FINANCING PROGRAMS
FINANCING PROGRAMS FOR MICRO, SMALL AND MEDIUM ENTERPRISES
PREFACE

The growing number and significant role of micro, small and medium enterprises (MSMEs) in spurring national economic growth prompted the compilation and publication of this handbook on Financing Programs for Micro, Small and Medium Enterprises.

The implementation of micro financing and SME lending programs by various institutions is generally recognized as an essential tool in stimulating entrepreneurial activities. Through this compendium, the Bureau of Small and Medium Enterprise Development (BSMED) aims to increase the Filipino entrepreneur’s awareness on sources of funding available from government and private sector institutions for his business, and encourage him to access these facilities based on the capabilities of his enterprise. This menu of financial services will hopefully develop and strengthen the ability of MSMEs to better manage their operational activities and possibly embolden them to cater to areas beyond their traditional markets.

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II. SME FINANCING PROGRAMS

**Asiatrust Bank**
- Bank Carry Term Loan
- Short Term Loan
- Discounting Line / Receivables Discounting
- Domestic Letter of Credit / Trust Receipt
- Import Letter of Credit / Trust Receipt

**Department of Science and Technology (DOST)**
- Small Enterprises Technology - Upgrading Program (SET-UP)

**Development Bank of the Philippines (DBP)**
- Credit Line for Micro, Small and Medium Enterprises (CLMSME)
- Sustainable Logistics Development Program (SLDP)
- Environmental Infrastructure Support Credit Program II (EISCP II)
- Kreditanstalt fur Wiederaufbau - Industrial Pollution Control Loan Project (KfW-IPCLP)
- Credit Line for Solid Waste Management (CLSWM)
- Education Sector Credit Program

**Foundation for a Sustainable Society, Inc. (FSSI)**
- Coconut Business Integration & Development Program (COCOBIND)
- Solid Waste Eco-Enterprise Program (SWEEP)
- Sustainable Partnership for Eco-Enterprise Development (SPEED)
- Fund for Sustainable Civil Society – Start-up Eco-Enterprise Development Program (FSCS-SEED)

**Government Service Insurance System (GSIS)**
- GSIS Special Financing Program
Land Bank of the Philippines (LBP)
- Easy Pondong Pang-Asenso (EPPA)
- Special Financing Assistance to Small & Medium Exporters (SFA-SMEEx)
- SME Unified Lending Opportunities for National Growth (SULONG)
- Accelerating Change in the Countryside thru Equity Sharing Strategy (ACCESS)
- Retail Countryside Fund (RCF I and II)
- Countryside Loan Fund Program (CLF I, II, and III)

National Livelihood Support Funds (NLSF)
- Isang Bayan, Isang Produkto, Isang Milyong Piso (1M1)

Philippine Business for Social Progress (PBSP)
- Small and Medium Enterprise Credit Program (SMEC)

Philippine Export-Import Credit Agency (PHILEXIM)
- Special Credit Facility for Export Development (SCFED)
- Short Term - Direct Lending Program (ST-DLP)
- Medium & Long Term - Direct Lending Program (MLT-DLP)
- SME Unified Lending Opportunities for National Growth (SULONG)
- Preshipment Export Finance Guarantee (PEFG)
- Postshipment Export Risk Guarantee (PERG)
- Term Loan Guarantee Program (TLGP)

Philippine National Bank (PNB)
- Small Business Loan (SBL)
**Planters Development Bank**
- Revolving Credit Line
- Mortgage Optimizer
- Term Loan
- Contract to Sell (CTS) Purchase Facilities

**Quedan Corporation (Quedancor)**
- Urban and Rural Poor Program
- Philippine Dairy
- Credit and Entrepreneurship Assistance Program for Agricultural Engineering Students and Organizations
- Self-reliant Farmers/Fisherfolk (SRF)
- Swine Program
- Fisheries
- Quedancor 20-20-20 Program for Palm Oil
- Small Retail Enterprise (SRE)
- Income Augmentation and Livelihood (IAL)
- Women Entrepreneurs
- Food and Agricultural Retail Enterprises (FARE)
- Livestock and Poultry
- Quedancor-SMC Credit Program for Cassava, Corn, Sorghum & Soybean

**Small Business Corporation (SB Corporation)**
- SME-Financing for Receivables of Suppliers’ Transactions (SME-FIRST)
- SME-Financing for Receivables of Suppliers’ Transactions Expanded (SME-EFIRST)
- SME Financing Reach for Exporters thru Network Development (SME-FRIEND)
- SME-Financing for Organizationally Competent and Excellent Franchise Businesses (SME-FORCE)
- SME-Guarantee Incubation for DTI-Endorsed Projects (SME-GUIDE)
- SME-Guarantee for Enterprises in Manufacturing and Services (SME-GEMS)
• SME-Guarantee Resources for Agribusiness Investments (SME-GRAIN)
• SME-Guarantee Lines for Anchor Industries (SME-GLAD)
• Gurantee for Suppliers of Locators of PEZA/BOI
• SME-Guarantee Undertaking of Industries in Livelihood Development Program (SME-GUILD)
• SME-Funding Access for Short Term Loans (SME-FAST)
• SME-Funding for Investments in Regional Markets (SME-FIRM)
• SME-Equity Ventures Program (EVP)

Social Security System (SSS)
• SME Unified Lending Opportunities for National Growth (SULONG)
• The SSS Special Financing Program
• Industry Loan Program
• Financing Program for Tourism Projects
• Special Financing Program for Vocational & Technical Schools
• Hospital Financing Program
• SSS Financing Program for Educational Institutions

III. PROGRAM CLASSIFICATION
• Micro Financing Program
• Financing Programs for SMEs
MICRO FINANCING PROGRAMS
Program Title: MICROFINANCE ECO-ENTERPRISE PROGRAM (MEEP)

Program Objectives:
• To facilitate the entry and effective participation of the marginalized poor and micro enterprises in eco-enterprises; and
• To contribute to the financial sustainability of FSSI thru investing and developing proactive product for microfinance institutions.

Eligible Borrowers: Community Financial Institutions.

Loan Purposes:
• Regular & Time Deposits
• Deposit Line
• Term Loan
• Credit Line

Terms/Requirements:

Amount: Minimum of P500,000.00; Maximum of P12.0 Million.

Interest Rate:
• Organized Marginalized Group & Development Organization: 90-day Tbill + 2% VAT.
• Private Social Enterprise: 90-day Tbill + 2% VAT + 2%.

Maturity / Repayment:
Three to five years in monthly, quarterly, semi-annual, or annual payments.

Security:
• 75% Real Estate Mortgage
• Chattel Mortgage
• Deed of Assignment, and
• Joint and Several Signatures (JSS).

Contact Details:
Mr. Mariel Vincent Rapisura
Phone/Fax: (632) 928.8671
Email: fssi@fssi.com.ph
www.fssi.com.ph
GSIS FAMILY BANK (GFB)
165 Real Street Pamplona, Las Piñas City

Program Title: GSIS FAMILY BANK MICROFINANCE LENDING PROGRAM

Program Objectives:
• To introduce an alternative credit system for the urban and rural poor in order to ensure them of access to credit.
• To reduce dependency on moneylenders who charge high interest rates.
• To reduce dependency on grants/dole-outs given by some private and government agencies.
• To facilitate the credit needs of the poor to finance income-generating activities.
• To empower especially women through their involvement in economic activities and their participation in decision-making process.
• To encourage the poor to use their time, effort and talents productively.

Eligible Borrowers:
• At least 18 years old but not more than 60 years old, preferably women. A student or an employed person may not become a borrower since the livelihood activities require full-time responsibilities.
• Must have stayed in the present residence for at least one year and is known in the community.
• Must be of good moral character as attested by the co-members.
• Must be poor who engage or about to engage in livelihood activities (to those who have no livelihood projects yet, the skill and qualities must be present).

Eligible Projects:
• Any micro-enterprise/livelihood activity (trading, services, vending) that can generate immediate additional income.
• Projects which are within the capacity of the borrower to manage.
• If the project cannot generate immediate income, the borrower must have a secondary source of income in order to service weekly amortization.
• Must be legal.
Terms/Requirements:

Amounts:

- First Loan Cycle – Maximum of P10,000.00
- Second Loan Cycle – Maximum of P20,000.00
- Third and Subsequent Loan – Maximum of P50,000.00

The general rule in determining the amount of the loan shall be the requirement of the proposed livelihood project and acceptance of the responsibility of the group members. Moreover, for the succeeding loan, the amount shall also be based on 1) repayment performance of the borrower, 2) attendance during weekly meeting, and 3) improvement of livelihood activities.

Interest Charges: The loan shall be charged an interest rate that will enable the bank to cover its financial cost, operating cost, opportunity cost, administrative cost and inflation rate plus a modest return. GFB’s rate of 3% per month (straight-line method) is also the prevailing market rate of Microfinance Institutions (MFIs).

Loan Duration: All loans shall have uniform loan duration of 24 weeks (6 months). However, the term may be shortened to 12 weeks if at the start of the training, the group agrees to shorten the loan period and if the cash flow would show the ability of the borrower to pay the weekly amortization. If the weekly meeting falls on a holiday, the loan duration may become 25 weeks or 13 weeks, whichever is the case.

Mode of Payment: Payable in weekly amortization. No advance payment shall be accepted.

Security:
As much as possible, no collateral shall be required from the borrowers except the following:

- Secure the signatures of all her co-group members as her joint and several co-makers.
- Sign a deed of assignment of deposit to empower the bank to apply her savings against her loan in case of default.
- Loan must be secured under an issuance company accredited by the bank.
- Strictly abide to the policies and guidelines of the microfinance program.
Savings Requirement: For every loan that is to be granted, the borrower shall be mandatorily required to save at least 20% of the loan availed. These savings may be accumulated during the social preparation, pre-deducted upon the release of the loan or amortize weekly together with the loan. Withdrawal from this savings shall be discouraged except for meritorious reasons and such withdrawal must be returned at the soonest possible time.

Contact Details:
Mr. Boyito A. Quiroz
Phone: (632) 873.0915
Fax: (632) 873-0119 • (632) 873-5924
LAND BANK OF THE PHILIPPINES (LBP)
1598 M.H. Del Pilar corner Dr. J. Quintos Streets, Malate, Manila

Program Title: MICROFINANCE PROGRAM

Program Objectives:

General
• To support government efforts to alleviate poverty by empowering the marginalized sector towards economic growth.

Specific
• To expand the Bank’s outreach to the poor who do not have access to the formal financial system;
• To promote the active participation of microfinance institutions in the credit delivery system;
• To promote savings mobilization of poor households; and
• To strengthen partner-MFIs in its microfinance operations and help deliver capability building support to micro-enterprises.

