discounting of drafts drawn against buyers

**Guarantee Coverage:** Up to 90% of the portfolio enrolled

**Terms/Requirements:**

***Tenor of Credit Accommodation:***

- 180 days PN extendible provided that shipment date and/or expiry of LC/CPO is extended but not beyond 360 days.

***Debt to Equity Ratio:***

- 4:1 Maximum (after financing)
- Minimum networth – P500,000

***Loan Amount:*** P20 Million

***Terms:*** Fixed or Revolving

***Collateral:***

- Real Estate Mortgage/Chattel Mortgage
- Other acceptable collaterals

***Fees:***

- **Application Fee:**  
P10,000 plus GRT payable up-front upon application, non-refundable
  - **Processing Fee:**  
¼ of 1% of the guaranteed amount plus GRT, payable upon receipt of Notice of Approval
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- Guarantee Fee:  
Maximum of 2.5% per annum plus GRT
  - Amendment or Extension Fee:  
P5,000 plus GRT per amendment or extension

**Out-of-Pocket Expenses:**

For account of the applicant/funder as billed

**Taxes:** Applicable taxes for account of the borrower

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**TRADE CREDIT INSURANCE PROGRAM**

**Program Title: EXPORT CREDIT INSURANCE PROGRAM**

**Program Objectives:**

Provides insurance coverage to exporters against the risk of non-payment by foreign buyers of export shipments on credit arising from political or commercial risks.

Contact Details:

**Asset Management Sector** - Atty. Ma. Rosario Manalang-Demigillo  
**SME Department** Vice President Alex C. Arabis  
Tel. Nos.: (632) 885.4700 or 893.4809

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**PHILIPPINE NATIONAL BANK (PNB)**

PNB Financial Center, Roxas Boulevard, Pasay City

**Program Title: KABUHAYAN FRANCHISE LOAN**

**Program Objective:** To provide financial support to eligible new and existing franchise businesses.

**Eligible Borrowers:**

- Individuals (not more than 65 yrs. old) with stable and verifiable source of income
- Sole Proprietors / Partnerships / Corporations

**Loan Purposes:**

- Acquire new franchise business (franchise fee, store construction, purchase of equipment, furniture and fixtures, signage, operating expenses, etc.)
- Finance expansion, store renovation, upgrading of equipment, furniture and fixtures, operating expenses, etc. of existing franchise business

**Terms/Requirements:**

**Loan Amount:** PhP500,0000 - PhP10,000,000

**Term:** Minimum 1 year – Maximum of 5 years

**Repayment:**

- Monthly payments covering interest plus principal using post-dated checks or auto-debit arrangement
- Up to one (1) year grace period on principal payment (subject to evaluation)

**Security:**

- Real Estate properties (residential, commercial, industrial)
- Hold out on deposits

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**Program Title: SMALL BUSINESS LOAN (SBL)**

**Program Objective:** To provide financial support to eligible local entrepreneurs nationwide.

**Eligible Borrowers:** Sole Proprietors/Partnerships/Corporations whose business must be operating profitably for the past three (3) years.

**Loan Purposes:**

- Working Capital to finance receivables and inventory build-up, and day-to-day business expenditures;
- Upgrading or acquisition of machineries and equipment; and
- Acquisition, expansion or modernization of plant or office facilities.

**Terms/Requirements:**

**Loan Amount:** PhP500,000.00 to PhP10,000,000.00

**Term:** Minimum 1 year – Maximum of 5 years

**Repayment:** Monthly payments covering interest plus principal using postdated checks or auto-debit arrangement.

**Security:**

- Real Estate: (residential, commercial, industrial)
- Hold out on deposits

**Contact Details:**

<b>For Metro Manila Inquiries</b>	<b>For Provincial Inquiries</b>
Mr. Rolando Rohel r. Briones/ Ms. Maricris D. Ybera Tel. No.: (02) 526.3323 / (02) 573-4443/ (02) 573-4564 Fax No.: (02) 573.4316	Ms. Ma. Rita Pueyo / Mr. Jahil Macapagal Tel. No.: (02) 551.4167 / (02) 526-3384 Fax No.: (02) 526.3410

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**SMALL BUSINESS CORPORATION**

(Small Business Guarantee and Finance Corporation)  
17th & 18th Floors, 139 Corporate Centre, Valero Street  
Salcedo Village, Makati City

**DIRECT LENDING PROGRAMS****Program Title: TRADE FAIR AND INVENTORY BUILD-UP LOAN FUND**

**Purpose:** To finance MSMEs participating in local and international trade fairs for inventory build-up, space/booth rental and shipment cost.

**Eligibility Requirements:**

- Duly registered as an enterprise with DTI/SEC
- At least 1 year business track record as an MSME
- BRR score of 5. Scoring can be based on simplified financial estimation/validation by SBCorp AO
- Debt Servicing Capacity of at least 1.5

***Terms and Requirements:******Loan Amount:***

- Local Trade Fair – up to P500K
- Int'l Trade Fair – higher amount

Not to exceed 80% of the total estimated project cost

***Repayment Term:*** 8 to 12 months

***Interest Rate:*** 10% p.a.

***Mode of Payment:***

Through Post Dated Checks

***Implementation:***

Loan facility to be released at least two months prior to the trade fair schedule and payable 6 months after the actual trade fair.

**Specific Documentation:**

- DTI-CITEM approval to participate

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**Common Documentary Requirements:**

- Duly filled-out SBCorp Application Form and notarized Client Information Sheet
  - DTI/SEC Business Registration
  - Latest 1-year financial estimation (Income Statement and Balance Sheet) validated by SBCorp AO
  - Project visit with call report by SBCorp
  - Proof of Billing (residence and business)
- 

**Program Title: FOOD AND DRUGS AUTHORITY (FDA)  
LICENSING AND PRODUCTION SITE  
COMPLIANCE LOAN FUND**

**Purpose:** To finance the cost of licensing (direct and overhead cost) and physical assets or improvements to be acquired by the MSME in order to be granted the license.

**Eligibility Requirements:**

- Duly registered as an enterprise with DTI/SEC
- At least 1 year business track record as an MSME
- BRR score of 5. Scoring can be based on simplified financial estimation/validation by SBCorp AO
- Debt Servicing Capacity of at least 1.5

**Terms and Requirements:****Loan Limit:**

- Up to P2.0MM but not to exceed 80% of the total estimated project cost

**Repayment Term:** up to 36 months

**Interest Rate:** 10% to 12 % p.a.

**Mode of Payment**

Through Post Dated Checks

**Implementation:**

The license issued to the MSME shall be a post release requirement.

**Specific Documentation:**

Duly received FDA application inclusive of the technical/production construction/structure of the business.

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**Common Documentary Requirements:**

- Duly filled-out SBCorp Application Form and notarized Client Information Sheet
  - DTI/SEC Business Registration
  - Latest 1-year financial estimation (Income Statement and Balance Sheet) validated by SBCorp AO
  - Project visit with call report by SBCorp
  - Proof of Billing (residence and business)
- 

**Program Title: PATENTS LICENSING AND INVENTORY BUILD-UP EQUITY FUND**

**Purpose:** To finance patent licensing cost and inventory build-up

**Eligibility Requirements:**

- Duly registered as an enterprise with DTI/SEC
- At least 1 year business track record as an MSME
- BRR score of 5. Scoring can be based on simplified financial estimation/validation by SBCorp AO
- Debt Servicing Capacity of at least 1.5

**Terms and Requirements:****Loan Amount:**

- Up to P1.0MM but not to exceed 80% of the total estimated project cost

**Repayment Term:** up to 36 months

**Interest Rate:** 10% to 12 % p.a.

**Mode of Payment:**

- Through Post Dated Checks

**Implementation:**

- Initial release shall be for patent application. Once the patent is granted, the second tranche may be released for the inventory build-up .

