

LBP Lending Programs for Cooperatives



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Presentation Outline

- ✧ **Accreditation and Acceptance Criteria**
- ✧ **Basic Lending Policies for Coops**
- ✧ **Standard Documentary Requirements**
- ✧ **Agri Lending Programs for Coops**
- ✧ **Legislated Lending Programs**
- ✧ **I-RESCUE Lending Program**
- ✧ **Non-Agri Lending Programs for Coops**

Enhanced Cooperative Accreditation Criteria

COMPONENTS

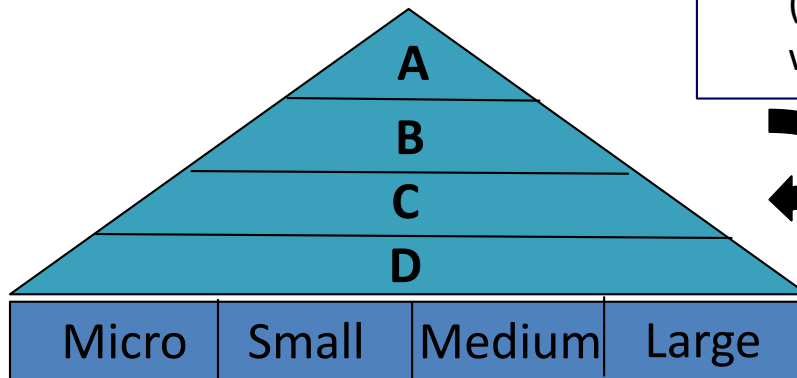
I. Minimum Requirement

- Duly registered with the CDA
- Membership of at least 60
- Paid up capital of P30,000.00
- Core management team of Manager, Cashier/Treasurer and Bookkeeper
- With updated Books of Accounts
- Members have attended PMES



II. Standard Requirement

- Organization and Management
(Membership, leadership and management, patronage of business, CBU and savings, continuing education and skills development, PSP installation, books of accounts)
- Business Operation
(Business volume and diversification, provident services, market linkages)
- Financial and Loan Portfolio
(Profitability, liquidity and co-op relationship with LANDBANK)



Maturity Level Classification

Risk Asset Acceptance Criteria

Acceptance Parameters	Acceptance Criteria
Character	<ul style="list-style-type: none">• No adverse findings on the borrower• No adverse on the principals <i>(i.e., Directors and Key Officers)</i>
Capacity	<ul style="list-style-type: none">• With well defined source of repayment• Track record<ul style="list-style-type: none">○ At least 3-year profitable operations (existing)○ Familiarity in the proposed project can be established (start-up)• Net Past due ratio of not more than 25%• Debt Service Cover of at least 1.0x
Condition	Positive /favorable outlook of the industry
Capital	<ul style="list-style-type: none">• Capital requirement per CDA but not less than P30,000.00• Debt-to-Equity Ratio of at least 85:15

Basic Lending Policies

Eligible Projects	Any viable income-generating projects that do not violate any law, rules, regulations, norms and moral values
Loan Purpose	<ul style="list-style-type: none">• Agricultural Production• Fixed Assets (except land acquisition)• Rediscounting/Relending• Working Capital/Commodity Loan• Permanent Working Capital• Livelihood
Credit Facilities	<ul style="list-style-type: none">• Short Term Loan Line• Term Loan• Rediscounting Line
Loanable Amount	<ul style="list-style-type: none">• Up to 80% of acquisition cost of the equipment or financing requirement• For LGUs, not more than the net borrowing capacity
Interest Rate	Based on market rate per client sector

Basic Lending Policies

Term of Loan	<ul style="list-style-type: none"> • Production and Commodity Loan – up to 180 days • Fixed Asset Acquisition/Building Construction: Based on project cash flow/ payback period but not more than the economic useful life of fixed assets or remaining useful life for second-hand/refurbished machines • Permanent Working Capital: up to three (3) years • Working Capital: one year line available via PNs depending on cash cycle
Acceptable Collateral/ Securities/ Guarantees	<p><u>For Production Loan</u></p> <ul style="list-style-type: none"> • Deed of Assignment of Proceeds from Guarantee/Surety Claims (e.g. AGFP, CSF) and/or PCIC Indemnity Claims for all unsecured production loans, when applicable • Deed of Assignment of Produce • Deed of Assignment of Sub-borrowers' PNs and underlying collaterals, if any <p><u>For Working Capital / Fixed Asset</u></p> <ul style="list-style-type: none"> • Real Estate Mortgage (REM) • Chattel Mortgage (CM) • Assignment of Receivables • All available credit enhancement instruments (insurance/guarantee/surety) that maybe availed whichever is applicable