Mode of Credit Delivery: Landbank will be a wholesaler of funds to microfinance institutions (MFIs)

Target (MFIs) Borrowers:
• Cooperatives (Coops)
• Countryside Financial Institutions (CFIs)
• Non-Government Organizations (NGOs)

Eligible Borrowers:
• Microfinance Institutions (MFIs) that passed the basic requirements of LBP and the Risk Assets Acceptance Criteria (RAAC)
• Sub-borrowers
• With asset size of not more than P3Million including those arising from loans, but excluding land on which the particular entities’ business are situated
• Must engage in lawful income generating activities except agri-related loans for cooperatives

Loan Purposes:
• Relending to qualified sub-borrowers for their productive economic activities
• Rediscounting of sub-promissory notes (PNs)
• For institutional support
Terms/Requirements:

**Basics:**
- Duly registered with the appropriate registering agencies (CDA for Coops; BSP and SEC for CFIs and SEC for NGOs);
- At least 3 consecutive years experience in lending, one year of which is on microfinance;
- With audited financial statements for the last 3 years (audited by external auditor); and
- With capacity to engage in microfinance but not limited to functioning MIS, savings program; manual of microfinance operations, BOD approved 3 years microfinance business plan, continuing staff development, 2 BODs with one year experience in microfinance, at least 3 full time officers/staff and separate unit to handle microfinance.

**Amount:**
- Short Term Loan Line (STLL) – Funding requirement for 180 days or networth whichever is lower.
- Rediscounting Line – Maximum of 85% of the face value of sub-PNs; Maximum of P150,000.00 per sub-borrower.
- Term Loan – Maximum of 10% of the approved rediscounting line supported by the proposed Action Plan/ Feasibility Study and identified needs of the MFI.

**Interest Rate:** *(aligned with PCFC rate)*
- STLL – 12% per annum + 1% service fee + 10% VAT on interest.
- Term Loan – Preferential rate (subject to the availability of funds) + 10% VAT on interest.

**Maturity / Repayment:**
- STLL – Maximum of one year, renewable at the option of the Bank, payment on or before the maturity of the Promissory Note (PN).
- Term Loan
  - Three years for purchase of computer, printer, office furniture and equipment, staff trainings, and communication equipment.
  - Five years for purchase of 4-wheel vehicles, motorcycle, system improvement, or setting up of additional branch.
Mode of Releases:
• Rediscounting Line – via (maximum) of 180-day PN.
• STLL – via (maximum) of 360-day PN.
• Term Loan – Parallel with still availments; initial release shall be strictly 10% of the STLL availments.

Security:
• Real Estate/Chattel Mortgage,
• Hold out on deposits,
• Joint and Several Signatures (JSS),
• Deed of Assignment of Sub-borrowers’ Promissory Notes including Underlying Collaterals.

Contact Details:
Program Management Department (PMD)
Phone: (632) 522.0000 • (632) 551.2200 locals 2650, 7309, or 2676
Email: PMD2@mail.landbank.com

Program Title: COOPERATIVE LENDING PROGRAM

Program Objective: To help augment income, generate more economic activities and transform people’s lives.

Eligible Borrowers:
• Agricultural cooperatives – small farmers, fisherfolk, and poultry/livestock raisers.
• Non-farmers/credit cooperatives – market vendors, employees, teachers, rural workers, women, etc. - which meet the following criteria:
  ° registered with CDA with a minimum of 60 members;
  ° minimum paid-up share capital of P30,000.00;
  ° all members should have attended Pre-Membership Education Seminar;
  ° core management team composed of qualified full-time treasurer/cashier and qualified full-time bookkeeper and manager;
  ° with on-going savings mobilization program resulting to an annual average increase of savings of at least P500.00/member;
  ° with on-going capital build-up program resulting in annual incremental equity equivalent to P500.00 per member;
with written policies, systems and procedures on membership management, capital build-up and savings mobilization, credit, accounting and budgeting, written plans and programs;
º with duly installed books of accounts;
º at least break-even in its operations;
º must be conducting periodic performance review operations;
º risk asset ratio of not less than 10%; and
º past due ratio of not more than 25% for bank assisted cooperatives/newly accessing cooperatives.
º Sub-borrowers – Individual Households, Businesses, and Microenterprises.

**Loan Purposes:**

- **Agricultural Production Loan (APL)** – provision of short/medium/long term loans, depending on the gestation period of the crop/project, for relending to cooperative members engaged in crop production, livestock and poultry raising/breeding, fishery, and aquaculture projects and other agri/aqua-related projects, including cottage industries which utilize excess farm labor.
- **Working Capital Loan (WCL)** – for funding cooperative activities requiring operating capital for purchase of raw materials, processing and trading of inputs and/or finished products and the operation of fixed assets.
- **Rediscounting Loan (RL)** – improvement of liquidity and provision of capital requirements of eligible/accredited lending agents for funding relending operations using promissory notes of members of cooperatives.
- **Fixed Asset Acquisition (FAL)** – purchase of fixed assets to be used in the cooperative’s operation.

**Terms/Requirements:**

**Amount:**

- Depends on the project needs or loan ceilings for traditional and high-value crops which should not exceed 80% of the project cost.
- For rediscounting – maximum of 85% of face value of the sub-promissory notes (PNs), except for sub-loans under the Innovative Financing Scheme which have 100% loan value on sub-promissory notes.
Interest Rate: Prevailing rate at the time of availment.

Maturity / Repayment:
- APL/WCL – lump sum depending on crop cycle and/or project cash flow.
- RL – co-terminus with the maturity dates of batch of sub-promissory notes rediscounted but not exceeding one year.
- FAL – equal quarterly, semi-annual or annual amortizations depending on the financial projections and production cycle of the project.

Security:
- APL
  - Deed of Assignment of PCIC insurance/guarantee coverage.
  - Deed of Assignment of Produce.
  - Deed of Assignment of Sub-borrowers PNs.
- WCL and FAL
  - Real Estate/Chattel Mortgage (REM/CM).
  - Mortgage on Objects of Financing.
  - Continuing Mortgage on Stocks.
- RL
  - Deed of Assignment Sub-borrowers’ PNs including its underlying collaterals.

Other acceptable collaterals – Hold-outs, Assignments, REM, Guarantee Coverage, Joint and Several Signatures (JSS).

Contact Details:
Program Management Department (PMD)
Phone: (632) 522.0000 • (632) 551.2200 locals 2384 / 2579 / 2376
Email: lgeron@mail.landbank.com
Program Title: LIVELIHOOD CREDIT ASSISTANCE PROGRAM (LCAP)

Program Objective: To stimulate local economic growth through livelihood generation and development of Agrarian Reform Beneficiaries (ARBs) and other farmer households through the use of partner institutions as conduits for lending.

Eligible Borrowers:
- Program Partners
  - Rural Financial Institutions (RFIs)
  - Cooperatives
  - Non-Governmental Organizations (NGOs)
  - People’s Organization (POs).
- End-Beneficiaries – Agrarian Reform Beneficiaries (ARBs), Wives and dependents of ARBs, Small Farmers and Fisherfolk, and other non-farmer households in Agrarian Reform Communities and KALAHI Agrarian Reform Zones, who meet the following criteria:
  - viable and ready market for its products and services;
  - project inputs/materials must be locally-sourced; and
  - project is consistent with the LGU’s development plan.

Loan Purposes:
- Revolving Credit Line – funds for relending to finance the livelihood project requirements of end-beneficiaries.
- Soft Loan – credit support funds for program partners to be used for program staff training, social preparation and logistic expenses to enhance the delivery of the livelihood credit program.

Terms/Requirements:

Amount:
- Program Partners
  - Revolving Credit Line (RCL) – Depends on the credit evaluation, program plans and number of target beneficiaries but not to exceed its total asset base.
  - Soft Loan – Amount shall not exceed 10% of the RCL.
• End-Beneficiaries – Maximum of P50,000.00 per borrower.

**Interest Rates:**
• Program Partners
  - Revolving Credit Line (RCL) – 9% per annum.
  - Soft Loan – 3% per annum.
• End-Beneficiaries – not to exceed 24% per annum inclusive of all charges.

**Maturity / Repayment:**
• Program Partners
  - Revolving Credit Line (RCL) – maximum of one year with quarterly/semi-annual/annual payments.
  - Soft Loan – maximum of three years with annual payments.
• End-Beneficiaries – depends on the agreed payment schedule with program partners.

**Security:** No collateral.

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**Program Title:** YOUTH ENTREPRENEURSHIP FINANCING FACILITY PROGRAM (YEFFP)

**Program Objective:** To provide credit to the youth graduates of skills/entrepreneurship training programs of the Technical Education and Skills Development Authority (TESDA) and the National Youth Commission (NYC) who wants to establish income-generating enterprises through the use of partner institutions as conduits for lending.

**Eligible Borrowers:**
• Program Partners
• Rural Financial Institutions (RFIs)
• Cooperatives
• Non-Governmental Organizations (NGOs)
• People’s Organization (POs).
• End-Beneficiaries – Out-of-school youth who meet the following criteria:
  - obtained skills or entrepreneurial training from either TESDA or NYC;
  - project inputs/materials must be locally-sourced; and
  - project is consistent with the LGU’s development plan.
Loan Purposes:
- Revolving Credit Line – funds for relending to finance the livelihood project requirements of end-beneficiaries.
- Soft Loan – credit support funds for program partners to be used for program staff training, social preparation and logistic expenses to enhance the delivery of the livelihood credit program.

Terms/Requirements:

Amount:
- Program Partners
  - Revolving Credit Line (RCL) – Depends on the credit evaluation, program plans and number of target beneficiaries but not to exceed its total asset base.
  - Soft Loan – Amount shall not exceed 10% of the RCL.
- End-Beneficiaries – Maximum of P50,000.00 per borrower.

Interest Rates:
- Program Partners
  - Revolving Credit Line (RCL) – 9% per annum.
  - Soft Loan – 3% per annum.
- End-Beneficiaries – not to exceed 24% per annum inclusive of all charges.

Maturity / Repayment:
- Program Partners
  - Revolving Credit Line (RCL) – maximum of one year in quarterly/semi-annual/annual payments.
  - Soft Loan – maximum of three years in annual payments.
- End-Beneficiaries – depends on the agreed payment schedule with program partners.

Security: No collateral

Program Title: CREDIT ASSISTANCE FOR COCONUT FARMERS (CACF)

Program Objective: To provide credit facility for coconut farmers, tenants and farm workers to enable them to engage in livelihood activities through the use of program partners as conduit for lending.
Eligible Borrowers:
- Program Partners
  - Rural Financial Institutions (RFIs)
  - Cooperatives
  - Non-Governmental Organizations (NGOs)
  - People’s Organization (POs)
- End-Beneficiaries – Coconut Farmers, Tenants, and Farm Workers who meet the following criteria:
  - Project Inputs/Materials must be locally-sourced; and
  - Project is consistent with the LGU’s development plan.

