



Partner Financial Institutions-Additional Credit for Countryside Outreach and Rural Development (PFI-ACCORD)

PFI-ACCORD offers a short-term working capital loan to eligible partner financial institutions (PFIs) which have established a satisfactory credit relationship with LANDBANK. The program veers away from the standard lending parameters and gives value to long-time partnerships viability, and creditworthiness of the Bank's PFIs.

ELIGIBLE BORROWERS

- Cooperatives (Co-ops)
- Rural Banks, Cooperative Banks, and Thrift Banks (RBs/CBs/TBs)
- Microfinance Organizations (MFO)

ELIGIBILITY REQUIREMENTS

- PFIs must pass the following Risk Asset Acceptance Criteria (RAAC):

Particulars	Co-ops	RB/CBs/TBs	MFO
Credit Rating	Prime or High Grade	Prime or High Grade	
PESO Rating			At least 75
Number of years of satisfactory credit relationship with LANDBANK	1. Three (3) years for Consolidated/ Merged Banks 2. Five (5) years for PFIs other than the Consolidated/ Merged banks		
Number of years of profitable operations preceding application	At least five (5) years		
Past Due Ratio (Gross)	Not more than 15%		
Debt-Equity Ratio	80:20	N/A	N/A
Risk-Based Capital Adequacy Ratio (RBCAR)	N/A	At least 12%	N/A
Portfolio-at-Risk (PAR)	N/A	N/A	Not more than 10%
Rediscounting Line	Should have an existing Rediscounting Line		

LOAN PURPOSE

Working capital to augment the PFIs credit funds for lending activities to SFFs, MSMEs and Agri-business Enterprise

LOANABLE AMOUNT

Up to 75% of average loan portfolio for the last three (3) years preceding the application

CREDIT FACILITY

Short Term Loan Line

INTEREST RATE

For Cooperatives, and RBs/CBs/TBs

- Prevailing LANDBANK Lending Rate at the time of availment

For MFOs

- Shall be the same as that of the interest rate given to Prime co-ops

INTEREST SPREAD (FROM PFIS TO ITS BORROWERS)

All-in interest over LANDBANK rate should not be more than 15% per annum, inclusive of all charges

LOAN TENOR/REPAYMENT TERM

- Principal - payable upon maturity of the Promissory Notes (PNs) per batch
- Interest - payable monthly, quarterly, semi-annually in arrears or lump sum upon the maturity of the PNs

PENALTY FOR LOAN DEFAULT

For Cooperatives

- Three percent (3%) per annum to be charged on the 61st day after the due date of loan up to the date of settlement

For other PFIs

- Twenty four (24%) per annum to start on the day after the due date of loan up to the date of settlement

SECURITY/COLLATERALS

Any or combination of the following:

- If sub-PNs are already available at the time of loan release:
 1. Assignment of Notes Receivables/Sub-borrower's PNs with at least 100% cover, plus underlying collaterals, if any
 2. Assignment of Proceeds of guarantee claims from AGFP, Credit Surety Fund and insurance claims from Philippine Crop Insurance Corporation (PCIC), if any
- If sub-PNs are not yet available at the time of loan release:
 1. Post Dated Checks (PDCs)

DOCUMENTARY REQUIREMENT

- Letter-request to avail from the STLL from PFIs signed by its authorized signatories, indicating among others the following:
 1. Amount of loan to be availed
 2. No. of prospective sub-borrowers
 3. Name and term
 4. Gestation of project to be financed
- Masterlist of sub-borrowers/sub-PNs to be assigned, if already available
- PDCs, if the Masterlist of Sub-borrower is not yet available
- Notarized undertaking to keep custody of the sub-borrowers PN and its underlying collaterals provided in favour of LANDBANK and that the same are open for inspection and audit by LANDBANK representative, anytime at the Bank's discretion

For more information, contact:

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