Documentary Requirements

- CDA Registration
- Articles of Cooperation and By-Laws
- Information Sheet of the Board of Directors and COMAT with ID pictures
- Cooperative Board Resolution authorizing the cooperative to borrow (amount & purpose) and designating at least 2 officers to negotiate and sign loan documents
- Master list of members
- Copy of systems and procedures and minutes of meetings
- Loan Application
- Project Proposal

Documentary Requirements

For Existing Business

- Income Tax Return for the past three (3) years
- Audited Financial Statement for the past three (3) years
- Latest Interim Financial Statements

Collateral

- REM: Photocopy of the following:
 - Title
 - Tax Declaration
 - RETR and Clearance, and
 - Location Map/ Vicinity Map
- Chattel Mortgage: Evidence/Affidavit of Ownership of Existing Machineries/ Equipment (e.g. OR/CR of vehicle)

Documentary Requirements

For Production Loan:

- Farm Plan and Budget

For Construction/Repairs and Renovation:

- Cost Estimates / Building Plan and Specification / Bill of Materials and Work Program / Building Permit

For Acquisition of Machinery/Equipment

- Price Quotation of Machinery/Equipment to be acquired

LENDING PROGRAMS FOR COOP

LENDING PARAMETERS	Agri-Mechanization Financing Program	Climate Resilient Agriculture Financing Program	Coco-Financing Program	Farm Tourism Financing Program
PROGRAM DESCRIPTION	This program is designed to provide credit assistance to promote mechanization of production and post-production processes from planting-harvesting-processing to increase efficiency, reduce postharvest losses and lower cost of production	Lending Program to promote climate change adaptation initiatives towards climate resilient agriculture.	The program aims to provide credit assistance to coconut industry stakeholders engaged in production and processing.	The program aims to assist farm tourism operators to develop farm tourism camps or activities that allow visitors to enjoy farming or fishing experience through education, recreation or leisure.
ELIGIBLE BORROWERS	1.Sole Proprietorship 2. Partnership 3. Corporation 4. Cooperative 5. LGU	1.Sole Proprietorship, 2. Partnership 3.Corp, including NGO with legal personality to borrow 4. Cooperatives and Associations 5.LGUs	1. Individual Grower/s 2. SMEs 3. Cooperatives 4. Farmers Organizations(FOs)/ 5. Associations 6. Agri-Business Enterprises (ABEs)/ Corporations	1. Farm Tourism Operators/ Investors that may be: Sole Proprietorship/ Partnership, Coop, Farmers Association/- Organization, Corp. 2. LGUs; and 3. SUCs) with issued MYOA
ELIGIBLE PROJECTS	-Farm Mechanization (Production & Post-harvests facilities) - Tractor Services (Land preparation, planting, harvesting) - Agro-Processing - Manufacturing/ fabrication/ assembling - Trading/Marketing	1. Adaptation - Crop, livestock and fishery production projects that Utilizes climate resilient technologies and related activities that adopt to climate changes 2. Resiliency -- Equipment/facilities that help prevent harvest and post-harvest losses during typhoons or periods of rains	- Planting/ Replanting - Rehabilitation/ rejuvenation/ fertilization - Processing/ manufacturing (coco meat and other products)	-Development/Improvement of Farm Tourism site/camp, including construction of facilities and amenities -Crop, Livestock and fishery production and marketing -Homestay improvement/renovation/expansion -Acquisition of transport facilities -Construction of training centers related to the tourism project -Construction of Tourism Roads (LGUs) -Other Tourism Projects