Loan Purposes:
- Revolving Credit Line – funds for relending to finance the livelihood project requirements of end-beneficiaries.
- Soft Loan – credit support funds for program partners to be used for program staff training, social preparation and logistic expenses to enhance the delivery of the livelihood credit program.

Terms/Requirements:

Amount:
- Program Partners
  - Revolving Credit Line (RCL) – Depends on the credit evaluation, program plans and number of target beneficiaries but not to exceed its total asset base.
  - Soft Loan – Amount shall not exceed 10% of the RCL.
- End-Beneficiaries – Maximum of P50,000.00 per borrower.

Interest Rates:
- Program Partners
  - Revolving Credit Line (RCL) – 12% per annum.
  - Soft Loan – 3% per annum.
- End-Beneficiaries – not to exceed 24% per annum inclusive of all charges.

Maturity / Repayment:
- Program Partners
  - Revolving Credit Line (RCL) – maximum of one year with quarterly/semi-annual/annual payments.
  - Soft Loan – maximum of three years with annual payments.
- End-Beneficiaries – depends on the agreed payment schedule with program partners.

Security: No collateral.
Program Title: SPECIAL TIE-UP (STUP)

Program Objective: To assist the establishment of microfinance projects in partnership with the local government units (LGUs).

Eligible Borrowers:
- Program Partners:
  - Local Government Units (LGUs)
  - Rural Financial Institutions (RFIs)
  - Cooperatives
  - Non-Governmental Organizations (NGOs)
  - People’s Organization (POs)
- End-Beneficiaries – Micro enterprises whose project inputs/materials must be locally-sourced and project is consistent with the LGU’s development plan.

Loan Purposes:
- Revolving Credit Line – funds for relending to finance the livelihood project requirements of end-beneficiaries.
- Soft Loan – credit support funds for program partners to be used for program staff training, social preparation and logistic expenses to enhance the delivery of the livelihood credit program.

Terms/Requirements:

Amount:
- Program Partners
  - Revolving Credit Line (RCL) – Depends on the credit evaluation, program plans and number of target beneficiaries but not to exceed its total asset base.
  - Soft Loan – Amount shall not exceed 10% of the RCL.
- End-Beneficiaries – Maximum of P50,000.00 per borrower.

Interest Rates:
- Program Partners
  - Revolving Credit Line (RCL) – 9% per annum.
  - Soft Loan – 3% per annum.
- End-Beneficiaries – not to exceed 24% per annum inclusive of all charges.
**Maturity / Repayment:**
- Program Partners
  - Revolving Credit Line (RCL) – maximum of one year with quarterly/semi-annual/annual payments.
  - Soft Loan – maximum of three years with annual payments.
- End-Beneficiaries – depends on the agreed payment schedule with program partners.

**Security:** No collateral.

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**Program Title:** LIVELIHOOD DEVELOPMENT PROGRAM FOR OVERSEAS FILIPINO WORKERS (OWWA-NLSF LDPO)

**Program Objective:** To help OFWs and their families start or sustain their own business through lending, training on business management skills and market link.

**Eligible Borrowers:**
- All member-OFWs and former member-OFWs of the Overseas Workers Welfare Administration (OWWA)
- For married OFWs, one of their immediate family members (spouse/children of legal age)
- For single OFWs, their parents or siblings of legal age
- Existing LDPO beneficiaries with good records of repayment
- With a debt-equity ratio of 85:15

**Loan Purposes:**
- Working Capital
- Acquisition of fixed assets, except for the purchase of land
- Building improvement

**Terms/Requirements:**

**Amount:**
- Individual Borrower – maximum of P200,000.00.
- Organized and Registered Group of at least five members – maximum of P1.0 Million.

**Interest Rate:** 9% per annum.
Maturity / Repayment:
- Working Capital Utilization
  - Short-Term working capital – Two years
  - Permanent working capital – Three years
  - Franchise Financing - payable semi-annually with one year grace period.
- Acquisition of Fixed Assets Utilization – Maximum of five years inclusive of one year grace period.
- Building Improvement Utilization – Three to five years depending on the economic life of the asset.

Security:
- Real Estate Mortgage (unmortgaged Transfer Certificate of Title)
- Vehicle/Machine/Equipment/Appliances
- Insurance policies against all applicable risks for the assets being financed that shall be required during the term of the loan
- Other securities acceptable to NLSF conduits.
OPPORTUNITY MICROFINANCE BANK
OMB Building, Robinsons Homes East, Commercial Arcade-1, Antipolo City

Program Title: INDIVIDUAL MICRO BUSINESS LOANS

Program Objective: To help enterprising individuals improve their business through access of additional working capital.

Eligible Borrowers:
- Filipino, aged 18-60 yrs. old, legal owner of the business establishment;
- Business must be in operation for at least 2 years in Rizal, Pateros, Pasig, and Marikina.
- Engaged in Trading, Vending, Manufacturing, and Services
- Have clean collateral, such as real estate property, vehicle, equipment or appliances, that can be offered against its loan from the bank;
- Have the capacity to issue post-dated checks; and
- Have a good credit standing.

Loan Purpose: Business expansion and purchases relating to its business operation, such as inventory, vehicle, etc.

Coverage: Rizal, Pateros, Pasig, and Marikina.

Terms/Requirements:

Amount: Minimum of P50,000.00; Maximum of P1.0 Million.

Interest Rates:
- With Real Estate collateral – 1.75% per month or 21% per annum
- With Equipment/Vehicle collateral – 2% per month or 24% per annum
- With Appliance (P5,000.00 above) collateral – 2.25% per month or 27% per annum

Maturity / Repayment: Six up to Twenty-four (24) months.
Security:
- Real Estate Property.
- Vehicle, Equipment or Appliance.
- Postdated Checks.

Contact Details:
Mr. Joel D. Clavecilla  
Mr. Romel M. Primero  
Phone: 630.0141 locals 235 or 238

Program Title: GROUP MICRO LOANS

Program Objective: To help micro entrepreneurs access loan funds for their business operation without collateral documents.

Eligible Borrowers:
- Group of at least 30 to 40 micro entrepreneurs having a daily or weekly income from business activity such as sari-sari store, market and fish vending, food vending, rug making, etc;
- The residence of the members of the group should be located within one area, and must be known and recommended by each member. Also, the members must have a good character record in their barangay; and
- The members are willing to attend the weekly group meetings and act as co-guarantor for each member of the group.

Loan Purpose: Working Capital for any income generating activities.

Coverage: Metro Manila, Rizal, and Bulacan.

Terms/Requirements:

Amount: P4,000.00 up to P20,000.00

Interest Rate: 16% interest

Maturity / Repayment: Six months or Twenty-four (24) weeks; Weekly payments.

Security: Each member of the group gives P200.00 as initial deposit and P40.00 succeeding minimum weekly deposit.
Contact Details:
Antipolo:  **Archie Impirno**  
Phone: (632) 630.0141 local 307

Valenzuela: **Arnaldo Villanueva**  
Phone: (632) 366.7933

Bagong Silang: **Butch Padre**  
Phone: (632) 962.9070

Sapang Palay: **Rose Mercado**  
Phone: (044) 691.5450

Fairview: **Evangeline Madayag and Alexander Caponpon**  
Phone: (632) 931.6943/4217 ? 431.8696

Lower Caloocan: **Jovylyn Corpuz**  
Phone: (632) 826.1602
Program Title: MICROFINANCE PROGRAM

Program Objective: To provide the poor with access to livelihood credit and other microfinance services through accredited partner microfinance institutions (MFIs).

Eligible Borrowers / Sub-Borrowers:
- Borrowers (Accredited MFIs) – Non-Government Organizations (NGOs), Cooperatives, Rural and Cooperative Banks, Thrift Banks duly organized, with either a track record of lending operations or with proven capabilities in implementing microfinance programs that can augment the income of targeted poor clients.
- Sub-borrowers – Households below the poverty threshold level as defined by the National Economic Development Authority (NEDA) and as identified by the Government’s Social Reform Agenda through the National Anti-Poverty Commission (NAPC).

Loan Purposes:
- Borrowers/MFIs
  - Investment Credit – a revolving credit line for relending to sub-borrowers to finance their livelihood projects.
  - Institutional Credit – for capability building activities of MFIs.
- Sub-Borrowers – working capital for income generating activities (livelihood).

Terms/Requirements:

Amount:
- Borrowers/MFIs – Based on evaluation/credit needs.
- Sub-Borrowers in Groups or Centers or Individuals – up to a maximum of P150,000.00 depending on sub-borrowers’ requirements and cash flows.
Interest Rate:
- Borrowers/MFIs
  - Investment Credit: 12% per annum + 1% service charge
  - Institutional Credit: 3% per annum + 1% service charge
- Sub-Borrowers – Subject to guidelines of the MFI Borrowers.

Maturity / Repayment
- Borrowers/MFIs

<table>
<thead>
<tr>
<th></th>
<th>Investment Credit (per drawdown)</th>
<th>Institutional Credit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Short</td>
<td>One year</td>
<td>Two years</td>
</tr>
<tr>
<td>Medium</td>
<td></td>
<td>Up to Four years</td>
</tr>
<tr>
<td>Long</td>
<td></td>
<td>Up to Seven years</td>
</tr>
</tbody>
</table>

- Sub-Borrowers – Six months to One year term; normally payable weekly or as per policy of the MFI.

Security
- Borrowers/MFIs

<table>
<thead>
<tr>
<th></th>
<th>Investment Credit</th>
<th>Institutional Credit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deed of Assignment of Promissory Notes (PNs) of Sub-Borrower – clients and underlying collaterals, if any.</td>
<td>Mortgage of assets to be acquired from loan proceeds, if any.</td>
<td></td>
</tr>
</tbody>
</table>

- Sub-Borrowers – Essentially no collateral.

Program Partners or MFIs: Please inquire from the following PCFC officials.

Contact Details:
Regions 1, 2, and CAR:  Mr. Dennis A. Monong
                      AVP-AMG1
                      Phone: 752.3745

Regions 3 and 5:  Mr. Ariel M. Tatlonghari
                   AVP-AMG2
                   Phone: (632) 752.3747
Regions 4 and NCR: **Ms. Jessica A. Barrun**  
AVP-AMG3  
Phone: (632) 752.3746

Regions 6, 7, and 8: **Mr. Jose Rico C. Coligado**  
AVP-AMG4  
Phone: 897.9673

Regions 9, 10, 11, 12, CARAGA, and ARMM: **Mr. Erwin M. Idong**  
AVP-AMG5  
Phone: 897.9680

Fax: (632) 897.8523 • 897.8528  
Email: info@pcfc.ph  
www.pcfc.gov.ph
Program Title: BALIKATAN SA KAUNLARAN (Partnership for Progress)

Program Objective: To provide opportunities for poor Filipino families particularly women to achieve self-reliance through self-help, training, mentoring, and provision of sustainable financial services, including collateral-free loans.