**Specific Documentation:**

- Proof of the patent application.



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**Common Documentary Requirements:**

- Duly filled-out SBCorp Application Form and notarized Client Information Sheet
  - DTI/SEC Business Registration
  - Latest 1-year financial estimation (Income Statement and Balance Sheet) validated by SBCorp AO
  - Project visit with call report by SBCorp
  - Proof of Billing (residence and business)
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**Program Title: COMMERCIALIZATION OF INNOVATION  
AWARDEES EQUITY FUND**

**Purpose:** To finance start-ups with outstanding product/service concepts

**Eligibility Requirements:**

- Duly registered as an enterprise with DTI/SEC
- The proponent has been given official recognition or awarded by an external organization with sufficient track record
- Debt Servicing Capacity of at least 1.5

**Terms and Requirements:****Loan Amount:**

- Up to P1.0MM but not to exceed 80% of the total estimated project cost

**Repayment Term:** up to 36 months

**Interest Rate:** 10% to 12 % p.a.

**Mode of Payment:**

- Through Post Dated Checks

**Specific Documentation:**

- Official recognition or award by an external organization (First up to third prize winners should be the pilot target of SBCorp).

**Common Documentary Requirements:**

- Duly filled-out SBCorp Application Form and notarized Client Information Sheet
  - DTI/SEC Business Registration
-

- 
- Latest 1-year financial estimation (Income Statement and Balance Sheet) validated by SBCorp AO
  - Project visit with call report by SBCorp
  - Proof of Billing (residence and business)
- 

### **Program Title: HALAL AND KOSHER CERTIFICATION LOAN FUND**

**Purpose:** To finance MSMEs engaged in food processing and are seeking certification of products for export to Muslim and Jewish territories.

**Eligibility Requirements:**

- Duly registered as an enterprise with DTI/SEC
- At least 1 year business track record as an MSME
- BRR score of 5. Scoring can be based on simplified financial estimation/validation by SBCorp AO
- Debt Servicing Capacity of at least 1.5

***Terms and Requirements:***

***Loan Amount:***

- Up to P200K per certification; or up to P1.0MM per borrower but not to exceed 80% of the total estimated project cost

***Repayment Term:*** up to 6 months

***Interest Rate:*** 10% p.a.

***Mode of Payment:***

- Through Post Dated Checks

***Implementation:***

- The certification issued to the MSME shall be a post release requirement.

**Specific Documentation:** Proof of application for certification

**Common Documentary Requirements:**

- Duly filled-out SBCorp Application Form and notarized Client Information Sheet
  - DTI/SEC Business Registration
-

- 
- Latest 1-year financial estimation (Income Statement and Balance Sheet) validated by SBCorp AO
  - Project visit with call report by SBCorp
  - Proof of Billing (residence and business)
- 

**Program Title: LOAN FUND FOR FARM DEVELOPMENT FOR POCKET FARMER-ENTREPRENEURS**

**Purpose:** To finance the production requirement for long gestating and/or non-traditional high value crops by farmer-entrepreneur and corporate employees.

**Eligibility Requirements:**

- Duly registered as an enterprise with DTI/SEC.
- Maximum of 3 hectares farm lot.
- BRR score of 5. Scoring can be based on simplified financial estimation/validation by SBCorp AO
- Debt Servicing Capacity of at least 1.5
- Farm lots owned by borrower and is covered by TCT/Tax Declaration shall secure the loan via registered REM. In cases when farm lot is leased, same may also qualify provided proof of lease on the pocket farm is presented. Crops to be financed are coffee beans, cacao beans, rubber, coconut by-products, high value organic and non-organic vegetables, strawberry, lemon, ginger, onion, garlic and other root crops, essential oils, commercial level flower gardening, honey production, horticulture or ornamental plants.
- Corporate employees are also qualified as borrowers. Their salary streams can serve as additional security to the loan.

**Terms and Requirements:**

**Loan Amount:**

- Up to P1.0MM but not to exceed 80% of the total estimated project cost

**Repayment Term:**

- 3 to 5 years exclusive of 3 years grace period of gestation

**Interest Rate:**

- Credit Line – 10% p.a.
- Term Loan w/o grace period – 11% p.a.
- Term Loan w/ grace period – 13% p.a.

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**Implementation:**

- Subject to project visits and loan tranching to ensure progress in the development of the farm.

**Specific Documentation:**

Proof of ownership or of lease of the pocket farm to be developed.

**Common Documentary Requirements:**

- Duly filled-out SBCorp Application Form and notarized Client Information Sheet
- DTI/SEC Business Registration
- Latest 1-year financial estimation (Income Statement and Balance Sheet) validated by SBCorp AO
- Project visit with call report by SBCorp
- Proof of Billing (residence and business)

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**Program Title: WORKING CAPITAL FINANCING  
(Financing of Receivables and/or Inventory)**

**Program Objectives:** A direct lending facility which aims to further address the working capital needs of small and medium enterprises (SMEs). This facility supports the enterprise's gapping of receivables and build-up of inventory.

**Minimum Borrower Qualifications:**

- Must be a Filipino-owned enterprise; in the case of corporation, must be at least 60% Filipino-owned;
- Must have an asset size of not less than P3 Million and not more than P100 Million, excluding the value of land;
- Must have at least one year positive business track record;
- The MSME industry involved should not be among the following exclusionary list of SBGFC:
  - Real estate development (SME contractors are qualified)
  - Pure traders of imported goods
  - Engaged in vice-generating operations
- Must have a BRR score of "5" or better per SBGFC evaluation.

**Loan Purpose:**

- Financing of receivables and/or inventory

**Terms/Requirements:****Loan Amount:**

- Minimum of P200 Thousand
- Maximum – based on repayment capacity of the business as assessed by SBC; up to 80% of receivables and up to 60% of inventory

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**Repayment Term:**

- One Year Revolving Credit Line
  - 12 to 18 months PN per drawdown, principal and interest payable in monthly or quarterly basis;
  - 180-day PN per drawdown, payable lump-sum at maturity with at least 20% partial payment on principal and remaining balance for re-PN: interest payable monthly or quarterly
  - In case of transactional PO or AR financing, PN maturity will depend on expected time of payment of buyer; principal and interest to be paid lump-sum at maturity
- Amortized Working Capital Loan
  - May be payable up to 3 years, to be amortized on monthly or quarterly basis

**Interest Rates: (Available upon request)**

- Fixed rate up to maturity of the loan, interest is computed based on diminishing balance
- Interest Rate setting is based on Borrower Risk Rating (BRR), collateral cover and term of the loan.