LENDING PROGRAMS FOR COOPS

LENDING PARAMETERS	Financing Program for Greenhouse Farming System	Masutansyang Inumin para sa Likas na Kalusugan (MILK)	Poultry Lending Program	Sustainable Aquaculture Lending Program (SALP) / Pagsasakang Pantubig
PROGRAM DESCRIPTION	A new credit program that aims to support the financial requirements of farmers' organizations and other agri-entrepreneurs in their shift towards modern farming system through the adoption of greenhouse technology	The MILK program provides financial and technical support to small farmer co-ops, federations SMEs, large agribusiness enterprises, rural/ cooperative/ thrift banks to support dairy production, processing, marketing and other dairy-based economic activities	The main objective of financing poultry is to strengthen egg/meat production by meeting credit requirement of the proponents, who are willing to undertake poultry as a subsidiary or main occupation.	SALP is a growership program for fisheries anchored on institutional buyer or processing/canning company linked with small fishers, micro, small and medium enterprises (MSME) as growers/suppliers.
ELIGIBLE BORROWERS	<ol style="list-style-type: none"> 1. Cooperatives/ Farmers' Associations 2. NGO 3. SMEs 4. Large ABE and Corps 5. LGU 6. Joint Venture Companies 	<ol style="list-style-type: none"> 1. Coops/ Associations 2. Federations 3. CFI 4. Small and Medium Enterprises 5. Agri-Business Entities 	<ol style="list-style-type: none"> 1. Cooperatives 2. Individual/Small and Medium Enterprises (SMEs) 3. Agri-Business Enterprises and Corporations 	<ol style="list-style-type: none"> 1. Coops/ Federations 2. Associations/NGO 3. Micro, Small and Medium Enterprises 4. Large Agri-business Entities 5. Countryside Financial Institutions
ELIGIBLE PROJECTS	<ol style="list-style-type: none"> 1. High Value Crop/Seedling Production utilizing Greenhouse 2. Greenhouse Fabrication / Manufacturing / Installation including ancillary facilities such as hydroponics, aquaponics, production system, drip irrigation, computer system 3. Processing & Trading of Crops Grown from Greenhouse 	<ol style="list-style-type: none"> 1. Working Capital 2. Procurement of Dairy Cows 3. Fixed Assets Acquisition like milk processing equipment 	<ol style="list-style-type: none"> 1. Production of broilers, layers, breeders (grand parent or parent stocks), ducks, quails, ostrich, turkey, and other poultry animals, including backyard raisers; 2. Production of free range chicken (broiler/layer); and 3. Other allied businesses (feed mill, dressing plant, hatchery, etc.) 	<p>Within the value chain of fishery, mariculture, aquaculture and supporting economic activities such as:</p> <ul style="list-style-type: none"> -Breeding/ hatchery/ nursery - Production/grow-out/ culture of fish & other species - Seaweed farming and processing - Processing of fishery products - Trading - Other ancillary services

LENDING PROGRAMS FOR COOPS

LENDING PARAMETERS	Sugarcane Financing Program	Sulong Saka Program (High-Value Crops Financing)	Partner Financial Institutions – Additional Credit for Countryside Outreach and Rural Development (PFI-ACCORD) Lending Program
PROGRAM DESCRIPTION	The program is designed to provide credit assistance to sugar planters, millers, traders and farmer's cooperatives.	The Bank allocated P10 billion for farmers cultivating high-value crops through the Sulong Saka Program. Sulong Saka is for the value chain financing of high-value crops such as banana, cacao, cassava, coffee, oil palm, rubber, vegetables, among others.	PFI-ACCORD offers a short-term working capital loan to eligible partner financial institutions (PFIs) which have established satisfactory credit relationship with the Bank. The program veers away from the standard lending parameters and gives value to long-time partnership with, viability and credit worthiness of the Bank's PFIs.
ELIGIBLE BORROWERS	MSME classified as -Sole Proprietorship -Partnership -Corporation 2. Large Agribusiness Enterprise/Corporation 3. Farmer's Cooperatives and Association 4. NGOs with legal personality to borrow	1. Individual Small Farm Holders 2. Small and Medium Enterprises (SMEs) 3. Cooperatives 4. Farmers Associations/Organizations 5. Large Agribusiness Enterprises (LAEs) /Corporation 6. Local Government Units (LGUs) 7. NGOs 8. Countryside Financial Institution (CFIs)	1. Rural Banks, 2. Cooperative Banks 3. Thrift Banks 4. NGOs
ELIGIBLE PROJECTS	1. Sugarcane production 2. Farm Mechanization Services 3. Hauling Services 4. Milling/Manufacturing 5. Trading	1. Production of High Value Crops 2. Establishment of nursery, budwood/ mother plant/parent clone gardens 3. New Plantation, Replanting, Rejuvenation, Rehabilitation of old trees 4. Post-harvest activities (fermentation, drying,) and processing/ manufacturing (roasting, grinding/milling, packaging, storage) 5. Trading, Export	Working Capital to augment the PFIs credit funds for lending activities to SFFs, MSMEs and ABEs



