

Pre-Loan Release Requirements for Rediscounting/ On Lending

- Letter-request to avail from the Term Loan from the firm signed by its authorized signatories, indicating among others the following:
 1. Amount of loan to be availed
 2. Number of sub-borrowers/prospective sub-borrowers
 3. Name of commodity/projects to be financed
Note: This is for the purpose of determining more or less the amount of loan to be released
- Master list of sub-borrowers/sub-PNs to be assigned, if available
- PDCs, if the master list of sub-borrowers is not yet available
- The borrowing firm shall maintain custody of all sub-borrower's PN including underlying collateral. The firm shall submit a notarized undertaking to keep custody of the sub-borrower's PN and its provided underlying collaterals in favor of LANDBANK and that the same are open for inspection and audit of LANDBANK representative, anytime at the Bank's discretion.
- Disclosure Statements duly signed by the authorized signatory/ies of the entity
- Duly notarized and signed Promissory Notes with Assignment of Assets/Inventories/Receivables
- Schedule of Notes Offered for Assignment indicating therein the face value and current outstanding balance of the sub-PNs and underlying collaterals (i.e. real estate/chattel mortgages, pledges, guarantees, suretyships, assignments, hold-outs, quedan/trust receipts, etc.) and supporting documents thereof
- Duly Notarized Certification that the assigned promissory notes with the underlying collaterals: i) are current; ii) are in the custody of the entity and available for inspection and physical transfer anytime at the option of LANDBANK through its authorized representative; and iii) have not been assigned to any other financial institution, including the BSP

Post-Loan Release Requirements

- Schedule of loans disbursed under the Emerging FILIPINA Lending Program, not later than sixty (60) days after the loan has been released
- The entity shall return to LANDBANK the amount of the undisbursed amounts including interest incurred computed up to the date of return/payment not later than the 91st calendar day from the date of loan release, if any
- No subsequent releases shall be made until the entity has submitted the complete schedule of loan receivables and has returned/paid to LANDBANK the undisbursed amount including interest incurred
- Validation of sub-PNs rediscounted shall be covered by the provisions of CPI 2020-006 (Revised Implementing Guidelines on Rediscounting Facility for PFIs), as may be amended

For more information, contact:

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Emerging FILIPINA Lending Program_ENGLISH_FA10152021



Emerging FILIPINA Lending Program

**Female-Initiated Livelihood and Investment
Projects via INclusive Financing
to Accelerate Entrepreneurial Growth
Lending Program**

This program aims to provide credit support to women in their business ventures such as traditional trade, e-commerce business, and food services activities, among others.

It will also further enhance their business management, marketing, production, accounting, financial and even info-tech skills through LANDBANK's provision of trainings in coordination with LCDFI and training providers such as TESDA and DTI.

ELIGIBLE BORROWERS

Registered Micro, Small, and Medium-sized Enterprises (MSMEs) with majority ownership by women or majority of the enterprise's top management (inclusive of CEO) is composed of women

Note: Majority is defined as 50+1

ELIGIBILITY CRITERIA

Must comply with the LANDBANK's general and specific Risk Asset Acceptance Criteria (RAAC) for each type of borrower per Credit Policy Issuance (CPI) No. 2013-002, or as may be amended

LOAN PURPOSE

- Working Capital
- Financing of Confirmed Purchase Order/Letter of Credit
- Construction/Renovation of building/facilities related to business operations
- Rediscounting and/or On-lending activities (applicable for cooperatives/PFIs)

CREDIT FACILITIES

- Short Term Loan Line
- Term Loan
- Rediscounting/On Lending Facility (Short Term Loan Line and Term Loan)

LOANABLE AMOUNT

- Up to 80% of actual need or project cost
- For On-Lending
Based on borrower's funding requirements on its on-lending to its sub-borrower's working capital requirements, max of 85% of newly approved sub-loans
- For Rediscounting
Up to 85% of current total outstanding principal balance of sub-PNs at time of rediscounting