**Service Fees** (to be deducted from proceeds of the loan; no front-end fees):

- Evaluation Fee – ½ of 1% of approved loan but not less than P3,000
- Processing Fee – ½ of 1% of loan release
- Out-of-town processing fee
  - None for Metro Manila, Cebu and Davao
  - P2,000 for the CALABAR and Region 3 provinces
  - P4,000 or actual air fare for the rest of the country

**Security:**

- Assets to be financed by the loan (receivables, inventory and/or fixed assets)

*The presence of additional collateral external to the business will not assure the granting of loan and absence of such additional collateral will not be a reason for loan denial.*

*Total collateral cover, however, will impact on the pricing of loan.*

**Documentary Requirements:****Upon Loan Application:**

- Accomplished Business Loan Application Form with recent ID picture
- Notarized Client Information Sheet with fully accomplished Statement of Assets and Liabilities (for each of the major owners/officers)

- 
- Latest in-house financial statements (not more than one year old)
  - Latest ITR and BIR-filed financial statements
  - Business registration papers and business permit
  - Photocopy of sales documents to be financed
  - Location map of the project/business site
  - Proof of billing at residential and/or business address
  - List of suppliers, buyers and creditors with contact numbers
  - For corporations, Board Resolution to borrow and on signatories (and on mortgage, if applicable)
  - Certification on bank loans
  - Proof of ownership registration of the collateral properties offered to secure the loan
  - Location map of real estate collateral properties

**During Project Visit:**

- Accomplished SBGFC signature card, as facilitated by its Account Officer
- Prior years in-house financial statements, if business is more than one year old (prior two years FS for long existing companies)
- Breakdown of accounts receivables with aging schedule
- Proof of historical sales transactions to serve as support to sales validation
- Business contracts, if any
- Dated check of P4,000 to serve as commitment fee

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**Program Title: FIXED ASSET FINANCING**

(Amortized Term Loan for Asset Acquisition)

**Program Objectives:** A direct lending facility for domestic enterprises to sustain, expand or improve their business operations. Expansion projects may include fixed assets acquisition and construction or renovation of the project site facility.

**Minimum Borrower Qualifications:**

- Must be a Filipino-owned enterprise; in the case of corporation, must be at least 60% Filipino-owned;
  - Should have an asset size of not less than P500 Thousand and not more than P100 Million, excluding the value of land;
  - Must have at least one year positive business track record;
  - The MSME industry involved should not be among the following exclusionary list of SBGFC:
    - Real estate development (SME contractors are qualified)
    - Pure traders of imported goods
    - Engaged in vice-generating operations
  - Must have a BRR score of “5” or better per SBGFC evaluation.
-

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**Loan Purpose:**

- Fixed asset acquisition – equipment or motor vehicle acquisition; lot acquisition (limited to 25% of total loan)
- Building construction/improvement
- Refinancing of loans used for fixed asset acquisition (except for loans from other government financial institutions)

**Terms/Requirements:*****Loan Amount:***

- Minimum loan amount of P200 Thousand
- Maximum Loan Amount – based on repayment capacity of the business as assessed by SBC; may be up to 90% of total project cost

***Repayment:***

- Up to 5 years may be up to 7 years for big projects (a proposed project which is equal or higher than the borrower's asset is considered as "big").
- Repayment mode of monthly or quarterly.
- Grace period of up to 1 year on principal, but to be allowed only if the expansion project involves new product/service lines and/or new markets.

***Interest Rates: (Available upon request)***

- Fixed rate up to maturity of the loan; interest is computed based on diminishing balance.
- Interest rate setting is based on Borrower Risk Rating (BRR), collateral cover and term of the loan.

***Service Fees*** (to be deducted from proceeds of the loan; no front-end fees):

- Evaluation Fee – ½ of 1% of approved loan but not less than P3,000
- Processing Fee – ½ of 1% of loan release
- Out-of-town processing fee
  - None for Metro Manila, Cebu and Davao
  - P2,000 for the CALABAR and Region 3 provinces
  - P4,000 or actual air fare for the rest of the country

***Security:***

- Fixed assets to be financed by the loan must form part of the collateral.

***Documentary Requirements:******Upon Loan Application:***

- Accomplished Business Loan Application Form with recent ID picture
- Notarized Client Information Sheet with fully

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- accomplished Statement of Assets and Liabilities (for each of the major owners/officers)
- Latest in-house financial statements (not more than one year old)
  - Latest ITR and BIR-filed financial statements
  - Business registration papers and business permit
  - Location map of the project/business site
  - Proof of billing at residential and/or business address
  - List of suppliers, buyers and creditors with contact numbers
  - For corporations, Board Resolution to borrow and on signatories (and on mortgage, if applicable)
  - Proof of costing of assets subject of financing
  - Certification on bank loans
  - Proof of ownership registration of the collateral properties offered to secure the loan
  - Location map of real estate collateral properties

**During Project Visit:**

- Accomplished SBGFC signature card, as facilitated by its Account Officer
- Prior years in-house financial statements, if business is more than one year old (prior two years FS for long existing companies)
- Breakdown of accounts receivables with aging schedule
- Proof of historical sales transactions to serve as support to sales validation
- Business contracts, if any
- Dated check of P4,000 to serve as commitment fee

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**Program Title: FINANCING FOR START-UP ENTERPRISES**

**Program Objective:** A direct lending facility for start-up domestic entrepreneurs whose product or service prototype has already been produced and market-tested. This facility also caters to start-up franchisees.

**Eligible Borrowers:**

- Must be a Filipino-owned enterprise; in the case of corporation, must be at least 60% Filipino-owned;
- Should have an asset size of not less than P500 Thousand and not more than P100 Million, excluding the value of land.
- Must be willing and able to finance at least 50% of the cost of the start-up project;
- The MSME industry involved should not be among the following exclusionary list of SBGFC:
  - Real estate development (SME contractors are qualified).
  - Pure traders of imported goods.



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- Engaged in vice-generating operations.
  - For non-franchisee,
    - the product or service prototype must have been produced and market-tested; and,
    - must have a business plan, which the borrower should be able to expound on and to defend.
  - For franchisee,
    - the franchise concept may either be homegrown or international; and,
    - the franchisor firm must be a member in good standing of either the Association of Filipino Franchisors, Inc. (AFFI) or the Philippine Franchise Association (PFA).

**Loan Purpose:**

- Fixed Asset Acquisition
  - Equipment or motor vehicle acquisition
  - Lot acquisition (limited to 25% of total loan)
- Building construction/improvement
- Working capital for initial inventory and/or other pre-operating costs

**Type of Loan:** Amortized Term Loan

**Terms/Requirements:**

***Loan Amount:***

- Minimum of P200 Thousand
- Maximum Loan Amount
  - Up to 50% of total project cost
  - Up to P3.0 Million for franchisees
  - Up to P1.5 Million for non-franchisees

***Interest Rates: (Available upon request)***

- Fixed rate up to maturity of the loan; interest is computed based on diminishing balance
- Interest Rate setting is based on Borrower Risk Rating (BRR), collateral cover and term of the loan.

***Service Fees*** (to be deducted from loan proceeds; no front-end fees):

- Evaluation Fee – ½ of 1% of approved loan but not less than P3,000
- Processing Fee – ½ of 1% of loan release
- Out-of-town processing fees
  - None for Metro Manila, Cebu and Davao
  - P2,000 for the CALABAR and Region 3 provinces
  - P4,000 or actual air fare for the rest of the country

***Repayment:*** Maximum of 5 years, with up to six months grace

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period on principal; monthly or quarterly amortization

**Security:**

- For non-franchisees, must be fully secured by Real Estate Mortgage and/or Chattel Mortgage on motor vehicle.
- Fixed assets to be financed by the loan shall form part of collateral.
- In case of start-up franchisees, corporate guarantee of franchisor may form part of collateral up to 50%.

**Documentary Requirements:**

**Upon Loan Application:**

- Accomplished Business Loan Application Form with recent ID picture
- Notarized Client Information Sheet with fully accomplished Statement of Assets and Liabilities (for each of the major owners/officers)
- Business registration papers and business permit
- Business Plan
- Location map of the project/business site
- Proof of billing at residential and/or business address
- In case of franchisee,
  - Franchise Agreement or Certification of authority to franchise
  - Letter of Endorsement from franchisor
  - Franchisor's Certificate of Good Standing, as issued by AFFI or PFA
- For corporations, Board Resolution to borrow and on signatories (and on mortgage, if applicable)
- Proof of costing of assets subject of financing
- Certification on bank loans, if applicable
- Proof of ownership registration of the collateral properties offered to secure the loan
- Location map of real estate collateral properties

**During Project Visit:**

- Accomplished SBGFC signature card, as facilitated by its Account Officer
- Business contracts, if applicable
- Dated check of P4,000 to serve as commitment fee

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**Program Title: CREDIT GUARANTEE PROGRAM**

**Program Objective:** The SB Corporation offers a Credit Guarantee Program which aims to help financial institutions consider the granting of loans to micro, small and medium enterprises (MSMEs) thru credit sharing, with SBC taking on the bigger bulk of the risk for a fee.