ACEF

**Agricultural Competitiveness Enhancement Fund
Lending Program**





Eligibility Requirements

Farmers' and Fisherfolk Coops and Associations

- Duly registered with the CDA/ SEC/ DOLE-BRW;
- Operational for at least 6 months;
- No adverse findings on the borrower;
- With core management team composed of manager, cashier and treasurer or equivalent positions; and
- With proven track record (experience, training and preparation of officers and members to implement the proposed project to be financed)



Eligible Loan Purpose

1. Individual Farmer and Fisherfolk

- Purchase of farm inputs and equipment or for farm improvement

2. Farmers' and Fisherfolk Cooperatives and Associations

- Direct Lending: Acquisition/ establishment of agri-based production and post-production, and processing machineries, equipment and facilities

3. Registered MSEs

- Acquisition/establishment of agri-based production and post-production, and processing machineries, equipment and facilities



Financing Mix

90% : ACEF

10% : Borrower's Equity



Loan Security

Farmers' and fisherfolk's cooperatives and associations

Any or combination of the following:

- Chattel mortgage;
- Insurance/guarantee proceeds such as PCIC, if applicable

The borrower shall be required, if applicable, to secure and renew annually their insurance and guarantee coverage while loan under ACEF is outstanding. The insurance premium shall be charged either as part of borrower's equity or covered as part of the loan.



Expanded Rice Credit Assistance under Rice Competitiveness Enhancement Fund (ERCA-RCEF)



ELIGIBILITY CRITERIA

For Cooperative (with rice farmers as members)

1. Duly registered with the CDA;
2. Accredited by the DA;
3. No adverse findings on the coop and its principals;
4. Should have strong back office support with defined Operational Structure;
5. Must exhibit profitable operations and sound financial condition;
6. Past Due Loan Ratio not exceeding 25%;
7. Certificate of Compliance from CDA, if applicable; and
8. Has undergone relevant technical training on rice-related projects

ELIGIBILITY CRITERIA

End-Borrower for relending/ rediscounting

1. Registered in the RSBSA
2. Sub-PNs are current and outstanding; and
3. Has undergone relevant technical training on rice-related projects

ELIGIBLE LOAN PURPOSE

For Individual Farmers

- Purchase of farm inputs (materials and labor)
- Acquisition of farm machineries and equipment *including mechanical dryer*

For Cooperatives

- Purchase of farm inputs (materials and labor)
- Working capital
- Acquisition of machineries and equipment *including mechanical dryer*
- Establishment of facilities

LOAN FEATURES

Credit Facilities	Direct Lending <ul style="list-style-type: none">• Short Term Loan/Line, Term Loan On Lending <ul style="list-style-type: none">• Relending/ Rediscounting
Interest Rate	Direct Lending <ul style="list-style-type: none">• 2% per annum On Lending <ul style="list-style-type: none">• 0% p.a., as long as effective pass-on rate to end-users is up to 6% p.a.
Maximum Loanable Amount	Direct Lending <ul style="list-style-type: none">• 90% of the total project cost• 10% equity of the borrower On Lending <ul style="list-style-type: none">• Relending: 90% of the total project• Rediscounting: 90% of the face value of the sub-PN

LOAN FEATURES

Project Cost Sharing	<ul style="list-style-type: none">• 90% ERCA• 10% Borrower's Equity
Grace Period	Maybe granted, if applicable, based on the cash flow of the project
Loan Maturity	<p>Production</p> <ul style="list-style-type: none">• Two (2) years loan/line available via 180 days PN <p>Working Capital</p> <ul style="list-style-type: none">• Based on the projected cash flow <p>Acquisition of the fixed asset/s</p> <ul style="list-style-type: none">• Based on the projected cash flow but no longer than the economic useful life of the fixed asset/s <p>Relending/rediscouting</p> <ul style="list-style-type: none">• Based on the earliest maturity of sub-borrowers PN submitted per batch

LOAN FEATURES

<p>Loan Security/ Conditions</p>	<p>For production</p> <ul style="list-style-type: none">• PCIC insurance proceeds <p>For acquisition of equipment/ machineries</p> <ul style="list-style-type: none">• Chattel mortgage on subject of financing; and• Applicable insurance cover on the chattel financed, endorsed in favor of the Bank <p>For establishment of facilities</p> <p>Any or combination of the following, if applicable/case-to-case basis:</p> <ul style="list-style-type: none">• Applicable insurance cover on the project financed, endorsed in favor of the Bank;• Real Estate Mortgage (REM)
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LOAN FEATURES