Eligible Borrowers:
• Poor but enterprising women who fit the following criteria for poverty:
  o their “house index” as indicated by the points system based on floor area, type of material and roofing used should not exceed the maximum of six (6) points, and
  o their income index per capita should not exceed P2,000.00 per month.
• Must be a group of 3 to 5 friends who trust each other and live closely to be able to look after each other;
• Must undergo a 2-day pre-loan orientation seminar to learn about the program’s philosophy and rules to be prepared for the discipline required and pass the Group Recognition Test;
• Must be willing to be federated with other recognized groups to form a Center with a maximum of 40 women;
• Must be willing to attend one-hour weekly Center meeting near their homes; and
• Must be willing to memorize and live by the Clients’ Verbal Pledge (code of honor).

Loan Purpose: Working Capital for income generating activities (e.g. livelihood).

Coverage: Metro Manila

Terms/Requirements:

Amounts:
• General Loan – P3,000.00 to P50,000.00
• Special Loan – P3,000.00 to 20,000.00
**Interest Rate:** Average interest ranges from 2.0 to 3.3% per month.

**Maturity / Repayment:**
- General Loan – 12 to 50 weeks in weekly payments.
- Special Loan – 4 to 50 weeks in weekly payments.

**Security:**
- For loans less than P20,000.00 – no collateral.
- For loans more than P20,000.00 – Postdated Checks.

Contact Details:

**Mr. Jovencio A. Guanzon**  
Executive Director

**Mr. Choy Yringco**  
Control Manager  
Phone: (632) 641.2207 • 642.3895

San Juan Branch  Phone: (632) 718.0537  
Tondo Branch  Phone: (632) 712.8047  
Marikina Branch  Phone: (632) 934.8655
SMALL BUSINESS CORPORATION  
(Small Business Guarantee and Finance Corporation)  
17th & 18th Flrs, 139 Corporate Centre, 139 Valero Street, Salcedo Village, Makati City

Program Title: SME-FUNDING ENTRY POINT FOR ENTREPRENEURS IN LIVELIHOOD PROGRAM (SME-FEEL)

Program Objective: A lending program to microfinance institutions which have the organizational capability or strength to provide sustainable credit access to borrowers in the livelihood sector.

Eligible Borrowers:
- Non-Government Organizations (NGOs)/ People’s Organizations (POs).
- Cooperative Banks/Rural Banks.
- For Sub-Borrowers:
  - Must be microentrepreneurs with asset size of P3.0 Million and below.
  - Must be willing to comply with the capital build-up requirement.
  - Borrower may either be an individual/sole proprietorship, partnership, or group engaged in manufacturing, processing trading, or services.
  - Must meet the other minimum eligibility requirements of the conduit.

Loan Purpose: Working capital for re-lending to microentrepreneurs.

Terms/Requirements:

Amounts:
- For Conduits – Maximum of P50.0 Million
- For Sub-Borrowers – Maximum of P150,000.00

Interest Rate:
- For Conduits – 9% p.a. for loans availed with maturity of one year and below; 11.25% p.a. for loans availed with maturity of more than one year to three years; 12.75% p.a. for loans availed with maturity of more than three years to five years. Subject to periodic review. Interest rate shall be fixed for the entire duration of the loan.
- For Sub-Borrowers – Depends on the conduit.
**Maturity / Repayment:**
- For Conduits
  - Term Loan – up to five years
  - Credit Line – one year
- For Sub-Borrowers - Depends on the conduit.

**Security:**
- For Conduits – Endorsement from Microfinance Council of the Philippines, Inc. (MCPI) for members, Real Estate Mortgage, Chattel Mortgage, JSS of principal officers, Guarantee, if any, Postdated Checks, Deed of Assignment on sub-borrowers’ PNs, Guarantees and all underlying collateral.
- For Sub-Borrowers – Depends on the conduit but should include object(s) of financing, if applicable.

Contact Details:
**Mr. Hermogenes Miguel Pormento**
Department Manager II
Phone:  (632) 810.5791/95
Fax:  (632) 813.5726
Email: hpormento@sbgfc.org.ph
SMALL AND MEDIUM ENTERPRISE (SME) FINANCING PROGRAMS
ASIATRUST DEVELOPMENT BANK
1424 Quezon Avenue, Quezon City

Contact Details:  Ms. Grace P. Gan / Ms. Cindy C. Viola
Branch Credit Group
Phone: (632) 924.5680 • 924.5650

Program Title: BANK CARRY TERM LOAN

Program Objective: To bridge the gap of payables and receivables of small and medium enterprises.

Eligible Borrowers:
• Single Proprietorship
• Partnership
• Corporation
• Businessmen/Entrepreneurs

Loan Purposes:
• Permanent Working Capital
• Acquisition of Fixed Assets
• Renovation/Expansion

Terms/Requirements:

Amount: Depends on the actual requirement.

Interest Rate: Prevailing market rates.

Maturity / Repayment: One to five years or depending on the actual requirement and cashflow of the company.
• Principal – Equal monthly/quarterly amortization.
• Interest – Monthly/quarterly payment, based on diminishing balance.

Security:
• Real Estate Properties or Chattel Mortgage;
• Postdated Checks (PDCs) of the borrower; and
• Continuing Suretyship of the Principals.

Program Title: SHORT TERM LOAN

Program Objectives: To bridge the gap of payables and receivables of small and medium enterprises.
Eligible Borrowers:
- Single Proprietorship
- Partnership
- Corporation
- Businessmen/Entrepreneurs

Loan Purpose: For working capital requirement.

Terms/Requirements:

Amount: Depends on actual requirement.

Interest Rate: Prevailing market rates.

Maturity / Repayment: One year
- Principal – Lumpsum upon maturity with provision for rollover.
- Interest – Monthly interest payment.

Security:
- Real Estate Properties or Chattel Mortgage;
- Postdated Checks (PDCs) of the borrower; and
- Continuing Suretyship of the Principals.

Program Title: DISCOUNTING LINE / RECEIVABLES
DISCOUNTING

Program Objective: To bridge the gap of payables and receivables of small and medium enterprises through:
- Discounting Line – involves discounting of third party postdated checks.
- Receivables Discounting – involves discounting of different types of receivables like purchase orders or sales contract.

Eligible Borrowers:
- Single Proprietorship
- Partnership
- Corporation
- Businessmen/Entrepreneurs

Loan Purpose: Discount receivables for working capital.

Terms/Requirements:

Amount: Depends on actual requirement.
Interest Rate: Prevailing market rates.

Availment: Co-terminus with the life of Receivables.

Maturity / Repayment: One year from date of approval.
- Principal – Lumpsum upon maturity.
- Interest – Discounted upon availment.

Security:
- Real Estate Properties or Chattel Mortgage (optional).
- Deed of Assignment of Receivables;
- Third party postdated checks for check rediscounting;
- Postdated Checks (PDCs) of borrower; and
- Continuing Suretyship of the Principals.

Program Title: DOMESTIC LETTER OF CREDIT / TRUST RECEIPT

Program Objective: To provide a credit facility to a client, whereby the payment of which is to be made to the beneficiary (seller) against presentation of commercial documents. The payment to the beneficiary is guaranteed by the bank, provided all documents conform with the terms and conditions of the credit.

Eligible Borrowers:
- Single Proprietorship
- Partnership
- Corporation
- Businessmen/Entrepreneurs

Loan Purpose: For domestic purchase of raw materials.

Terms/Requirements:

Amount: Depends on the actual requirement.

Interest Rate: Prevailing market rates upon Trust Receipt date.

Availment: Via Trust Receipts for 90 days, renewable for another 90 days, subject to 25% partial payment on principal and subject to inspection if goods under TR are still present.
**Program Title:** IMPORT LETTER OF CREDIT / TRUST RECEIPT

**Program Objective:** This facility is offered to clients who are engaged in the importation of raw materials or products for manufacturing, wholesale or retail trading.

**Eligible Borrowers:**
- Single Proprietorship
- Partnership
- Corporation
- Businessmen/Entrepreneurs

**Loan Purpose:** For domestic purchase of raw materials.

**Terms/Requirements:**

*Amount:* Depends on the actual requirement.

*Interest Rate:* Prevailing market rates upon Trust Receipt date.

*Availment:* Via Trust Receipts for 90 days, renewable for another 90 days, subject to 25% partial payment on principal and subject to inspection if goods under TR are still present.

*Charges:*
- Opening Commission of 1/4 of 1% for the first 60 days and 1/8 of 1% every month, thereafter, and
- Negotiation fee of 1/8 of 1%.
  
  *Maturity / Repayment:* One year from date of approval.
Security:
- Trust Receipts on goods purchased via LC;
- Marginal Deposit of 20%;
- Postdated Checks (PDCs) of the borrower; and
- Continuing Suretyship of the Principals.

Asiatrust Development Bank is also accredited in the various special lending programs of government:

**Development Bank of the Philippines**
- Industrial & Support Services Expansion Program
- Industrial Guarantee Loan Fund
- Japan Export Import

**Land Bank of the Philippines**
- Countryside Loan Fund 1 & 2
- Countryside Loan Fund 3
- Agricultural Loan Fund

**Social Security System**
- Kabalikat sa Pagpapalag sa Industriya (KASAPI)
- SSS Tourism Project
- SSS Power Generation Programs
- SSS School Financing Program
- SSS Hospital Financing Program
- SSS Special Financing Program
DEPARTMENT OF SCIENCE AND TECHNOLOGY (DOST)
Bicutan, Taguig, Metro Manila

Program Title: SMALL ENTERPRISES TECHNOLOGY – UPGRADING PROGRAM (SET-UP)

Program Objectives: To improve viability of small and medium enterprises by providing financial assistance, in the form of cash advances from DOST, to facilitate technology adoption and improve the productivity and competitiveness of SMEs all over the country. Specifically, it aims to:

- To improve productivity of participating enterprises;
- To have higher quality products meeting world standards;
- To increase employment opportunities in rural areas; and
- To improve socio-economic conditions in rural areas.

Applicants:
- Any company or individual firm based in the Philippines and wholly owned by Filipino citizen.
- Any small and medium enterprise classified under the identified priority sectors such as: Food Processing, Furniture, Fashion Accessories, Gift, Toys, Housewares, Handicrafts, and Natural Fibers and Dyes, Marine and Aquatic Resources, Horticulture, Metals and Engineering.
- Individual firm that is willing to apply technological improvements in their existing operations.
- Individual firm willing to put up a counterpart cost on the technological intervention.

Terms/Requirements:
- Full-blown project proposal, to include aspects on technical, marketing, management/administrative, financial, and waste disposal;
- Copy of business permit and licenses (LGU);
- Certificate of Registration of Business Name with DTI, SEC or CDA;
- Board resolution authorizing the borrowing and designating authorized signatories for the financial assistance (if applicable);
- Endorsement of the DOST Regional Director; and
- Three quotations from suppliers/ fabricators if equipment is needed.
Refund Period: Maximum of three years following the amortization schedule.