**Facilities:**

- **SME-GEAR** or Guarantee for MSMEs without collateral – a guarantee facility for completely unsecured or clean loans.
- **SME-GROW** or Guarantee for MSMEs with partial collateral – a guarantee facility for loans with insufficient collateral, where the guarantee cover is limited to the unsecured portion only. SBC shall not share on future collateral recoveries.
- **SME-GAIN** or Guarantee for MSMEs with available collateral but are faced with some credit risk concerns – a guarantee facility where the guarantee cover is on the entire loan inclusive of the secured portion. SBC shall share on future collateral recoveries on pari-passu basis.

**Minimum Qualifications of the PFI:**

- Should be a financial institution which may include banks and financing/leasing companies;
- Latest CAMELS rating of at least “3”, if applicable;
- Positive net income for the past two years;
- Past due rate of not more than 20%;
- Capital adequacy ratio of at least 10%;
- Operational MSME lending unit; and,
- No negative credit record.

**Minimum Qualifications of the MSME Borrower:**

- Borrower Risk Rating (BRR) score of “5” or better as scored by SBC;
- At least 60% Filipino-owned enterprise duly registered with the SEC and/or the DTI;
- Asset size of not less than P500 Thousand and not more than P100 Million exclusive of the value of the land where the project is located;
- Sound business track record of at least 3 years;
- At least one year business track record may be allowed provided that the enterprise has a BRR of “4” or better;
- Not belonging to the SBC exclusionary list of industries:
  - Farm-level production involving agriculture, aquaculture, and/or livestock (post-production activities are qualified);
  - Real estate development (MSME contractors are qualified);
  - Pure trading of imported commodities (unless value added services are employed which impact positively on the domestic market); and,
  - Vice-generating activities.
- Positive net income for the immediate past year based on the BIR-filed financial statements.

## Types of Loan Eligible for Guarantee Cover:

Loan Package	Period of Guarantee Cover
<ul style="list-style-type: none"> <li>▪ Fixed asset acquisition (amortized term loan):               <ul style="list-style-type: none"> <li>○ Land purchase (only up to 25% of the loan), and/or plant construction/improvement</li> <li>○ Equipment                   <ul style="list-style-type: none"> <li>- brand new units</li> <li>- second-hand/reconditioned units</li> </ul> </li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>⇒ Up to seven years with up to one year grace period on principal</li> <li>⇒ Up to five years with up to six months grace period on principal</li> <li>⇒ Not more than 70% of the remaining economic life or three years whichever is shorter with up to six months grace period on principal</li> </ul>
<ul style="list-style-type: none"> <li>▪ Working capital:               <ul style="list-style-type: none"> <li><u>One Year Credit Line</u> <ul style="list-style-type: none"> <li>○ Transactional (up to 80% of Purchase Order/Accounts Receivable/Inventory)</li> <li>○ Non-transactional (up to 80% of accounts receivable and inventory less accounts payable and all existing working capital loans)</li> </ul> </li> <li><u>Amortized Term Loan</u> <ul style="list-style-type: none"> <li>○ At least 3-year term</li> <li>○ Supported by cash flow assessment</li> </ul> </li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>⇒ Up to one year upon approval of the guarantee cover</li> <li>⇒ Up to five years with up to six months grace period on principal</li> </ul>
<ul style="list-style-type: none"> <li>▪ Loan refinancing/take-out (must be in current status and not restructured)</li> </ul>	<ul style="list-style-type: none"> <li>⇒ Depending on the loan purpose</li> </ul>

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**Maximum Guarantee Cover:****SME-GEAR or Clean Loan Facility**

Nature of PFI Credit Evaluation	Maximum Guarantee
With BRR System	70% of the entire loan but not to exceed P6.0 Million
Without BRR System	70% of the entire loan but not to exceed P2.0 Million

**SME-GROW or Collateral-Short Facility**

Nature of PFI Credit Evaluation	Maximum Guarantee
With BRR System	70% of the unsecured portion of the loan but not to exceed P6.0 Million
Without BRR System	70% of the unsecured portion of the loan but not to exceed P2.0 Million

**SME-GAIN or Collateral-Sharing Facility**

Nature of PFI Credit Evaluation	Collateral Cover	Maximum Guarantee
With BRR System	At least 25%	80% of the entire loan, but not to exceed P10.0 Million
	Less than 25%	70% of the entire loan, but not to exceed P6.0 Million
Without BRR System		70% to 80% of the entire loan, but not to exceed P3.0 Million

**Guarantee Fee:**

Borrower's Risk Rate	Fee per Annum (up to the guaranteed portion only)
1	1.00%
2	1.25%
3	1.50%
4	2.00%
5	3.00%
In case of BRR deterioration after guarantee approval (BRR 6 and up)	3.00%

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**Manner of Application:**

- Credit Lines – to be charged based on the full credit line amount and on a full one-year term basis.
- Amortized Term Loans – to be charged based on the outstanding balance of the loan at the beginning of each amortization year. The rate may be changed annually based on the account's latest BRR score.

**Payment Option:**

- Credit Line
  - Lump sum upon first drawdown; or
  - Amortized with 25% payable on or before the first drawdown; full amount not later than the end of the third quarter of the life of the credit line
  - In case of call, the guarantee fee balance for the year should first be updated
- Amortized Term Loan
  - Lump sum at the beginning of each amortization year; or,
  - Amortized quarterly in advance
  - In case of call, the guarantee fee due for the year should first be updated

**General Procedures for Participation:**

1. The financial institution (FI) applies for accreditation under the credit guarantee program of SBC with its nearest office – together with the documentary basis for the FI's qualification under the SBC program.
2. SBC assesses the accreditation application of the FI by conducting standard checking.
3. Once approved for accreditation, a Master Guarantee Agreement between SBC and the FI shall be executed, and the latter shall be included in the list of SBC's Participating Financial Institutions (PFI).
4. Upon acceptance by the PFI of an MSME loan application, it shall determine whether an SBC guarantee cover is required.
5. The PFI shall inform SBC of its intent to apply for a guarantee cover on the MSME loan, and may conduct a joint project inspection and borrower interview with SBC to expedite the guarantee approval.
6. The PFI approves the MSME borrower's loan application and submits to SBC the documentary requirements.
7. SBC validates the minimum qualifications on the MSME borrower, particularly the BRR score to determine the guarantee approval, the monitoring covenants that the PFI should observe and the applicable guarantee fee.
8. SBC issues to the PFI the terms of the guarantee approval.
9. The PFI implements/releases the loan within 90 days from date of guarantee approval.

