



Financing Program for Commercial Fishing Vessel

The Financing Program for Commercial Fishing Vessel aims to provide credit assistance to existing and/or prospective commercial fishing operators in acquiring fishing vessels for domestic or overseas use in consonance with the policy of the government to liberalize vessel acquisitions.

ELIGIBLE PROJECT

Commercial Fishing with passive or active gear utilizing vessels 3.1 gross tons (GT) and up

ELIGIBLE BORROWERS

- Single Proprietorship
- Partnership
- Cooperative
- Corporation

LOAN PURPOSE

Purchase/acquisition of brand new or second-hand/refurbished commercial fishing boats and related equipment

LOANABLE AMOUNT

Up to 80% of acquisition cost

LOAN TENOR/MANNER OF PAYMENT

- Up to ten (10) years but no longer than the remaining economic useful life of the asset
- A grace period on principal and interest may be allowed depending on the cash flow of the project

INTEREST RATE

Fixed at 5% per annum (p.a.) for 3 years, subject to repricing thereafter based on market rate but shall not be lower than 5% p.a.

COLLATERAL/CREDIT ENHANCERS

- Ship Mortgage Decree
- Chattel Mortgage
- Real Estate Mortgage
- Assignment of Receivables
- Post-dated Checks
- Hold-out on Deposits
- All other available credit enhancement instruments such as assignment of insurance claims, Credit Life Insurance, among others, as applicable
- Other collaterals acceptable to the Bank

OTHER TERMS AND CONDITIONS

- Object of financing must be in accordance with MARINA standards as supported by a MARINA Certificate of Ship Registry.
- The boat to be financed shall be in seaworthy condition, properly equipped with life-saving, communication, safety, and other equipment, operated and maintained in accordance with the standards set by MARINA.
- The Bank shall have the authority to debit the borrower's deposit account to cover any loan repayment as they fall due.
- The Borrower shall give its consent to LANDBANK to disclose credit information about the Borrower to other banks, financial institutions, the Bankers Associations of the Philippines/Credit Bureaus and other credit bureaus or institutions.

DOCUMENTARY REQUIREMENTS

For all types of borrowers

- Duly filled-out Loan Application Form
- Project Proposal
- Business Plan (including Financial Projections, Source of Equity, List of Suppliers/Markets or Buyers and Contact Numbers)
- Quotation from the supplier of the boats/vessels to be acquired
- For Existing Business
 1. Income Tax Return for the past three (3) years
 2. Audited Financial Statements for the past three (3) years
 3. Latest Interim Financial Statement
- Collateral
 1. Real Estate Mortgage - photocopy of the following:
 - a. Title
 - b. Tax Declaration
 - c. Real Estate Tax Receipt and Clearance
 - d. Location Map/Vicinity Map
 - e. Building Plans/Architectural Design, Bill of Materials of land development & building improvements
 2. Chattel Mortgage - Evidence/Affidavit of Ownership of Existing Machineries/ Equipment [e.g., Official Receipt (OR)/Certificate of Registration (CR) of vehicle]

Additional requirements

- For Single Proprietorship
 1. Certificate of Registration with Department of Trade and Industry
- For Cooperative/Corporation
 1. Certified true copy of the following:
 - a. Certificate of Registration with Cooperative Development Authority (CDA)/Securities and Exchange Commission
 - b. CDA Certificate of Compliance, for cooperatives
 - c. Articles of Cooperation Incorporation and By-laws, including amendments thereto, if any
 2. Board Resolution duly signed by the Board of Directors or duly notarized Secretary's Certificate:
 - a. authorizing the cooperative/corporation to borrow funds, negotiate and enter into loan agreement with LANDBANK, indicating the amount of loan being applied for and designating at least two (2) officers (with their respective signatures and photos); and
 - b. authorizing the designated signatories to sign, endorse Promissory Notes, loan documents, agreements, and other documents pertaining to the loan obtained from LANDBANK.
 3. List of members with corresponding addresses and paid-up share capital duly certified by its secretary and attested by the chairperson
 4. Certified list of Board of Directors and Key Officers (Manager or President, Treasurer/Cashier and Bookkeeper)

Pre-release requirements

- Original copy of collateral documents (e.g., Transfer Certificate of Titles, OR/CR, Post Dated Checks)

- Authority to acquire ship from MARINA
- Memorandum of Agreement/Deed of Sale/Bill of Sale on boat executed between the seller and borrower
- Pro-forma invoice of the boat/vessel to be acquired
- Proof of payment/remittance of payment of the required equity portion by the borrower to the seller
- Property Valuation & Credit Information Department cost validation/appraisal report
- Execution of Ship Mortgage by borrower in favor of the Bank duly registered by MARINA and Registry of Deeds

Post-release requirements

- Bureau of Fisheries and Aquatic Resources Commercial Fishing Vessel and Gear License
- MARINA Certificate of Philippine Registry and Certificate of Ownership
- Submission of scanned copy of insurance policy within thirty (30) days from the date of release. Original copy shall be submitted upon arrival of the vessel
- Post validation/inspection of the newly acquired vessel by the Bank's representative

For more information, contact:

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