



**LANDBANK**

WE HELP **YOU** GROW.



# I-RESCUE

## LENDING PROGRAM

Interim **RE**habilitation **S**upport to  
**C**ushion **U**nfavorably-affected  
**E**nterprises by CoVid-19

Supporting SMEs, Cooperatives and MFIs through the provision of additional funds and loan restructuring under more flexible terms and conditions



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, co-ops 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."



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**

## I. Rehabilitation Credit Programs for SMEs

<b>Eligible Project/ Loan Purpose</b>	Emergency fund for working capital
<b>Credit Facility</b>	Term Loan
<b>Loanable Amount</b>	Up to 85% of actual need provided the total loan exposure (including the existing loans) shall be within repayment capacity of the borrower as per LANDBANK computation
<b>Loan Tenor</b>	Up to five (5) years with maximum two (2) years grace period on the principal payment depending on cash flow
<b>Interest Rate</b>	5% per annum fixed for three (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.
<b>Penalty</b>	24% p.a.
<b>Mode of Payment</b>	Monthly, quarterly, semi-annually or annually based on cash flow; further, payment shall be made through debit from existing deposit account with LANDBANK, over-the-counter, issuance of post dated checks (PDCs) and/or other e-Banking channels
<b>Other Fees and Charges</b>	<ul style="list-style-type: none"> <li>Standard fees and charges shall apply</li> <li>Application, Credit Information/Background Investigation (CI/BI), commitment and pre- termination fees shall be waived</li> </ul>
<b>Collateral/Security</b>	<ul style="list-style-type: none"> <li>Any acceptable collateral to the Bank, if applicable</li> <li>PDCs to cover maturing principal and interest amortizations</li> </ul>
<b>Documentary Requirements</b>	<p><u>Pre-Processing</u></p> <ol style="list-style-type: none"> <li>Accomplished Loan Application Form (with pictures, if applicable)</li> <li>Securities and Exchange Commission (SEC) /Department of Trade and Industry (DTI) – certified or Corporate Secretary- certified true copy of the SEC / DTI Certificate of Registration, Articles of Incorporation and By-Laws</li> <li>Corporate Secretary-certified true copy of the duly notarized certificate confirming the resolution of the Board of Directors and/or committees or bodies authorizing the application for LANDBANK loans and specifying the authorized signatories</li> <li>Valid certificates/permits/licenses/clearances from concerned government agencies</li> <li>Audited F/S for the last three (3) years plus the current year F/S</li> <li>List of key officers of the firm</li> <li>Client Information and Signature Specimen Card and at least one valid/government ID such as but not limited to unexpired passport, Social Security System, Government Service Insurance System or driver's license</li> <li>Tax Identification Number</li> </ol>

*Note: Applicable only if the above-listed documents are not on-file.*



## II. Rehabilitation Credit Programs for Cooperatives and MFIs

<b>Eligible Project/ Loan Purpose</b>	Wholesale Lending Livelihood Financing – to augment credit fund for on-lending to Small Farmer and Fishers (SFFs)/Micro, Small and Medium Enterprises
<b>Credit Facility</b>	Term Loan
<b>Loanable Amount</b>	<p><u>Wholesale Lending Livelihood Financing</u></p> <ul style="list-style-type: none"> <li>Working Capital – based on the borrower's funding requirements on its on-lending to its sub-borrowers' working capital requirements; the co-op/ 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 co-op/MFI; maximum amount of loan shall be up to 85% of the co-op/MFI newly approved sub-loans to disaster- affected sub-borrowers</li> </ul>
<b>Loan Tenor</b>	Up to a maximum of five (5) years
<b>Interest Rate</b>	5% per annum (p.a.) fixed for three (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.
<b>Pass-on rate</b>	<ul style="list-style-type: none"> <li>For SFFs - maximum of 12% p.a., inclusive of other charges</li> <li>Other than SFFs but for agricultural purpose - maximum of 12% p.a.</li> <li>For non-agricultural purpose - 15% p.a.</li> </ul>
<b>Penalty</b>	<ul style="list-style-type: none"> <li>For co-ops: 3% p.a. with 180 calendar days grace period</li> <li>For MFIs: 24% p.a. with 60 calendar days grace period</li> </ul>
<b>Mode of Payment</b>	<ul style="list-style-type: none"> <li>Principal – payable upon maturity of Promissory Notes (PNs) per batch</li> <li>Interest – payable monthly, quarterly, semi- annually in arrears or lump sum upon the maturity of the PNs</li> </ul> <p><u>In case of varied maturities of sub-PNs,</u></p> <ul style="list-style-type: none"> <li>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</li> <li>upon maturity of the borrower's PN, payable monthly, quarterly, semi- annually or lump sum depending on cash flow</li> </ul> <ul style="list-style-type: none"> <li>Payment shall be made through debit from existing deposit account with LANDBANK, over-the-counter, issuance of PDCs and/or other e-Banking Channels</li> </ul>
<b>Other fees and charges</b>	<ul style="list-style-type: none"> <li>Standard fees and charges shall apply</li> <li>Application, CI/BI, commitment and pre-termination fees shall be waived</li> </ul>

## Collateral

Any or combination of the following:

If sub-PNs are already available at the time of loan release:

- 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

If sub-PNs are not yet available at the time of loan release:

- Post Dated Checks (PDCs) to cover principal and interest amortizations for each PN

## Other Terms

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.

## Documentary Requirements

### A. Pre-loan release requirements:

1. Letter-request to avail from the Term Loan from co-ops/MFIs signed by authorized signatories, indicating among others the following:
  - Amount of loan to be availed
  - No. of prospective sub-borrowers
  - Name of commodity/projects to financed

*Note: This is for the purpose of determining more or less the term of loan to be given to co-ops/MFIs*

2. Masterlist of sub-borrowers/sub-PNs to be assigned, if available
3. PDCs, if the Masterlist of Sub-Borrowers is not yet available
4. 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.

### B. Post-loan release requirements:

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 released
2. 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 91<sup>st</sup> 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.

### III. Rehabilitation through Loan Restructuring

<b>Loan Purpose</b>	Restructuring of existing loan account via additional loan, extended repayment period, or other means (or combination of means) to enable existing borrowers to rehabilitate and restore operational cash flow
<b>Loan Tenor</b>	Up to maximum of ten (10) years with up to three (3) years grace period on principal and one (1) year grace period on interest depending on cash flow  <i>Note: The deferred interest shall be non-interest bearing and shall be amortized equally either monthly or quarterly within three (3) years inclusive of one (1) year grace period.</i>
<b>Interest Rate</b>	5% p.a. fixed for three (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.
<b>Mode of payment</b>	Monthly, quarterly, semi-annually or annually depending on cashflow
<b>Penalty</b>	Waived

#### GENERAL TERMS AND CONDITIONS:

- The borrower shall authorize LANDBANK to debit the account for maturing principal and interest amortization
- Provision of Point of Sale by the LANDBANK Technology Management Group.
- Co-op/MFI borrowers may also be entitled to LANDBANK assistance, such as trainings.

For more information, contact:

#### Programs Management Department II

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Visit the nearest LANDBANK Lending Center:

Regulated by the Bangko Sentral ng Pilipinas  
(+632) 8708-7087; [consumeraffairs@bsp.gov.ph](mailto:consumeraffairs@bsp.gov.ph)