Contact Department/Numbers:
SET-UP National Program Management Office
Phone: (632) 837.7531
Email: setup@dost.gov.ph
DEVELOPMENT BANK OF THE PHILIPPINES (DBP)
Head Office: Sen. Gil J. Puyat Ave. cor. Makati Avenue, Makati City

Program Title: CREDIT LINE FOR MICRO, SMALL AND MEDIUM ENTERPRISES (CLMSME)

Program Objective: To provide assistance to sectors considered to be the backbone of our economy – the Micro, Small and Medium Enterprises.

Eligible Borrowers:
- Small and Medium-sized Enterprises (SMEs);
- Microfinance Institutions (MFIs) and Participating Financial Institutions (PFIs);
- Local Government Units (LGUs);
- SMEs and LGU projects must be engaged in the following sectors: manufacturing, support industries, trading, service, communications, computer software, transportation and transport services, storage and warehousing facilities, and education linked to manufacturing;
- Must be Filipino citizens or corporations organized under the laws of the Philippines, at least 70% of whose capital is owned by the citizens of the Philippines.

Loan Purposes:
- For SMEs
  - Investment in construction, expansion and modernization of new and existing capacities as well as related consultancy services;
  - Acquisition of machinery/equipment/new technology including spare parts, components, industrial machinery and software packages;
  - Investment to enhance research and development, and innovation efforts including training that would improve and strengthen competitiveness of products; and
  - Permanent working capital for stock of raw materials, supplies and other requirements needed.
- For MFIs – Acquisition of fixed assets and working capital.
- For LGUs – Acquisition of fixed assets.

Terms/Requirements:

Amount: Based on project’s actual needs, debt repayment capacity, and financial capacity to meet the equity requirement.

Interest Rate: Prime, Variable, or Fixed Rate
Maturity / Repayment: Generally based on cash flow.
- For SMEs – Maximum of 15 years with a grace period of five years.
- For LGUs – Maximum of ten years with a grace period of three years.

Security: Real Estate/Chattel Mortgage or other acceptable collateral.

Program Partners:
Please inquire with DBP Head Office and Branches for the DBP-accredited Participating Financial Institutions (PFIs).

Contact Details:
Program Lending II - Development Banking Sector
DBP Head Office, Gil Puyat cor Makati Avenue, Makati City
Phone: (632) 818.9511 to 20 locals 3112 or 3113

Program Management II – Development Banking Sector
DBP Head Office, Gil Puyat cor Makati Avenue, Makati City
Phone: (632) 818.9511 to 20 local 2349

NORTHERN LUZON: Aparri, Ilagan, Solano, Tabuk, and Tuguegarao
- Regional Office: Tuguegarao (Phone: 078-846.3639 local 1406)

NORTHWEST LUZON: Baguio, Dagupan, Laoag, and San Fernando
- Regional Office: Dagupan (Phone: 075-523.7836 local 1400)

CENTRAL LUZON: Balanga, Baler, Clark, Malolos, Subic, and Tarlac
- Regional Office: Cabanatuan City (Phone: 044-463.1164 local 1400)

SOUTHERN TAGALOG: Calapan, Dasmariñas, Lipa, Lucena,
Puerto Princesa, San Jose and Sta. Rosa.
- Regional Office: Lucena City (Phone: 042-373.1917/373.4274 local 1421)

BICOL: Daet, Legaspi, Masbate, Naga and Sorsogon.
- Regional Office: Legazpi City (Phone: 052-480.7456 local 1430)

CENTRAL VISAYAS: Bago, Cebu, Mactan, Mandaue and Tagbilaran.
- Regional Office: Cebu City (Phone: 032-255.6312/6322/25 local 1145)

EASTERN VISAYAS: Borongan, Catarman, Catbalogan, Ormoc.
- Regional Office: Tacloban City (Phone: 053-403.5591 local 1443)
PANAY: Antique, Iloilo, Jaro, Kalibo and Roxas.
- Regional Office: Iloilo City (Phone: 033-337.3224 local 1444)

NEGROS: Bacolod, Dumaguete, Kabankalan, San Carlos.
- Regional Office: Bacolod City (Phone: 034-434.9377/7193/9378)

NORTHEASTERN MINDANAO: Bataan, Mangagoy, San Francisco, Surigao.
- Regional Office: Butuan (Phone: 085-341.5137 locals 1484 or 1490)

NORTHERN MINDANAO: Cagayan de Oro, Dipolog, Malaybalay, Mambajao.
- Regional Office: Cagayan de Oro (Phone: 088-856.4517 local 1481)

SOUTHWESTERN MINDANAO; Basilan, Jolo, Zamboanga.
- Regional Office: Zamboanga City (Phone: 062-911.331)

SOUTHERN MINDANAO: Cotabato, General Santos, Kidapawan, Marbel, Tacurong.
- Regional Office: General Santos (Phone: 083-522.952 local 1466)

SOUTHEASTERN MINDANAO: Davao, Digos, Mati, Tagum.
- Regional Office: Davao (Phone: 082-221.2660 local 1461)

- Regional Office: Commonwealth (Phone: (632) 920.4904/4903/47776)

**Program Title:** SUSTAINABLE LOGISTICS DEVELOPMENT PROGRAM (SLDP)

**Program Objective:** To bring about cost effective ways of moving people and goods particularly grains, perishables including fish, meat, fruits and vegetables. The program has three components namely: the Grains Highway; Road RORO Terminal System; and the Cold Chain. The fund is accessible through DBP marketing units/branches and participating financial institutions such as, private/government banks, financing and leasing companies.

**Eligible Borrowers:**
- Filipino citizens;
- Private enterprises, at least 70% Filipino;
- Local Government Units (LGUs); and
- Government Owned & Controlled Corporations (GOCCs).
Eligible Projects:

- Grains Highway
  - Grains Processing Centers (with mechanical shelling, drying & bulk storage)
  - Bulk Trucking
  - Grains Terminals (including ports, silos and bulk handling equipment)
  - Bulk Carriers
  - Other post harvest facilities
- Road RORO Terminal System
  - RORO terminal facilities
  - RORO vessels
- Cold Chain
  - Processing & marketing centers
  - Aggregating Centers
  - Reefer vans/transport equipment
  - Other cold storage facilities
- Other Maritime Related Projects
  - Vessel (new and second-hand acquisition; conversion or upgrading)
  - Port development
  - Port and Terminal Facilities
  - Cargo handling facilities
  - Shipyards
  - Upgrading of facilities and curriculums of maritime schools to meet international standards for seafarers

Loan Purposes:

- Acquisition of Equipment
- Upgrading of Equipment/Facilities
- Civil Works

Terms/Requirements:

Amount: 80% of the total project cost

Interest Rate: Prime Fixed or Variable Rates

Maturity / Repayment:
Maximum repayment term of 15 years, with an allowable grace period of one to three years.
Security:
• Chattel/Real Estate Mortgage
• Cash Deposits
• Guarantees or other collaterals acceptable to the bank
• All insurable mortgaged assets must be insured throughout the term of the loan

Program Partners: Please inquire with DBP Head Office and branches for DBP-accredited Participating Financial Institutions (PFIs).

Contact Details:
The SLDP Project Team
Development Bank of the Philippines
3rd Floor DBP Bldg., Sen. Gil J. Puyat Ave., Makati City
Phone: (632) 893.3547/48
Fax: (632) 810.2652

or

DBP Regional Management Offices

Tuguegarao City – (078) 844.1468
Dagupan City – (075) 523.7835
San Fernando – (045) 961.5834
Lucena City – (042) 373.1917
Legazpi City – (052) 820.2399
Cebu City – (032) 254.9163
Tacloban City – (053) 325.2960
Iloilo City – (033) 337.6432
Bacolod City – (034) 434.9177
Cagayan de Oro City – (08822) 722.647
Butuan City – (085) 341.5136
Davao City – (082) 221.2620
Gen. Santos City – (083) 552.2952
Zamboanga City – (062) 991.1313
Quezon City – (632) 920.4781
Program Title: ENVIRONMENTAL INFRASTRUCTURE SUPPORT CREDIT PROGRAM II (EISCP II)

Program Objective: To support investments in projects that contribute to the improvement of the quality of the environment through reduction or prevention of pollution.

Eligible Borrowers:
- Filipino citizens or corporations with at least 70% Filipino capital
- Government Owned and Controlled Corporations
- Local Government Units for solid waste management / water supply

Eligible Projects:
- Cleaner Production / Waste Minimization / Pollution Prevention;
- Waste Recycling/ Waste Treatment or Disposal System;
- Conservation of Natural Resources (e.g. energy, materials);
- Occupational Health and Safety Improvements;
- Wastewater Treatment Facilities;
- Air Pollution Control Equipment;
- Alternative Fuel Vehicles and Infrastructure;
- Environmental Monitoring Instruments and Equipment;
- Establishment of Environmental Management System (EMS) and Certification under ISO 14001; and
- Relocation of Pollutive Industry from Residential Area

Loan Purposes:
- Acquisition and installation of equipment, and construction of facilities;
- Consulting services, training of staff and other incidental technical assistance requirements;
- Procurement of equipment and instruments for environmental monitoring; and
- Initial working capital for operation of pollution control facilities procured and/or installed by the EISCP II Loan.

Terms/Requirements:

Amount: 80% of the total project cost incurred not more than 180 days prior to DBP’s formal acceptance of the loan application.

Interest Rate: Fixed throughout the term of the loan.
Maturity / Repayment: Three to 15 years with a maximum of five years grace period; Amortization payments shall be at least on a semi-annual basis.

Program Partners: Please inquire with DBP Head Office for DBP-accredited Participating Financial Institutions (PFIs).

Contact Details:
Wholesale Banking Sector
DBP Head Office, Sen. Gil J. Puyat Ave., Makati City
Phone: (632) 818.9511 locals 3511 & 3519

Environmental Management Unit
DBP Head Office, Sen. Gil J. Puyat Ave., Makati City
Phone: (632) 818.9511 locals 2515 & 2546
Phone/Fax: (632) 812.8088
or
DBP Regional Management Offices (please see page 42 for the list)

Program Title: KREDITANSTALT FUR WIEDERAUFBAU – INDUSTRIAL POLLUTION CONTROL LOAN PROJECT (KfW-IPCLP)

Program Objective: To support investment in efficient production and environmentally sound technologies and to promote environmental protection and occupational health and safety.