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10. The PFI supervises the loan, inclusive of collection of the guarantee fee in favor of SBC.
  11. The PFI submits to SBC the General and Per Loan Release documentary requirements of SBC after implementation of the guaranteed loan.
  12. SBC issues a Certificate of Completeness of Documents in favor of the PFI on a per PN basis, which is a basic requirement in case of call on guarantee.
  13. SBC issues a Revocation of Guarantee Cover in case of non-submission by the PFI of the necessary guarantee implementation documents.
  14. The PFI and SBC conduct project inspections in compliance with the monitoring covenants stipulated in the guarantee approval – which may be on annual or semi-annual basis. CI update may be done as often as semi-annually.
  15. In case of default by the MSME borrower, the PFI may restructure the loan subject to approval by SBC; or may call on the guarantee to institute payment by SBC on the defaulted amount in favor of the PFI.
  16. SBC validates the PFI's compliance to the guarantee monitoring covenants to determine the final level of guarantee cover at the time of call on guarantee.
  17. Upon payment by SBC of the valid call on guarantee, claim on the borrower's loan obligation is transferred to SBC up to the extent of the guarantee cover. SBC shall co-supervise the loan together with the PFI until full collection, foreclosure and/or legal resolution.
  18. MSME borrowers with negative credit track record are entered into the financing system's credit bureau.

### **Documentary Requirements:**

#### **Upon Application for Guarantee Cover**

- Letter of request by PFI for SBC guarantee cover
- Credit approval of PFI including details on nature and extent of requested guarantee cover
- Credit analysis of PFI on the borrower with summary of historical financials and the BRR score
- Credit investigation report of PFI on the borrower to cover creditors, buyers and suppliers (not more than six months old)
- Collateral appraisal report, if applicable (not more than one year old)
- Other standard documents submitted by the borrower to the PFI

#### **Upon Implementation of the Guaranteed Loan**

##### General Loan Documents

- Line/loan agreement or its equivalent

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- Notarized statement of assets and liabilities of the borrower (not more than one year old)
  - Applicable continuing surety agreements
  - Applicable collateral instruments and attachments
  - Applicable life and non-life insurance papers

**Per Loan Release Documents (Per PN basis)**

- Promissory Note
- Disclosure Statement
- Proof of loan release
- Payment/amortization schedule
- Postdated checks of the borrower
- In case of transactional credit line, if applicable:
  - Deed of assignment of proceeds of receivables
  - Proof of at least three export transactions with foreign buyer in case of non-LC transactions
  - Proof of liquidation of prior PN in case of inventory financing

**Call on Guarantee (per PN basis)**

- Letter of call on the SBC guarantee
- Loan ledger
- Latest full BRR-review (not more than six months old from date of call on guarantee)
- Property search on the principal borrower and/or JSS parties (not more than six months old from date of call on guarantee)
- Original copy of deed of assignment by the PFI in favor of SBC on the PFI's right on the loan up to the extent of guaranteed portion
- Original copy of checks issued by the borrower including the bounced checks
- Latest demand letter or notice of dishonor sent to the issuer of the bounced checks of the borrower (sent not later than 60 days after default)
- Latest demand letter sent to the borrower together with latest statement of account (sent not later than 60 days after default)

**Other Requirements:**

- Life insurance on the principal SME borrower who is 60 years old and without clear succession – up to the unsecured portion of the loan
- Non-life insurance on a case-to-case basis on vital business assets whose loss will totally bring down the MSME's operations



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## WHOLESALE LENDING PROGRAM

### Program Title: SME WHOLESALE LENDING PROGRAM

**Program Objectives:** The program aims to improve the ability of financial institutions to lend to micro, small and medium enterprises (MSME) thru funding access at terms that are properly matched with the requirements of the sector.

#### Minimum Qualifications of the PFI:

- Should be a financial institution which may include banks and financing/leasing companies;
- Latest CAMELS rating of at least “3”, if applicable;
- Positive net income for the past three years;
- Past due rate of not more than 15%, preferably at par with industry average
- Capital adequacy ratio of at least 10% for banks; of at least 20% for non-banks
- Liquid assets not below 10% of deposits
- Operational MSME lending unit; and,
- No negative credit record.

#### Minimum Qualifications of the Sub-Borrower MSME:

- At least 60% Filipino-owned enterprise, as registered with DTI or SEC;
- Asset size of not more than P100 Million, exclusive of value of land where the project is located;
- Positive income for the past one year based on BIR-filed financial statements;
- Debt-equity ratio of not more than 80:20;
- Not belonging to the SBC’s exclusionary list of industries:
  - Real estate development (MSME contractors are qualified);
  - Pure trading of imported commodities (unless value added services are employed which impact positively on the domestic market); and,
  - Vice-generating activities.

#### Terms/Requirements:

##### ***Funding:***

- In the form of a one-year omnibus credit line (OCL) available for the PFI’s short-term and medium-term MSME portfolio. The OCL amount is based on SBC’s assessment of the PFI’s absorptive capacity and risk rate.

An increase in the OCL amount may be requested during the life of the loan facility.

- Funding may be up to 90% of the outstanding loan balance of the MSME sub-loan, but not to exceed as follows:

PFI Category	Ceiling of SBC Funding per MSME Sub-Borrower
Commercial Banks	- P60.0 Million
Thrift Banks	- P40.0 Million
Rural Banks	- P25.0 Million

- The SBC funding may be up to a maximum of five years. (The MSME sub-loan may exceed five years.)
- SBC offers the following funding options:
  - Short-term portfolio rediscounting, where a batch of sub-loans is funded based on the earliest maturing PN
  - Individual rediscounting where there is matching of terms
  - Medium term on-lending (for liquidation in 7 days)
  - Case-to-case advance drawdown (for liquidation within 60 days; may avail up to 50% of credit line amount)

***Loan Term of MSME Sub-Borrower:***

- The PFI is given a free hand on how to package the loan in favor of the MSME sub-borrower, except for the following limitations:
  - The loan shall not be lower than P100 Thousand.
  - The grace period of term loans may not exceed six months for permanent working capital loans and not more than one year for fixed asset loans; and it must be limited to the principal portion.
  - Any portion used for land acquisition shall be limited to 25% of the loan.
  - In case of term loans exceeding 365 days, there should be a regular amortization of the loan on either monthly, quarterly or semi-annual basis.

***Miscellaneous Guidelines:***

- The sub-loan should be current and has had no experience of restructuring within the PFI.
- DOSRI sub-loans are not qualified.
- Sub-loans refinanced from another financial institution are qualified.
- Funding for the same sub-borrower may transpire for any number of times within the life of the OCL.
- Co-funding by another wholesale source is not allowed.
- The sub-loan should have a remaining term of at least 70

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days.

- SBC shall process in batches of no less than P500 Thousand worth of sub-loans.

***Required Collateral Cover on the Sub-Loan:***

- At least 50% REM; may be based on the outstanding balance of the loan in the case of amortized term loans
- At least 100% CHM and/or REM combination, if 50% REM cover cannot be complied with; may be based on the outstanding balance of the loan in the case of amortized term loans
- Tax declarations may be accepted for REM at a maximum loan value of P500 Thousand
- May be on clean basis if covered by a Tripartite Agreement among the PFI, the sub-borrower and its anchor firm-buyer, providing for a sound collection capture mechanism in favor of the PFI. In lieu of hard collateral, there shall be an assignment of the receivables.

***Pass-on Interest Rate: (Available upon request)***

**General Procedures for Participation:**

1. The financial institution (FI) applies for regular accreditation under the SME wholesale lending program of SBC at its nearest office – together with the documentary basis for the FI's qualification under the SBC program.
2. SBC assesses the accreditation application of the FI by conducting standard checking which includes an interview of the FI's management team; and approves the appropriate credit line amount.
3. An OCL Agreement between SBC and the FI is then executed, after which the FI is made part of SBC's list of Participating Financial Institutions (PFI).
4. At its end, SBC may offer an FI a token OCL amount under the agency's fast track accreditation mode. The FI accepts by signing the OCL Agreement.
5. The PFI may request for a briefing of its MSME lending unit on how to draw on the OCL. SBC can conduct it at the PFI site.
6. The PFI may start to draw on the OCL by submitting its MSME sub-loans either on rediscounting or on-lending basis, together with the short-listed documentary requirements. (If SBC has a partner depository FI in the area, the PFI may opt to have its original collateral documents forwarded there instead.)
7. SBC processes the PFI's loan drawdown request and grants the funding within the agreed schedule.
8. As soon as the PFI is able to draw on 30% of the OCL amount, SBC conducts an audit at the PFI site on the remaining standard documentary requirements that are no

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- longer for submission to SBC.
9. The PFI services its loan with SBC until full payment, either thru post-dated checks or inter-branch deposit.
  10. SBC releases the applicable collateral documents of the fully-paid MSME sub-loan.