Loan Security/ Conditions	For Relending/Rediscounting Any or combination of the following, if applicable/case-to-case basis: <ul style="list-style-type: none">• Assignment of sub-borrowers PNs including underlying collaterals, if any;• Assignment of proceeds from insurance/guarantee claims such as PCIC, AGFP and CSF.
Mode of Release	<ul style="list-style-type: none">• Staggered or lump-sum depending on the project
Penalty	<ul style="list-style-type: none">• 3% per annum
Other Terms and Conditions	<ul style="list-style-type: none">• The borrower shall allow LANDBANK to disclose client information to the program partners and Credit Bureaus;• Borrower to open either an ATM or Passbook Savings Account, whichever is applicable where the loan proceeds are to be credited

LBP-SRA
Socialized Credit Program
under Sugarcane Industry
Development Act
(SCP-SIDA)



RATIONALE

- The Sugarcane Industry Development Act (SIDA) of 2015 (RA 10659) and its IRR were signed on March 27, 2015 and August 4, 2015, respectively.
- Provided under the SIDA law are:
 - Creation of Socialized Credit Facility (SCF) for which an annual allocation from the General Appropriations Act of at least P300M (P325M for 2017) shall be made available thru LANDBANK.
 - SCF shall be managed by LANDBANK and shall be made available for the acquisition of production inputs, farm machineries and implements for the continuous production of sugarcane.
- On 29 December 2016, a MOA between the SRA and LANDBANK had been signed to formalize the program tie-up for the implementation of the SCF under SIDA.

SCP-SIDA FEATURES

Eligible Borrowers

- **Individual Sugarcane Farmer (ISF)** who are not a member of any Collective Farm or Block Farm:
 - Small sugarcane farmer with farm area of five (5) hectares and below
 - Other individual sugarcane farmer with total farm area of more than five (5) hectares to ten (10) hectares

- **Cooperative/Farmers' Association** with legal personality to borrow:
 - **Collective Farm** - consolidated area of less than 30 hectares within 2-km radius. Participating farmers are with individual farm areas of five (5) hectares and below
 - **Block Farm** - consolidated area of at least 30 hectares within a 2-km radius

- **Common Service Centre**
 - Sole Proprietor, Partnership, Corporation;
 - Cooperative/ Association/NGO with legal personality to borrow

SCP-SIDA FEATURES

Eligibility Criteria

➤ **Cooperative/Farmers' Association**

- Accredited with SRA
- Endorsed either by SRA MDO or SCP Local TWG
- Must have no existing loan with LBP and its conduits, other government institutions and other creditors covering same project area; or that such loan has already been fully paid prior to release of the SCP-SIDA loan
- Not a beneficiary of any government financial farm productivity assistance for the same project applied for.

➤ **Common Service Centers**

- Accredited by SRA Farm Mechanization Program Committee
- Endorsed by SRA Sugar Board

SCP-SIDA FEATURES

Borrower Type	Individual Sugarcane Farmer	Collective/Block Farm	Common Service Centre
Eligible Project/ Loan Purpose	Sugarcane Production (individual)	Sugarcane Production (collective/block farm)	<ul style="list-style-type: none"> • Assets Acquisition (farm machinery/ equipment, tractor & implements, harvesters/ cutters, loaders, irrigation, hauling trucks, etc.) for farm mechanization and hauling services • Equipment Shed/Motor Pool/ Garage Construction • Working Capital
Loanable Amount	Up to 90% of the project cost per Standardized Farm Plan and Budget based on general fertilizer recommendation by SRA per Mill District, as reviewed and affirmed by SRA MDO.		Up to 90% of the total project cost or financing requirement

SCP-SIDA FEATURES

Borrower Type	Individual Sugarcane Farmer	Collective/Block Farm	Common Service Centre
Tenor	STLL-Production Loan (individual/collective/block farms) - maximum of 18 months from the initial release of the loan		<ul style="list-style-type: none"> • Fixed Asset Acquisition/Construction - based on project cash flow/ payback period but not more than the economic useful life of fixed assets or remaining useful life for second-hand/refurbished machines. • Working Capital - one year line available via PNs depending on cash cycle
Grace Period	Maybe granted, if applicable, depending on the cash flow of the project		