Eligible Borrowers:
• Existing SMEs with a minimum of one year in operation prior to the approval of the loan and with at least 70% Filipino capital
• Borrowers must be within the following priority sectors: metal working, food production, leather tanning, fabricated metal, veneer plywood, meat, fish, fruit and vegetable processing, chocolate, cocoa, confectionery, furniture, carageenan and seaweed, shrimp and prawns, piggery, slaughter houses

Eligible Projects:
• Pollution reduction including improvement in the occupational safety and/or reduction of raw material inputs for production to cover waste minimization/ clean technology in industrial processes;
- Installation of cost effective end-of-pipe treatment facilities & other waste disposal options; and
- Investment in equipment to monitor emissions or effluents & other equipment to measure values for specific physical parameters / pollutants in effluent changes.

**Terms/Requirements:**

*Amount:* P30.0 million or 80% of investment cost, whichever is lower

*Interest Rate:* Fixed throughout the term of the loan.

*Maturity / Repayment:* Ten years with two years grace period

*Security:* Real Estate and/or Chattel Mortgage or any other collateral acceptable to the bank.

Contact Details:

**Environmental Management Unit**
DBP Head Office, Sen. Gil J. Puyat Ave., Makati City
Phone: (632) 818.9511 locals 2515 & 2546
Phone/Fax: (632) 812.8088

or

**DBP Regional Management Offices** (please see page 42 for the list)

**Program Title:** CREDIT LINE FOR SOLID WASTE MANAGEMENT (CLSWM)

**Program Objective:** To provide financing and technical assistance to local government units (LGUs) and private enterprises to carry out investments in solid waste management.

**Eligible Borrowers:**
- Local Government Units (LGUs); and
- Private Enterprises with at least 70% Filipino owned

**Eligible Projects:**
- Conversion of open dumpsites into controlled dumpsites
- Conversion of dumpsites into sanitary landfills
- Construction of sanitary landfills including acquisition of equipment for waste disposal and treatment
- Waste collection and transport including collection vehicles and other equipment
• Facilities for waste treatment and recycling
• Consulting services for project preparation and implementation

Terms/Requirements:

Amounts:
• For LGUs – Maximum of 90% of total project cost.
• For Private Enterprises – Maximum of 80% of total project cost.

Equity Participation:
• For LGUs – Minimum of 10% of total project cost.
• For Private Enterprises – Minimum of 20% of total project cost.

Interest Rate: Prime, fixed rate based on prevailing market rate at the time of the loan.

Maturity / Repayment: Maximum of 12 years with three years grace period.

Security:
• Real Estate Mortgage (except landfill site)
• Chattel Mortgage
• Loan Guarantee
• Assignment of Insurance Cover
• Assignment of Revenues from the Project
• Assignment of a portion of Internal Revenue Allotment in favor of DBP with hold-out agreement (for LGUs)

Contact Details:

Program Management I
5th Flr DBP Building
Makati Ave., cor. Sen. Gil Puyat Ave., Makati City
Phone: (632) 893.4444 • (632) 819.1409
(632) 818.9511 to 19 local 2546
Fax: (632) 893.5380

Fund Sourcing
3rd Flr. DBP Building
Phone: (632) 815.0916 • (632) 818.9511 local 2320
Fax: (632) 815.1611

Program Lending 3
4th Flr., DBP Building
Phone: (632) 815.0942 • (632) 818.9511 to 19 local 3411
Fax: (632) 817.0509
Program Title: EDUCATION SECTOR CREDIT PROGRAM

Eligible Borrowers:
• Schools with courses strongly linked to manufacturing (secondary & collegiate levels);
• Private technical education skills development (TESD) institutions or schools with registered programs with the Technical Education and Skills Development Authority (TESDA); and
• Private educational institutions in secondary, collegiate/university levels, which are duly licensed by the Department of Education.

Loan Purposes:
• Staff development programs;
• Construction and upgrade of school facilities such as classrooms, laboratories, workshops and other work areas and academic buildings;
• Procurement of equipment, instructional materials, coursewares and programs and books in priority areas;
• Development and implementation of new programs;
• Improvement and expansion of cooperation programs with the private sector to enhance training and employment prospects of graduates; and
• Other education related quality improvement programs to be considered on a case-to-case basis.

Terms/Requirements:

Amount: 80% of the total project cost.

Interest Rate: Prime Rate

Maturity / Repayment: Not later than Year 2014.

Security: Real Estate and/or Chattel Mortgage.

Contact Details:
Phone: (632) 892.1177 • (632) 819.1308
       (632) 813.5791 • (632) 818.9511 local 2314
Program Title: COCONUT BUSINESS INTEGRATION AND DEVELOPMENT PROGRAM (COCOBIND)

Program Objective: To develop and deliver financial and technical services that will help consolidate the coco coir sub-sector and make coco coir based enterprises more viable and globally competitive.

Eligible Borrowers: Entities that cater to marginalized sector or communities, such as:
- Organized Marginalized Groups
- Development Organizations
- Individual Private Social Entrepreneurs

Loan Purposes:
- Term Loans for working capital requirements, acquisition of productive assets, etc.
- Credit Line.

Terms/Requirements:

Amount: Minimum of P500,000.00; Maximum of P12.0 Million.

Interest Rate:
- Organized Marginalized Group & Development Organization: 90-day Tbill + 2% VAT.
- Private Social Enterprise: 90-day Tbill + 2% VAT + 2%.

Maturity / Repayment:
Three to five years in monthly, quarterly, semi-annual, or annual payments.

Security:
- 75% Real Estate Mortgage
- Chattel Mortgage
- Deed of Assignment
- Joint and Several Signatures (JSS)
Program Title: SOLID WASTE ECO-ENTERPRISE PROGRAM (SWEEP)

Program Objective: To actively promote viable technologies and models on Solid Waste Management (SWM) by providing financial and technical services to support various initiatives related to model building and replication.

Eligible Borrowers: Entities that cater to marginalized sector or communities, such as:
   • Organized Marginalized Groups
   • Development Organizations
   • Individual Private Social Entrepreneurs

Loan Purposes:
   • Term Loans for working capital requirements, acquisition of productive assets, etc.
   • Credit Line.

Terms/Requirements:
   Amount: Minimum of P500,000.00; Maximum of P12.0 Million.

   Interest Rate:
   • Organized Marginalized Group & Development Organization: 90-day Tbill + 2% VAT.
   • Private Social Enterprise: 90-day Tbill + 2% VAT + 2%.

   Maturity / Repayment:
   Three to five years in monthly, quarterly, semi-annual, or annual payments.

   Security:
   • 75% Real Estate Mortgage
   • Chattel Mortgage
   • Deed of Assignment
   • JSS
Program Title: SUSTAINABLE PARTNERSHIP FOR ECO-ENTERPRISE DEVELOPMENT (SPEED)

Program Objectives: To serve as a breeding ground for emerging enterprises promoting eco-enterprise principles, which can further be developed into sub-sector level interventions.

Eligible Borrowers: Entities that cater to marginalized sector or communities, such as:
- Organized Marginalized Groups
- Development Organizations
- Individual Private Social Entrepreneurs

Loan Purposes:
- Term Loans for working capital requirements, acquisition of productive assets, etc.
- Credit Line.

Terms/Requirements:

Amount: Minimum of P500,000.00; Maximum of P12.0 Million.

Interest Rate:
- Organized Marginalized Group & Development Organization: 90-day Tbill + 2% VAT.
- Private Social Enterprise: 90-day Tbill + 2% VAT + 2%.

Maturity / Repayment:
Three to five years in monthly, quarterly, semi-annual, or annual payments.

Security:
- 75% Real Estate Mortgage
- Chattel Mortgage
- Deed of Assignment
- JSS
Contact Details:
Ms. Eliz Tugade
Phone/Fax: (632) 928.8671
Email: fssi@fssi.com.ph
www.fssi.com.ph

Program Title: FUND FOR SUSTAINABLE CIVIL SOCIETY – START-UP ECO-ENTERPRISE DEVELOPMENT PROGRAM (FSCS-SEED)

Program Objectives: To generate and mobilize funding resources:

• Towards enabling civil society organizations and institutions to engage in sustainable livelihood and social eco-enterprise development projects or activities with the active participation, and for the benefit of the poor and marginalized sectors and people in rural and urban communities; and

• To support and consolidate the infrastructure of civil society organizations (sectoral or multi-sectoral) based on solidarity, and would lead to planned actions that could influence policies or larger events focused on asset reform, development financing and environmental concern.

Eligible Borrowers: Philippine-based and managed Non-Government Organizations (NGOs), People’s Organizations (POs), and/or Cooperatives.

Terms/Requirements:

Amount:
• Sustainable Livelihood/Social Eco-Enterprise Project – Maximum of P1.5 Million.
• Research (market, technology or enterprise project development) – Maximum of P500,000.00.
• Advocacy/Promotion Campaign – Maximum of P100,000.00.

Interest Rate: n.a.
Maturity / Repayment: n.a.
Security: n.a.

Contact Details:
Mr. Arlen Barrameda
Phone/Fax: (632) 928.8671
Email: fssi@fssi.com.ph
www.fssi.com.ph
Government Service Insurance System (GSIS)
GSIS Building, Financial Center, Roxas Boulevard, Pasay City

Program Title: GSIS Special Financing Program

Program Objectives:
- To address the unavailability of credit facilities to the business sector through wholesale lending to Land Bank of the Philippines.
- To stimulate business activity by providing term loans to small and medium enterprises.

Eligible Borrowers:
- Start-up project/s new business/es.
- Existing business/es with assets of not more than P200.0 Million.
- Priority is given to export-oriented firms.

Loan Purposes:
- Working capital.
- Construction of building.
- Acquisition of equipment and machinery.

Terms/Requirements:

Amount: Maximum of P50.0 Million.

Interest Rate: To be determined by the conduit bank.

Maturity/Repayment: Maximum of seven years, inclusive of two years grace period on principal repayment.

Security: Any collateral acceptable to the conduit bank.

Contact Details:
Ms. Maria Lourdes M. Caballes
Phone: (632) 891.6161 local 4323
Fax: (632) 551.1289
Email: mlmcaballes@gsis.gov.ph
Program Title: EASY PONDONG PANG-ASENSO (EPPA)

Program Objective: To provide financing to small businessmen to set up, sustain, expand or improve their business with easier collateral requirements and simpler documentation procedures.

Eligible Borrowers/Projects: Sole Proprietorships, Partnerships (100% Filipino-owned), and Corporations (at least 60% Filipino-owned) which meet the following criteria:
  • Engaged in Manufacturing, Agribusiness and Processing, and Services including Trading & Merchandising
  • With minimum asset size of P3.0 Million and maximum of P100.0 Million (excluding the value of the lot where property/business is built).

Loan Purposes: Working Capital and Fixed Asset Acquisition except lot.

Terms/Requirements:
  Amount: Up to 80% of the total project cost; borrower has to put up the remaining 20% as equity, either in cash or in kind.

  Interest Rate: Based on prevailing market rate.