### **Documentary/Procedural Requirements:**

#### *Regular Accreditation and Credit Line Approval*

- Corporate papers, as follows:
  - Board Resolution to borrow from SBC and on authorized signatories
  - Articles of Incorporation and By-Laws
  - Ownership and management profile, and corresponding personal information sheets (as submitted to BSP if applicable)
  - Profile of MSME lending unit
  - Briefer and/or annual report
- Applicable financial reports, as submitted to BSP in the case of banks, as follows:
  - Camels rating
  - Latest interim financial statements (not more than 3 months old)
  - Past 3 years financial statements
  - Latest risk-based capital adequacy ratio
  - Year-end report on specific and general loan-loss provisioning
  - Latest status report on the Dosri loans
  - Profile of accreditation with other lending programs
- Interview, ocular inspection, credit investigation and risk rating by SBC

#### *Fast Track Accreditation*

- On a case-to-case basis, SBC may grant a token OCL amount of not more than P5 Million to PFIs without them having to submit the standard documents. This is for as long as the PFI is proven to qualify under SBC's minimum criteria for accreditation.

Any OCL increase shall go through the standard evaluation requirements.

#### *Implementation of Approved Credit Line*

- Signed Omnibus Credit Line Agreement
- Certificate of good standing from BSP or any proof that the PFI is active under BSP's funding program
- Briefing by SBC for the PFI's implementing unit, if requested by PFI

#### *Availment on the Approved Credit Line*

- For submission to SBC prior to loan release by SBC:

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- Updated financial statements of PFI (not more than 3 months old)
  - Information sheet and collateral profile of the MSME sub-borrower (SBC Forms) as prepared by the PFI
  - PFI loan approval in favor of sub-borrower
  - Sub-borrower's PN with consent to assignment, disclosure statement and amortization schedule
  - Applicable collateral documents, as follows:
    - Mortgage contract between PFI and sub-borrower
    - Proof of sub-borrower's ownership of collateral assets, as annotated in favor of the PFI; or Certificate of Custodianship for qualified PFIs.
- Should be available at the PFI office for SBC post-release audit:
    - Loan agreement between PFI and sub-borrower, if applicable
    - PFI's loan ledger on sub-borrower
    - Sub-borrower's BIR-filed financial statements (not more than 1 year old)
    - Sub-borrower's business registration
    - Collateral appraisal of PFI and support documents on sub-borrower's tax and insurance payments, if applicable

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**SOCIAL SECURITY SYSTEM (SSS)****SSS Building, East Avenue, Diliman, Quezon City****FUND ALLOCATION OF THE LOAN FACILITIES**

The SSS shall allocate the amount of Seven Billion Pesos (P7.0 Billion) for the Business Development Loan Facility and Social Development Loan Facility.

The P7.0 billion fund allocation shall be a revolving one and may be utilized by any industry up to a certain limit of P1.0 billion based on the industry classification, as follows:

<b>Industry Sector</b>	<b>Fund Allocation</b>
Agri-Fishery, Forestry Sector <ul style="list-style-type: none"><li>• Agriculture and Fishing</li><li>• Forestry</li></ul>	<b>PhP1.000B</b>
Industry Sector <ul style="list-style-type: none"><li>• Mining and Quarrying</li><li>• Manufacturing</li><li>• Construction</li><li>• Electricity, Gas and Water</li></ul>	<b>2.000B</b>
Service Sector <ul style="list-style-type: none"><li>• Transport, Storage and Communication</li><li>• Trade and Repair of Motor Vehicle, Motorcycles, Personal and Household Goods</li><li>• Financial Intermediation</li><li>• Real Estate, Renting and Business Activities</li><li>• Public Administration and Defense: Compulsory Social Security</li><li>• Other Services</li></ul>	<b>4.000B</b>
<b>TOTAL</b>	<b>PhP7.000B</b>

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## **Program Mechanics**

To provide wider access to the funds and to reach as many beneficiaries as possible, the program shall be implemented as follows:

- SSS shall make available the funds for this program through a conduit arrangement with the SSS Participating Financial Institutions (PFIs) which will on-lend the fund to eligible borrowers/end-users.
- The program, which shall be covered by the PFI's Omnibus Credit Line, shall be implemented in accordance with these guidelines and shall carry the terms and conditions stipulated therein.
- Drawdown of the loan fund to the PFI shall be on a project to project basis and upon submission of the loan application together with required documents to SSS and approval of the same by the SSS authorized signatory/ies.

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## **Program Title: BUSINESS DEVELOPMENT LOAN FACILITY**

### **Program Objectives:**

- To contribute to the nation's economic growth and development by providing financial assistance to the business sector for the purpose of increasing productivity and enhancing potential earnings through expansion, diversification and other business development projects.
- To support government's program of invigorating economic activity and providing more employment opportunities.
- To efficiently mobilize SSS investment resources guided by the investment principals on yield, liquidity and risk.

### **Eligible Borrowers:**

The eligible borrowers shall be new or existing private industries and enterprises including registered Barangay Micro Business Enterprises (BMBEs) with the following qualifications:

- Single Proprietorship, Partnership or Corporation, at least 60% Filipino owned, including cooperatives and non-governmental organizations;
- Engaged in any business activities allowed/registered under the Philippine laws such as but not limited to the following:
  - Agri-Business: contract growing, aquaculture
  - Food Processing: rice mill, oil mill, feed mill, meat processing, etc.
  - Manufacturing: garment, ceramics, textile, furniture, construction materials

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- Commercial production: particularly of food and basic consumer items and products for export
  - Service-Oriented Enterprises: transportation, warehousing, utilities, communications, etc.
  - Tourism Related Projects: hotel, resort, theme park, etc.
  - Real Estate Development Project: industrial estate development
  - Sustainable Energy Projects: construction of green building, waste management system, sewerage treatment plant, etc.
  - Extractive Industries: mining, quarrying, dredging, oil and gas extraction projects
  - Forest development projects: plantation, reforestation, regeneration and other forest related projects
  - Trading Business
  - Leasing/Lending Business
- Have proven track record of profitability, for existing enterprises; provided, that if the company incurred losses in any year during the past three (3) years, the average income of past two (2) or three (3) years should be positive. The three (3) –year track record of profitability may be waived for enterprises which started operations during the last five (5) years; In any case, the borrower should be able to justify projection of viable operations with debt-equity ratio not exceeding 3:1 after financing.
  - Must be an SSS member-employer in good standing; and
  - Subject to such other criteria and policies which the Social Security Commission may impose from time to time.
- \* **BMBE** refers to any business entity or enterprise engaged in the production, processing or manufacturing of products or commodities, including agro-processing, trading and services, whose total assets including those arising from loans but exclusive of the land on which the particular business entity's office, plant and equipment are situated, shall not be more than P3.0 million (R.A. 9178 Sec. 3.a.)