SCP-SIDA FEATURES

Borrower Type	Individual Sugarcane Farmer	Collective/Block Farm	Common Service Centre
Fees and Charges	<ul style="list-style-type: none">• Loan application fee shall be waived for production loans• CI/BI fee of P1,500/application - chargeable to Income/Program Fund, as applicable		<ul style="list-style-type: none">• Other applicable standard fees and charges for loans shall apply (e.g. loan application fee, pre-payment fee, commitment fee, etc.)• CI/BI fee of P1,500/application charge to borrower• Property Appraisal Service Fee to be paid by the borrower, if applicable
Doc. Stamp Tax (DST)	<ul style="list-style-type: none">• For borrowers other than cooperatives - DST shall be charged either as a deduction from the loan proceeds, or, out-of-pocket by the borrower.• For cooperatives with BIR Tax Exemption Certificate - DST shall be taken from the Income/ Program Fund.		

SCP-SIDA FEATURES

Collaterals, guarantee, surety and insurance

- ***Individual Sugarcane Farmer (ISF) and Cooperative/Farmers' Association (Collective/Block Farms)***
Any or a combination of the following:
 - Assignment of sugar quedans on net planter's share with mill conformity;
 - Assignment of sales proceeds of sugarcane (for borrowers with no quedan)
 - Assignment of credit enhancement instruments such as PCIC, Credit Surety Fund (CSF) and other similar instruments whichever is/are applicable. The premium/service fee for the said coverage shall be charged against the Program/Income Fund.
- ***Common Service Centre***
Any asset acceptable to the Bank i.e. Real Estate Mortgage, Chattel Mortgage, guarantee cover, etc.



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I-RESCUE Lending Program **(Interim REhabilitation Support to** **Cushion Unfavorably-affected** **Enterprises by COVID-19)**



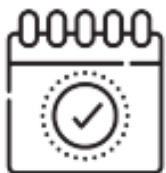
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Program Description

The **I-RESCUE Lending Program** is LANDBANK's support program for the SMEs, cooperatives, and microfinance institutions (MFIs) which are affected by the economic impact of the CoVid-19 pandemic to the country. The program will provide interim measures to help SMEs, coops and MFIs through provision of additional funds and by loan restructuring under more flexible terms and conditions. I-RESCUE supports RA 11469, also known as the "Bayanihan to Heal as One Act."



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Availability Period:
up to December 31, 2020



Program Fund:
Php10 Billion Initial Internal Fund



Types of Credit Assistance:

1. Rehabilitation Credit Programs

- Rehabilitation Credit Programs for SMEs
- Rehabilitation Credit Programs for Cooperatives and MFIs

2. Rehabilitation through Loan Restructuring



Rehabilitation Credit Programs for Cooperatives and MFIs

Eligible Project/Loan Purpose	Wholesale Lending Livelihood Financing – to augment credit fund for on-lending to Small Farmer and Fishers (SFFs)/Micro, Small and Medium Enterprises
Eligibility Criteria	Standard Risk Asset Acceptance Criteria shall apply except for Debt to Equity Ratio which shall be at 90:10 and that computation of net Past Due Rate shall be based on financial statements (F/S) before occurrence of calamity.
Credit Facility	Term Loan
Loan Tenor	Up to a maximum of five (5) years



Rehabilitation Credit Programs for Cooperatives and MFIs

<p>Loanable Amount</p>	<ul style="list-style-type: none">• Working Capital based on the borrower's funding requirements on its on-lending to its sub-borrowers' working capital requirements;• Coop/MFI shall submit a masterlist of its newly approved sub-loans for its sub-borrowers affected by disaster which LANDBANK shall fund as working capital of the Coop/MFI;• Maximum amount of loan shall be up to 85% of the Coop/MFI newly approved sub-loans to disaster-affected sub-borrowers
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Rehabilitation Credit Programs for Cooperatives and MFIs

Interest Rate	5% p.a. fixed for 3 years, and subject to annual repricing thereafter based on one (1) year BVAL reference rate plus a spread based on credit rating, however, the interest rate shall not be lower than 5% p.a.
Pass-on Rate	<ul style="list-style-type: none">▪ For SFFs: maximum of 12% p.a., inclusive of other charges▪ Other than SFFs but for agricultural purpose: maximum of 12% p.a.▪ For non-agricultural purpose: 15% p.a.
Penalty	<ul style="list-style-type: none">▪ For Coops: 3% p.a. with 180 calendar days grace period▪ For MFIs: 24% p.a. with 60 calendar days grace period
Other Fees and Charges	<ul style="list-style-type: none">▪ Standard fees and charges shall apply▪ Application, CI/BI, commitment and pre-termination fees shall be waived