  Maturity / Repayment:
  • Short Term Loan/Credit Line – One year availability, renewable.
  • Term Loan – Based on cash flow of project/s financed with maximum of two years grace period on principal payments.

Security:
  • Real Estate/Chattel Mortgage (REM/CM)
  • Hold out on Deposits
  • Assignment of Receivables and/or Inventories
  • JSS Principal Stockholders/Officers
  • Guarantee Cover from Small Business Guarantee and Finance Corporation (SB Corporation), if applicable
Program Title: SPECIAL FINANCING ASSISTANCE TO SMALL AND MEDIUM EXPORTERS (SFA-SMEx)

Program Objective: To provide adequate funds for the financing requirements of small and medium exporters endorsed by PhilExport and Foreign Buyers Association of the Philippines (FOBAP).

Eligible Borrowers: Small and Medium Exporters which meet the following criteria:
- Either sole proprietorships, Partnerships (100% Filipino-owned), and Corporations (at least 60% Filipino-owned)
- With a minimum asset size of P3.0 Million and maximum of P100.0 Million excluding the value of the lot where property/business is built.
- Engaged in trading business.

Loan Purpose: Working Capital.

Terms/Requirements:

Amount: Minimum of P500,000.00 and Maximum of P3.0 Million (may be increased to P5.0 Million on a case-to-case basis)

Interest Rate: Based on prevailing market rate.

Maturity / Repayment: Maximum of 180 days but not to exceed the latest expiry date or the latest shipment date of the Letter of Credit (LC) or Purchase Order (PO), whichever is earlier.

Security:
- Notarized assignment of proceeds of irrevocable/transferable LC and confirmed PO.
- Only LCs and confirmed POs cleared by FOBAP shall be accepted; Execution of JSS by the President and Treasurer of the Corporation.
- Postdated Checks (PDCs) to be issued by the borrower/exporter.
Program Partner: Foreign Buyers Association of the Philippines (FOBAP).

Contact Details:
Program Management Department (PMD)
Phone: (632) 522.0000 • (632) 551.2200
      locals 2650, 2589, 7427, 2783, or 2384
Fax:   (632) 528.8542/43
Email: sme-pmu@mail.landbank.com

Program Title: SME UNIFIED LENDING OPPORTUNITIES FOR NATIONAL GROWTH (SULONG)

Program Objectives:
• To simplify and standardize the lending procedures of Government Financial Institutions (GFIs) thereby enhancing the SMEs access to needed funds.
• To shorten the list of documentary requirements to further facilitate the lending process.
• To create a wider, borderless financing system that will afford the SMEs greater access to short- and long-term funds.
• To lower the effective cost of borrowing by SMEs and liberalize the requirements.

Eligible Borrowers:
• Enterprises in all industries except trading of imported goods, liquor, cigarettes, and extractive industries;
• Profitable enterprises with track record;
• Enterprises that are at least 60% Filipino owned; and
• With assets of not more than P100 Million, excluding the value of the land.

Loan Purposes:
• Short Term Loan – For export financing, or temporary working capital.
• Long Term Loan – For permanent working capital, purchase of equipment and construction of building or warehouse.

Terms/Requirements:

Amount:
• Short Term Loan – Up to 70% of the value of the LC/PO (export packing), or 70% of working capital requirement (temporary working capital); maximum P5.0 M
• Long Term Loan – Up to 80% of the incremental project cost; maximum of P5.0 M

**Interest Rates:** Rates are subject to change every quarter.
- Short Term Loan – 9.00%
- Long Term Loan with term up to three years – 11.25%
- Long Term Loan with term of over three to five years – 12.75%

**Maturity / Repayment:**
- Short Term Loan – Maximum of one year.
- Long Term Loan – Maximum of five years, inclusive of a maximum one year grace period on principal monthly amortization.

**Security:** LANDBANK does not decline a loan on the basis of inadequate collateral. However, the borrower must be willing to mortgage any available business and personal collateral, including assets to be acquired from the loan, to secure the borrowing. The following are acceptable collaterals:
- Registered/unregistered REM/CHM; or
- Assignment of the LC or PO (if applicable)
- Assignment of life insurance
- Assignment of lease right (if franchisee)

**Program Partners:** Development Bank of the Philippines (DBP), National Livelihood Support Fund (NLSF), Philippine Export-Import Credit Agency (PhilEXIM), Quedan Corporation (Quedancor), Social Security System (SSS), and Small Business Corporation (SB Corporation).

**Contact Details:**
**Program Management Department (PMD)**
Phone: (632) 522.0000 • (632) 551.2200
locals 2650, 2589, 7427, 2783, or 2384
Fax: (632) 528.8542/43
Email: sme-pmu@mail.landbank.com

**Program Title:** ACCELERATING CHANGE IN THE COUNTRY-SIDE THRU EQUITY SHARING STRATEGY (ACCESS)

**Program Objective:** To catalyze countryside development by promoting livelihood and rural employment, and by priming up local agri-related and off-farm economic projects to raise productivity and income in priority areas of the country.
Program Components:
- Equity Investment
- Provision of Professional Management Team
- Technology Transfer and Marketing Assistance
- Equity Divestment

Eligible Partners:
- Cooperatives/Federations;
- Farmers and Fisherfolk;
- Non-Government Organizations (NGOs);
- Private Entrepreneurs;
- Local Government Units (LGUs); and
- Other interested investors.
- Partners should have no adverse CI/BI reports.

Eligibility Requirements:
- Agri-related and off-farm economic projects;
- Located outside National Capital Region (NCR) and Metro Cebu; however, projects located inside the mentioned areas may be considered if raw materials are sourced from outside the said places.
- IRR of at least 12%
- At least four stockholders (including Landbank)

Equity Investment Features:

Amount: Minimum of P1.0 Million; LBP Equity investment shall neither exceed P20.0 Million nor 35% of the total subscribed capital stock or 35% of total voting stock in a single enterprise, whichever is lower; provided that the total government equity shall not exceed 49% and foreign equity shall not exceed 40%. Investment shall be in Preferred Shares with voting power.

Dividend Rate: Entitled to cumulative dividends (including undeclared/unpaid dividends for the prior year/s), Dividend Rate based on 91-day T-Bill rate computed at the end of the calendar year

Divestment:
- Shall be sold or redeemed at par value within a period of 15 years based on a schedule formulated by the Board of Directors considering the cash flow of the project.
- The corporation shall establish a sinking fund to ensure the redemption of Landbank shares.
Contact Details:

**Program Management Department (PMD)**
Phone: (632) 522.0000 • (632) 551.2200 locals 2307 or 2376
Fax: (632) 528.8542
Email: LBP-PMD2@mail.landbank.com

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**Program Title:** RETAIL COUNTRYSIDE FUND (RCF I AND II) PROGRAMS

**Program Objective:** A credit facility from World Bank made available in Pesos or US Dollars to private investment enterprises whose viable operations benefit the countryside. Proceeds of the loan fund will be directly lent to qualified sub-borrowers of LANDBANK through its commercial banking lending units (LUs).

**Eligible Sub-Borrowers:**
- Sole Proprietorship
- Partnership
- Corporation (at least 70% Filipino-owned)
- Cooperative/Association

**Eligible Projects:**
- RCF I – Medium and long term needs of new or expansion sub-projects located outside the National Capital Region (NCR) and Cebu City.
- RCF II – Short, Medium, and long term needs of new or expansion sub-projects and existing sub-projects located outside the NCR and Cebu City:
  - Agriculture and Agri-related activities;
  - Food or agro-processing ventures;
  - Manufacturing activity;
  - Service-oriented projects that support economic activity;
  - Environmental protection-related projects;
  - Tourism-related projects;
  - Product distribution (trading); and
  - Property development project (socialized & low cost housing projects; commercial building for lease – not more than 3-storey high and lot area of not more than 1,000sqm.)
- Projects located in NCR and Cebu City are eligible provided it is engaged in agriculture and agri-related activities.
Loan Purposes:
- RCF I
  - Working capital (initial and/or incremental); and
  - Fixed asset investment (excluding acquisition of land).
- RCF II
  - Working capital (initial and/or incremental);
  - Fixed asset investment (excluding acquisition of land);
  - Special financing package which covers any or a combination of the following:
    - Extension of maturity period of existing loan.
    - Extension of grace period of existing loan.
    - Conversion of existing Dollar loan to Peso loan.
  - The fund may reimburse expenditures made within 120 days prior to date of receipt of loan application.

Terms/Requirements:

Amounts:
- RCF I
  - Sub-loan size for Peso Loan – Minimum of P100,000.00; Maximum of P10.0 Million.
- RCF II
  - Sub-loan size for Peso Loan
    - Minimum of P25,000.00.
    - Maximum of P100.0 Million (for priority-sector projects).
    - Maximum of P50.0 Million (for other sectors).
  - Sub-loan size for Dollar Loan
    - Minimum of US$25,000.00
    - Maximum of P50.0 Million or US$ equivalent.

Interest Rates:
- Floating/Variable rate.
- Fixed rate (prevailing variable rate plus a premium based on the remaining term of the loan).

Maturity / Repayment:
- RCF I
  - Medium Term (over one year) – Maximum of five years.
  - Long Term (over five years) – Maximum of 15 years (not beyond Sept. 15, 2015).
- RCF II
  - Short Term – Maximum of one year.
  - Medium Term (over one year) – Maximum of five years.
  - Long Term (over five years) – Maximum of 15 years (not beyond Dec. 15, 2018)
Security: Tangible Collaterals or acceptable guarantees consistent with current banking practices, pertinent laws and BSP regulations. All collaterals shall be insured against loss and destruction caused by fire or other calamities during the term of the loan with the Landbank as the beneficiary.

Contact Details:
**Special Programs Management Department (SPMD)**
Phone: (632) 405.7339 • (632) 551.2200
      locals 2448, 7640, or 7339
Fax:     (632) 528.8523
Email:   vcalderon@mail.landbank.com

**Program Title:** COUNTRYSIDE LOAN FUND PROGRAMS (CLF I, II, and III)

**Program Objectives:** A wholesale credit facility from World Bank made available to Participating Financial Institutions (PFIs) for on-lending to eligible private investment enterprises:

- To provide financial support to the rural economies to emerge stronger from the financial crisis and resume sustained rapid economic growth in the near term;
- To support the government in its effort to alleviate rural poverty by accelerating private investments in the countryside to boost productivity, generate employment, and raise income;
- To provide further assistance through additional short, medium, and long term financial resources for viable investments in the rural areas; and
- To generate foreign exchange awareness or savings to improve the country’s balance of payment position.