#### **Loan Purposes:**

- Site development
- Enhancement or modernization of existing facilities
- Construction or repair of building and other civil works
- Acquisition or repair /upgrading of machinery and equipment including furnishings
- Acquisition of existing facilities
- Acquisition of land (up to 50% of the acquisition cost)
- Working Capital



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## Terms/Requirements:

**Loan Amount:** Maximum loan amount shall be the lowest of the following, provided the borrower's debt to equity ratio after financing shall not exceed 3:1 and that its total loan with the SSS shall not be more than 5% of the SSS Investment Reserve fund (IRF):

- Amount of loan being applied;
- Actual need of the borrower (total project cost);
- Loan Value of the assigned collateral or securities; or
- Maximum of P500.0 million per borrower.

### **Interest Rate:**

The loan to the borrower/end-user shall carry an interest rate based on the prevailing SSS pass-on rate to PFI plus PFI's spread. The prevailing interest rates of the program shall be reviewed monthly to align with the market. The interest rate of the loan may be variable and fixed under the following conditions.

- **Variable Rate:**
  - Available for a loan with a term of up to five (5) years and shall be subject to re-pricing every six (6) months after the loan release or first release in case of staggered releases based on the variable rate prevailing during the re-pricing date.
  - The borrower/end-user has a one-time option to convert from variable to fixed rate to be effective during any 6<sup>th</sup> month interest re-pricing date. The fixed interest rate to be applied upon conversion will be fixed for the whole term based on the prevailing fixed rate corresponding to the remaining term of the loan .
- **Fixed Rate:**
  - The fixed interest rate of the loan shall be fixed for the whole term of the loan.
  - The borrower has a one-time option to convert from fixed to variable rate only during its amortization due date. The variable interest rate to be applied upon conversion will be based on the prevailing variable rate with additional 1% premium and shall be subject to re-pricing every six (6) months.

**Repayment Term:** The term of the loan shall not be more than fifteen (15) years with a maximum three (3)-year grace period on principal payment and shall be payable:

- Monthly
- Quarterly
- Semi-annually
- Annually

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A loan with a term of more than 15 years and a grace period of more than 3 years may be allowed for loans to be used to finance projects in extractive industries and forest development related projects including those exceptional cases that require longer tenor; provided the term will not exceed 25 years. Balloon payment on principal may be allowed upon maturity of the loan on a case to case basis.

***Security/Collateral:***

- **PFI's to borrower/end-user:** Any acceptable collateral in accordance with the PFI's lending policies.

**SSS to PFI:**

- Promissory Note/s
- Assignment to SSS of acceptable collateral offered by the borrower/end-user
- Deed of Assignment executed by the rural banks must be annotated on the Transfer Certificate/s of Title (TCT/s)

**Manner of Release of the Loan:**

The PFI shall avail of the approved loan within thirty (30) days from date of SSS approval either on a one-time or staggered basis based on the following conditions:

- ***One-time Release***
  - The loan shall be released by the PFI to the end-user on a one-time basis within 5 working days from the time the PFI receives the loan proceeds from the SSS.
  - In cases where the PFI decides that the loan to the individual borrowers should be released on a staggered basis, the PFI shall deposit the loan proceeds in a special account, provided that withdrawals by the borrower against this account shall be made only as authorized by the PFI, and subject further to submission by the PFI to the SSS of a Certificate of Deposit or any such similar instrument.
- ***Staggered Release***
  - Staggered releases may be allowed for loans exceeding P5 million. However, the number of drawdown shall not exceed 4 per project. Furthermore, the loan should be fully availed of within 18 months from the date of first release.
  - The releases by the PFI to the end-user shall be made within 5 working days from the time the PFI receives the loan proceeds on a staggered basis from the SSS.

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- ***Interim Financing***

- The PFI may advance the loan proceeds to a qualified borrower/end-user provided the loan application shall be submitted to SSS within 1 year from the date the PFI made the initial advances up to its endorsement of the borrower's loan application to SSS. Beyond 1 year prescriptive period, the loan advance will be considered as refinancing, and will be disallowed by SSS. In case of staggered loan advances by the PFIs, only the amount advanced within the 1 year prescriptive period shall be considered eligible for SSS financing.

**Pre-termination of Loan:** The PFI shall not be charged a pre-termination fee/penalty in case of pre-payment of loan.

**Documentation Requirements:** The program shall be covered by the following:

- Memorandum of Agreement between the participating financial institutions and SSS; and
- Loan Agreement for the specific amount to be allocated to the participating financial institutions.

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**Program Title: SOCIAL DEVELOPMENT LOAN FACILITY**

**Program Objectives:**

- To provide long-term loan assistance for the development of facilities and establishments of institutions that provides quality education or other academic training programs and affordable medical or health care related services to the general population and to SSS members and their dependents.
- To complement the national government's program of attaining a better distribution of educational and hospital facilities throughout the country that will be more responsive to the needs of the particular localities and their inhabitants.
- To support thrust towards the enhancement of the overall level of productivity in the economy through the development of a larger pool of professionals and skilled workers and empowerment of a healthy and strong workforce that promotes industrial peace.

**Eligible Borrowers:**

- New or existing private medical institutions licensed by the Department of Health (DOH) either as primary, secondary and tertiary hospital including institutions for the aged or infirmed individuals;
  - New or existing private educational institutions, i.e.,

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toddler/day care learning center, preparatory/elementary/secondary schools, collegiate/university levels, schools for special education (SPED) as well as vocational and technical institutes which are duly licensed by the Department of Education (DepED), Technical Education and Skills Development Authority (TESDA), Commission on Higher Education (CHED) and Department of Social Welfare and Development (DSWD).

- The borrowing institution must also meet the following qualifications:
  - Be at least 60% Filipino-owned corporation/partnership/single entity;
  - Have proven track record of profitability for existing hospitals and schools; provided that if the institutions incurred losses in any year during the past 3 years, the average income of past 2 or 3 years should be positive.  
The 3-year track record of profitability may be waived for institutions, which started operations during the last 5 years. In any case, the borrower should be able to justify projection of viable operations with debt-equity ratio not exceeding 3:1 after financing;
  - Be an SSS member-employer in good standing; and
  - Be subject to such other criteria and policies which the SSS may impose from time to time.

#### **Loan Purposes:**

- Site development;
- Enhancement or modernization of existing facilities;
- Construction or repair of building and other civil works;
- Acquisition or repair/upgrading of machinery and equipment including furnishings and other educational materials;
- Acquisition of existing facilities;
- Acquisition of land (up to 50% of the acquisition cost); and
- Working Capital.

#### **Terms/Requirements:**

**Loan Amount:** Maximum loan amount shall be the lowest of the following, provided the borrower's debt to equity ratio after financing shall not exceed 3:1 and that its total loan with the SSS shall not be more than 5% of the SSS Investment Reserve fund (IRF):

- Amount of loan being applied;
- Actual need of the borrower (total project cost);
- Loan Value of the assigned collateral or securities; or
- Maximum of P500.0 million per borrower.

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**Interest Rate:** The loan to the borrower/end-user shall carry an interest rate based on the prevailing SSS pass-on rate to PFI plus PFI's spread. The prevailing interest rates of the program shall be reviewed monthly to align with the market. The interest rate of the loan may be variable and fixed under the following conditions:

- **Variable Rate:**
  - Available for a loan with a term of up to five (5) years and shall be subject to re-pricing every six (6) months after the loan release or first release in case of staggered releases based on the variable rate prevailing during the re-pricing date.
  - The borrower/end-user has a one-time option to convert from variable to fixed rate to be effective during any 6<sup>th</sup> month interest re-pricing date. The interest rate to be applied upon conversion will be fixed for the whole term based on the prevailing fixed rate corresponding to the remaining term of the loan.
- **Fixed Rate:**
  - The fixed interest rate of the loan shall be fixed for the whole term of the loan.
  - The borrower has a one-time option to convert from fixed to variable rate only during its amortization due date. The variable interest rate to be applied upon conversion will be based on the prevailing variable rate with additional 1% premium and shall be subject to re-pricing every six (6) months.