LOAN TENOR

- Short Term Loan Line – via up to 360 days Promissory Note
- Term Loan
 1. Maximum of five (5) years for permanent working capital
 2. Maximum of ten (10) years (inclusive of one year grace period on principal repayment) for fixed asset acquisition or for construction/renovation of building facilities related to business operations
 3. Based on maturity of sub-borrower's Promissory Note for rediscounting but not to exceed 10 years

MODE OF RELEASE

- Short Term Loan Line – Lump sum
- Term Loan – Lump sum or staggered manner depending on loan purpose

INTEREST RATE

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

PASS-ON RATE

- For small farmers and fishers (SFFs)
Maximum of 12% per annum, inclusive of other charges
- Other than SFFs but for agricultural purpose
Maximum of 12% per annum
- For non-agricultural purpose
15% per annum

PENALTY FOR LOAN DEFAULT

- 24% per annum
- For Cooperatives - 3% per annum to be charged on the 31st day (to consider the 30-day curing period) up to the date of loan settlement

OTHER FEES

Standard fees and charges shall follow existing Bank policy

COLLATERAL

Any or a combination of the following:

- Real Estate Mortgage (REM)
- Chattel Mortgage (CM)
- Hold out on Deposits
- Other collaterals acceptable to Bank

CREDIT ENHANCER

Any or a combination of the following:

- Assignment of Contract/Receivables or Promissory Note of sub-borrowers, plus underlying collateral
- Post-Dated Checks (PDCs) to cover maturing principal and interest amortizations for medium enterprises
- Credit Life Insurance
- Assignment of claims on insurance/guarantee
- Joint and Several Signatures (JSS) of owners/major stockholders

REPAYMENT TERM

- Short Term Loan Line shall be on Promissory Note maturity date
- Term Loan – up to 10 years (inclusive of 1 year grace period on the principal) payable monthly, quarterly, semi-annually or annually; for permanent working capital, up to five (5) years, payable monthly, quarterly, semi-annual, or annual amortization based on cash flow

Loan under Rediscounting/On-Lending:

- For Short Term Loan Line:
 1. Principal may be payable in lump sum upon Promissory Note's maturity date or consistent with batching by maturity date of sub-Promissory Notes as per revised CPI on Rediscounting Facility for PFIs
 2. Interest may be payable in monthly, quarterly, semi-annually in arrears or upon maturity of Promissory Note
- For Term Loan:
Principal and interest are payable in monthly, quarterly, semi-annually or annually in arrears depending on repayment mode of sub-borrower's PN

DOCUMENTARY REQUIREMENTS

General Loan Processing Requirements

- Accomplished Loan Application Form (with pictures, if applicable)
- SEC/CDA/DTI-certified true copy of Certificate of Registration, Articles of Incorporation/Cooperation and By-Laws
- Corporate Secretary-certified true copy of duly notarized Certificate confirming the Resolution of the Board of Directors and/or committees or bodies authorizing the application for LANDBANK loans specifying the amount, loan purpose and the entity's authorized signatories
- Valid certificates/permits/licenses/clearances from concerned government agencies
- Audited Financial Statements (FS) with Notes for the past three (3) years and the current year interim FS
- List of Key Officers of the Firm, incumbent members of the Board of Directors and the firm's existing principal shareholders and their stockholdings
- Client Information and Signature Specimen Card and at least one (1) valid/government ID such as but not limited to unexpired passport, Social Security System, Government Service Insurance System or Driver's License
- Tax Identification Number/Copy of updated Income Tax Return (ITR)

(Applicable only if the above-listed documents are not on-file yet)

- Additional Project Type-Specific Pre-Processing Requirements
 1. For Construction/Repairs and Renovation: Cost Estimates Building Plan and Specification/Bill of Materials and Work Program/Building Permit
 2. For start-ups, viable business model/plan or feasibility study plus training certificates for relevant trainings attended by the members of the management team