Rehabilitation Credit Programs for Cooperatives and MFIs

Mode of Payment	<ul style="list-style-type: none">▪ Principal – payable upon maturity of Promissory Notes (PNs) per batch▪ Interest – payable monthly, quarterly, semi- annually in arrears or lump sum upon the maturity of the PNs <p><u>In case of varied maturities of sub-PNs,</u></p> <ul style="list-style-type: none">▫ the due date of the borrower's PN shall be the earliest due date of sub-PNs per batch regardless of the project type; or▫ upon maturity of the borrower's PN, payable monthly, quarterly, semi- annually or lump sum depending on cash flow <ul style="list-style-type: none">▪ Payment shall be made through debit from existing deposit account with LANDBANK, over-the-counter, issuance of PDCs and/or other e-Banking Channels
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Rehabilitation Credit Programs for Cooperatives and MFIs

Collateral	<p>Any or combination of the following:</p> <p><u>If sub-PNs are already available at the time of loan release:</u></p> <ul style="list-style-type: none">▪ Assignment of Notes Receivables / Sub-borrower's PNs with at least 100% cover, plus underlying collateral, if any▪ Assignment of Proceeds of guarantee claims from the Philippine Guarantee Corporation, Credit Surety Fund and insurance claims, from the Philippine Crop Insurance Corporation, if any <p><u>If sub-PNs are not yet available at the time of loan release:</u></p> <ul style="list-style-type: none">▪ Post Dated Checks (PDCs) to cover principal and interest amortizations for each PN
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Rehabilitation Credit Programs for Cooperatives and MFIs

Pre-release Requirements	<ol style="list-style-type: none">1. Letter-request to avail from the Term Loan from co-ops/MFIs signed by authorized signatories, indicating among others the following:<ul style="list-style-type: none">• Amount of loan to be availed• No. of prospective sub-borrowers• Name of commodity/projects to financed<p><i>Note: This is for the purpose of determining more or less the term of loan to be given to co-ops/MFIs</i></p>2. Masterlist of sub-borrowers/sub-PNs to be assigned, if available3. PDCs, if the Masterlist of Sub-Borrowers is not yet available4. The co-op/MFI shall maintain custody of all sub-borrower's PN including underlying collateral. The co-op/MFI shall submit a notarized undertaking to keep custody of the sub-borrower's PN and its underlying collaterals provided in favor of LANDBANK and that the same are open for inspection and audit of LANDBANK representative, anytime at the Bank's discretion.
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Rehabilitation Credit Programs for Cooperatives and MFIs

Post Loan Release Requirements	<ol style="list-style-type: none">1. The co-op/MFI shall submit a Schedule of Loans Disbursed under the I-RESCUE Lending Program not later than sixty (60) calendar days after the loan has been released2. The co-op/MFI shall return to LANDBANK the amount undisbursed including the interest incurred computed up to the date of return/payment not later than 91st calendar day from date of loan release, if any.3. No subsequent releases shall be made until the co-op/MFI has submitted the complete schedule of loan receivables and has returned/paid to LANDBANK the undisbursed amount including the interest incurred.4. Validation of sub-PNs shall be covered by the provisions of CPI 2016-007 (Revised Guidelines on Post Validation, Verification and Applicable Sanctions Relative to Credit Facilities secured by Deed of Assignment of PNs), as may be amended.
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S.P.E.E.D. PUV

*Support **P**ackage for **E**nviroment-friendly and **E**fficiently-**D**riven PUVs*



Objectives:

- Provide financial support for the acquisition of adequate, effective and efficient transport units for the convenience and safe mobility of the riding public.
- For the seamless implementation of PUV Modernization between the DOTr/LTFRB regulatory requirements and LANDBANK's financing requirements.