**Repayment Term:**

- The term of the loan shall not be more than fifteen (15) years with a maximum three (3)-year grace period on principal payment and shall be payable:
  - Monthly
  - Quarterly
  - Semi-annually
  - Annually
- A loan with a term of more than 15 years and a grace period of more than 3 years may be allowed for loans to be used to finance projects of exceptional case that require longer tenor; provided the term will not exceed 25 years. Balloon payment on principal may be allowed upon maturity of the loan on a case to case basis.

**Security/Collateral:**

- **PFI's to borrower/end-user:**
  - Any acceptable collateral in accordance with the PFI's lending policies.

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- **SSS to PFI:**
    - Promissory Note/s
    - Assignment to SSS of acceptable collateral offered by the borrower/end-user
    - Deed of Assignment executed by the rural banks must be annotated on the Transfer Certificate/s of Title (TCT/s)

**Manner of Release of the Loan:** The PFI shall avail of the approved loan within thirty (30) days from date of SSS approval either on a one-time or staggered basis based on the following conditions:

- ***One-time Release***
  - The loan shall be released by the PFI to the end-user on a one-time basis within 5 working days from the time the PFI receives the loan proceeds from the SSS.
  - In cases where the PFI decides that the loan to the individual borrowers should be released on a staggered basis, the PFI shall deposit the loan proceeds in a special account, provided that withdrawals by the borrower against this account shall be made only as authorized by the PFI, and subject further to submission by the PFI to the SSS of a Certificate of Deposit or any such similar instrument.
- ***Staggered Release***
  - Staggered releases may be allowed for loans exceeding P5 million. However, the number of releases shall not exceed 4 per project. Furthermore, the loan should be fully availed of within 18 months from the date of first release.
  - The releases by the PFI to the end-user shall be made within 5 working days from the time the PFI receives the loan proceeds on a staggered basis from the SSS.
- ***Interim Financing***
  - The PFI may advance the loan proceeds to a qualified borrower/end-user provided the loan application shall be submitted to SSS within 1 year from the date the PFI made the initial advances up to its endorsement 1 year prescriptive period, the loan advance will be considered as refinancing, and will be disallowed by SSS. In case of staggered loan advances by the PFIs, only the amount advanced within the 1 year prescriptive period shall be considered eligible for SSS financing.

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**Pre-termination of Loan:** The PFI shall not be charged a pre-termination fee/penalty in case of pre-payment of loan.

**Documentation Requirements:** The program shall be covered by the following:

- Memorandum of Agreement between the participating financial institutions and SSS; and
- Loan Agreement for the specific amount to be allocated to the participating financial institutions.

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**Program Title: ACCESS OF SMALL ENTERPRISES TO SOUND LENDING OPPORTUNITIES (ASENSO) PROGRAM (formerly SULONG Program)**

**Program Description:**

In support of the National SME Development Plan, the government financial institutions (GFIs) collaborated to design a uniform lending program, tailored fit to meet the funding needs of SMEs. Under the unified lending program, the participating GFIs shall apply simplified and standardized lending procedures and guidelines , e.g., loan purpose, fee structures, interest rates, application forms, financial ratios, and other lending parameters, for evaluating the loan applications of SMEs.

**Objectives:**

1. To simplify and standardize the lending procedures of GFIs, thereby enhancing the SMEs' access to needed funds.
2. To shorten the list of documentary requirements to further facilitate the lending process.
3. To create a wider, borderless financing system that will afford the SMEs greater access to short and long term funds.
4. To lower the effective cost of borrowing by SMEs and liberalize the requirements.

**TYPES OF LOAN:**

The SULONG Program has two types of loans, the Long-term loan and the Short-term loan.

**1. LONG-TERM LOAN**

**Loan Purpose:**

- Purchase of equipment
- Building construction
- Purchase of lot
- Purchase of inventories or as a permanent working capital

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**Target Industries:**

All industries except trading of imported goods, liquor and cigarettes, and extractive industries.

**Eligible Enterprises:**

At least 60% Filipino-owned whose assets are not more than P100 million, excluding the value of the land, or subject to ownership rules as defined under existing Philippine laws for specific industries.

An SSS member of good standing.

**Maximum Financing:**

80% of the incremental project cost with a maximum of **Five Million Pesos (P5.0 M)**.

**Interest Rate:**

- To PFI: Over 1-5 year term loan – Fixed rate based on the prevailing PDST-F (MART 1) rate of similar tenor but not to exceed 10% p.a.
- To End-User: At PFI's option

**Repayment Term:**

The repayment term has a maximum of five (5) years, inclusive of a maximum one (1)-year grace period on principal monthly amortization.

**Collateral:**

The loan shall be secured by any of the following:

- Registered/Unregistered REM/CHM
- Corporate Guarantee (if franchisee)
- Assignment of lease rights (if franchisee)

**Evaluation and Service Fees:**

**Two Thousand Pesos (P2,000)** for every **One Million Pesos (P1.0 M)** plus a front-end fee of  $\frac{1}{2}$  of 1% of approved loan and commitment fee of 0.125% of unavailed balance.

**Financial Profile of the Borrower:**

- Debt-to-Equity Ratio: at most 80 : 20 after the loan at most 70 : 30 (if franchisee)
- Profitability: Positive income for the last year. (If past year's income is negative, the average income of the past 2 or 3 years should be positive.)
- Other Ratios: Based on industry standards



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## 2. SHORT-TERM LOAN

### **Loan Purpose:**

The loan may be used for Export Financing (Export Packing Credit) or for Credit Line (Temporary Working Capital).

### **Target Industries:**

All industries except trading of imported goods, of liquor and cigarettes, and extractive industries.

### **Eligible Enterprises:**

At least 60% Filipino-owned whose assets are not more than P100 million, excluding the value of the land, or subject to ownership rules as defined under existing Philippine laws for specific industries.

An SSS member of good standing.

### **Maximum Financing:**

- Export Financing – 70% of the value of Letters of Credit/Purchase Order (LC/PO) with a maximum of **Five Million Pesos (P5.0 M)**
- Credit Line – 70% of working capital requirement with a maximum of **Five Million Pesos (P5.0 M)**

### **Interest Rate:**

The interest rate to the PFI is a fixed rate based on the prevailing 364-day T-Bill rate. The interest rate to the End-User will be at the PFI's option.

### **Repayment Term:**

The repayment term has a maximum of one (1) year

### **Collateral:**

- Export Financing – Registered/Unregistered REM/CHM, Assignment of LC or PO, Guarantee Cover
- Credit Line – Registered/Unregistered REM/CHM, Guarantee Cover, Corporate Guarantee (if franchisee), Assignment of lease rights (if franchisee)

### **Evaluation and Service Fees:**

**Two Thousand Pesos (P2,000)** for every **One Million Pesos (P1.0 M)** plus a front-end fee of  $\frac{1}{2}$  of 1% of approved loan.

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### **Financial Profile of the Borrower:**

- Debt-to-Equity Ratio: at most 80 : 20 after the loan at most 70 : 30 (if franchisee)
- Profitability: Positive income for the last year. (If past year's income is negative, the average income of the past 2 or 3 years should be positive.)
- Other Ratios: Based on industry standards

The program will not decline a loan on the basis of inadequate collateral. However, the borrower must be willing to mortgage any available business and personal collateral, including assets to be acquired from the loan to secure the borrowing.

### **Contact Details:**

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