Eligible Borrowers:

Public Transport Cooperatives or Corporations with approved routes from LTFRB

Eligible Borrowers:

- Duly registered with CDA or SEC
- Participant in the Public Utility Vehicle under the PUV Modernization Program (PUVMP)

Loan Purpose:

Acquisition of modern jeepneys

Amount of Loan:

Up to 95% of the acquisition cost of the unit

Government Subsidy:

P160,000 per unit (applied as equity)

Loan Tenor:

Maximum of seven (7) years

Interest Rate:

Minimum of 6.0%

Mode of Release:

Payable directly to the supplier

Repayment Mode:

Monthly amortization

Other Fees:

Waived handling, commitment, pre-payment fees



Security:

- Registered Chattel Mortgage
- OR and CR
- Deed of Assignment of comprehensive Insurance
- Hold-out on deposits (if needed)

Loan Collection System:

1. Borrower shall open a LANDBANK Debt Service Reserve Account (DSRA) with ADB equivalent to 2 months amortization
2. Amortization shall be paid through auto-debit from the borrower's DSRA



Pre-Processing Requirements:

- Cooperative/Corporate registration documents
- Board Resolution to borrow from LBP
- Certificate of Accreditation from the Office of Transportation Cooperatives (for cooperatives only)
- Certified list of officers, directors, shareholders
- Audited Financial Statements (if already existing and operating)

Pre-Release Requirements:

1. LTFRB Documents:
 - Notice of Selection (NOS) – for developmental routes
 - Certificate of Consolidation or Certificate of Franchise Verification – for existing routes
2. Owned or leased garage
3. Supplier certification that units are compliant with the Philippine National Standards (PNS) on PUVs

Post-Release Requirements:

1. OR/CR registered under the name of the transport entity within 30 days from loan release
2. Chattel Mortgage registration within 30 days from loan release
3. Authenticated copy of Provisional Authority (PA) to operate PUV not later than 15 days after issuance
4. Authenticated copy of Certificate of Public Convenience (franchise) not later than 15 days after issuance
5. Fleet management system
 - Already operating for existing transport entity
 - Operating within 6 months for start-up
6. Vehicle Maintenance Agreement with supplier or 3rd party to cover maintenance and repair

FERRY BOAT FINANCING PROGRAM

Description/ Objective	Provide credit assistance to small boat owners for the acquisition of modern, safe and efficient ferry boats by supporting the modernization program of the DOTr to replace wooden-hulled passenger boats in domestic routes to help in ensuring the availability of safe, reliable, efficient, adequate and economical passenger service ferries for the country
Interest Rate	6% p.a.
Other Requirements	<ul style="list-style-type: none">▪ Pre-processing Requirements<ul style="list-style-type: none">a) MARINA registrationb) SEC/CDA registrationc) List of officers, directors, shareholdersd) Collateral documentse) Financial statements



FERRY BOAT FINANCING PROGRAM

Other Requirements	<ul style="list-style-type: none">■ Pre-release Requirements<ul style="list-style-type: none">a) MARINA Authority to acquire shipb) MOA on boat salec) Sales invoiced) Payment of equitye) Boat appraisal reportf) Certificate of vessel classg) Mortgage registration■ Post-release Requirements<ul style="list-style-type: none">a) Franchise certificateb) Insurance policyc) Bank Inspection report
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MVIC (Motor Vehicle Inspection Center)

Description/ Objective	To provide credit facility to PMVICs authorized by DOTr-LTO and to support the government's thrust of delivering safe, reliable, and accessible transportation system with minimal environmental impact
Interest Rate	Market Rate
Other Requirements	<ul style="list-style-type: none">▪ Pre-processing Requirements<ul style="list-style-type: none">a) Loan application letterb) LTO application to operate MVICc) Location map/layout of MVICd) Permits and licensese) Proof of order of inspection equipmentf) SEC/DTI registrationg) List of officers and directors



MVIC (Motor Vehicle Inspection Center)

Other Requirements	<ul style="list-style-type: none">■ Pre-release Requirements<ul style="list-style-type: none">a) LTO Provisional Authority to Operateb) LTO Notice to proceed with construction■ Post-release Requirements<ul style="list-style-type: none">a) LTO Authorization Committee Notice of Complianceb) LTO authority to operate MVIC
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BRIGHTNESS

(BRinging Inclusive Growth in every Household Through National Electrification Support Services)

Description/ Objective	To support the government direction on strengthening reforms in the rural power sector and place the Bank in a prime position to exploit the business opportunities in the restructuring of the power industry by financing projects of Electric Cooperatives(EC) that translate to lower electricity rates for the Filipino customers
Interest Rate	<ul style="list-style-type: none">▪ Internal fund: 3-month BVAL PDSTF or BSP overnight borrowing rate, whichever is higher, plus minimum spread▪ External/Special funds: Applicable interest rate
Other Requirements	<ul style="list-style-type: none">▪ Organizational Structure▪ Capital Investment Plan▪ Environment Impact Assessment (EIA) Report



Thank
you



LANDBANK