**Eligible PFIs:**
- Commercial Banks/Unibanks.
- Rural Banks.
- Thrift Banks.
- Non-bank financial institutions.

**Eligible Sub-Borrowers:**
- Sole Proprietorships
- Partnerships
- Corporations (at least 70% Filipino-owned)
- Cooperatives/Associations
Eligible Projects:
- Agriculture and agri-related productive activity;
- Food and agro-processing venture;
- Manufacturing activity that generates employment/export;
- Product distribution activity/Trading;
- Service-oriented project that supports economic activity;
- Environmental protection project;
- Tourism-related project; and
- Property development project:
  - CLF I & II – Industrial Estate Development.
  - CLF I, II, & III – Socialized and Low Cost Housing Projects, Commercial Building for lease that is not more than 3-storey high and lot area of not more than 1,000 sqm.

Note: Projects for funding under the CLF Programs must comply with all the laws and regulations of the Philippines related to environmental protection.

Eligible Sub-Project Location:
- CLF I & II – Nationwide; sub-projects located in NCR should be engaged in agriculture and agri-related activities.
- CLF III – Nationwide; sub-projects located in Cebu City and NCR should be engaged in agriculture and agri-related activities.

Loan Purposes:
- Working Capital – initial or incremental;
- Fixed Asset Investment – construction, expansion, or rehabilitation of productive facilities excluding land purchase; and
- Special Financing Package – any or combination of the following:
  - Extension of maturity or grace period of existing loan, conversion of existing dollar loan to peso loan.
  - Cost overruns due to price escalation/peso depreciation.

Terms/Requirements:

Amounts:
- CLF I & II (Peso) – Maximum of P300.0 Million (subject to fund availability).
- CLF III (Peso & US Dollar)
  - Maximum of P100.0 Million (SME, Non-SMEs provided engaged in agriculture, agri-related business, and environmental protection activities).
  - Maximum of P50.0 Million (all other eligible sub-projects).
**Interest Rates:**
- **LANDBANK to PFIs**
- Variable Rate – Based on Weighted Average Interest Rate of 91-day Treasury Bills or floor price, whichever is higher.
- Fixed Rate – prevailing variable rate plus a premium based on the remaining term of loan (over 1 year to 5 years – 1%; over 5 years – 2%)
- PFI to Sub-borrower – As negotiated between PFI and the sub-borrower

**Maturity / Repayment:**

<table>
<thead>
<tr>
<th></th>
<th>CLF I</th>
<th>CLF II</th>
<th>CLF III</th>
</tr>
</thead>
<tbody>
<tr>
<td>Short Term</td>
<td>Up to one year</td>
<td>Not available</td>
<td>Up to one year.</td>
</tr>
<tr>
<td>Medium Term</td>
<td>Up to five years</td>
<td>Up to five years</td>
<td>Up to five years.</td>
</tr>
<tr>
<td>Long Term</td>
<td>Up to year 2011</td>
<td>Up to year 2015</td>
<td>Up to year 2018</td>
</tr>
</tbody>
</table>

Monthly or Quarterly payments.

**Security:** Loans shall generally be secured by tangible collaterals (i.e., Real Estate/Chattel Mortgage, Mortgage Trust Indenture, Hold-out on deposits, etc.) or acceptable guarantees consistent with current banking practices, pertinent laws and BSP regulations.

Contact Details:

**Wholesale Lending Department**
Phone: (632) 405.7338/7239 • (632) 551.2200
locals 2468, 7338, 2797, 7239, or 2707
Fax: (632) 528.8523
Email: plg@mail.landbank.com
Program Title: ISANG BAYAN, ISANG PRODUKTO, ISANG Milyong Piso (1M1)

Program Objective: To stimulate local economic activity by providing financing of P1.0 Million to cover one product/service cluster identified for one town. The Local Government Unit (LGU) will borrow directly from NLSF to engage in a business enterprise.

Eligible Borrowers:
- SME project must be in the following investment areas: manufacturing, processing, services (except trading of imported goods, liquor and cigarettes), agribusiness (except farm-level agricultural/crop production), and not into extractive industries or housing projects;
- Must have generated positive income for the immediate past year, if past year’s income is negative, the average income of the past two or three years should be positive;
- Must have firm and reliable market;
- Must use proven managerial capability and technology;
- Debt-to-equity ratio of at most 80:20 before the loan and 70:30 for franchisees;
- Project shall cover a product or service identified for one municipality or city and the business must be located within the recipient municipality; and
- Must not be a recipient of any financial assistance from same program (1M1) from the other fund sources.

Loan Purposes:
- Medium-Term Loan – export financing and for temporary working capital.
- Long-Term Loan – purchase of equipment/machinery for new equipment.
Terms/Requirements:

**Amounts:**
- Medium-Term Loan – Maximum of 70% of working capital requirement but not to exceed P1.0 Million.
- Long-Term Loan – Maximum 80% of incremental project cost but not to exceed P1.0 Million.

**Interest Rates:**
- Direct Lending – Maximum of 10%
- Lending by Conduits – Maximum of 5% gross spread on pass-on rate per annum (all inclusive) to end borrowers.

**Maturity / Repayment:**
- Medium-term – Maximum of one year
- Long-term – Maximum of five years inclusive of one year grace period on principal payments.

**Security:**
- Project assets to be acquired out of the loan proceeds
- Real Estate/ Chattel Mortgage
- Assignment of Receivables
- Assignment of applicable portion of the IRA
- Other acceptable securities to NLSF
PHILIPPINE BUSINESS FOR SOCIAL PROGRESS (PBSP)
Philippine Social Development Center
Magallanes corner Real Streets, Intramuros, Manila

**Program Title:** SMALL AND MEDIUM ENTERPRISE CREDIT PROGRAM (SMEC)

**Program Objectives:**
- To provide loans to SMEs through Intermediary Financial Institutions (IFIs) such as Thrift Banks and Rural Banks as conduit for lending.
- To provide business support to IFIs and enhance their lending capabilities to improve SMEs productivity and competitiveness.

**Eligible Borrowers:** Micro, small and medium enterprises who meet the following qualifications:
- citizen or permanent legal resident of the Philippines;
- corporation, partnership or business organization which is more than 50% owned by Philippine national;
- have principal place of business in the Philippines, outside the National Capital Region;
- have a 100% privately-owned business with total assets of not more than P100 Million at the time the loan is granted; and
- engaged in manufacturing or agri-business such as: light industrial manufacturing, light handicraft, woodworking, metal working, services (with social impact), agri-processing or manufacturing, agri-trading, and non-traditional agriculture production which is pioneering in nature.

**Loan Purposes:** To finance investments of new and expansion of existing businesses for:
- acquisition of fixed assets such as land, buildings, machineries and equipment;
- related services such as machinery and equipment installation; and
- As working capital.
Loan Amount, Interest, Repayment Terms and Security:
Subject to discussion/negotiation by the Borrower with the IFI.

Contact Details:
The Associate Director
Phone: (632) 527.7741 to 51
Phone/Fax: (632) 527.3751
Emails: pbsp@pbsp.org.ph
         smec@pbsp.org.ph
www.pbsp.org.ph
PHILIPPINE EXPORT-IMPORT CREDIT AGENCY (PHILEXIM)
4th Flr. Citibank Tower, Citibank Plaza, Valero Street, Makati City

Contact Details: Ms. Joanne P. Manabat
Ms. Ma. Sylvia V. Encomienda
Vice Presidents – Marketing I
Phone: (632) 848.1900
Fax: (632) 893.4474

DIRECT LENDING PROGRAMS (DLP)

Program Title: SPECIAL CREDIT FACILITY FOR EXPORT DEVELOPMENT (SCFED)

Program Objective: To extend short-term loans to small scale exporters to fund their preshipment and postshipment export financing requirements.

Eligible Borrowers:
• Direct Exporter – Successful export performance in the immediately preceding 12 months in a particular product area to be financed with a minimum export volume of US$50,000.00 within said period; and at least 50% of revenues in the immediately preceding 12 months is derived from export sales of its products or services;
• Indirect Exporter – Indirectly exporting in the immediately preceding 24 months in the particular area to be financed, and profitable operations in the immediately preceding 24 months.
• No substantial derogatory record on firm, its principals and officers;
• Satisfactory credit performance;
• Minimum networth of PHP500,000.00; and
• Maximum debt-equity ratio of 4:1 after financing.

Types of Credit Accommodation:
• Transactional Loan – case-to-case preshipment working capital or postshipment loans.
• Revolving Line – a credit line that may be availed of as transactional loan within 12 months.

Terms/Requirements:

Loan Limit:
• Preshipment Working Capital Loan – Actual production needs but not to exceed 80% of the value of the Letter of Credit (LC)/
Confirmed Purchase Order (CPO)/ Confirmed Sales Contract (CSC) or P1.5 Million, whichever is lower.

- Postshipment Loan – Maximum amount shall be the outstanding value of the corresponding preshipment working capital loan. In cases where the export/domestic bill and/or receivable have no corresponding preshipment loan, maximum amount shall not exceed 80% of the value of the export/domestic bill/receivable or P1.5 Million, whichever is lower; aggregate loan limit at any given time for both pre and postshipment financing shall be P1.5 Million.

**Interest Rate:** PhilEXIM lending rate at the time of loan availment.

**Maturity / Repayment:**
- Preshipment Working Capital Loan – Maximum of 180 days, the Promissory Note maturity shall be co-terminus with the expiry date of the relative export/domestic LC(s) or the delivery date of the CPO(s)/CSC(s). A 15-day allowance may be granted to cover transit time for receipt of proceeds.
- Postshipment Loan – Maximum of 40 days from purchase of export bill or expiry of issuance period or maturity date of underlying export receivable.

**Security:**
- Real Estate/Chattel Mortgage.
- Suretyhip Agreement of principals or major stockholders of the corporation.
- Deed of Assignment on the inventory of raw materials, goods in process and finished goods financed by the loan as well as inventory not previously assigned to a third party.
- Deed of Assignment on the proceeds of domestic/export LC, CPO, CSC, export bill, and/or domestic/export receivables from a credit-worthy buyer.
- Export Credit Insurance (ECI).
- Endorsement in favor of PhilEXIM of “All Risk” marine and non-life insurance coverage.
- Postdated Checks; and other acceptable collaterals.

**Program Title:** SHORT TERM – DIRECT LENDING PROGRAM (ST-DLP)

**Program Objective:** To extend short-term loans to small and medium-sized exporters to fund their preshipment and postshipment export financing requirements.
Eligible Borrowers:
• Direct Exporter – Successful export performance in the immediately preceding 12 months in a particular product area to be financed with a minimum export volume of US$50,000.00 within said period; At least 50% of revenues in the immediately preceding 12 months is derived from export sales of its products or services.
• Indirect Exporter – Indirectly exporting in the immediately preceding 24 months in the particular area to be financed, and profitable operations in the immediately preceding 24 months.
• No substantial derogatory record on firm, its principals and officers;
• Satisfactory credit performance;
• Minimum networth of P500,000.00; and
• Maximum debt-equity ratio of 4:1 after financing.

Types of Credit Accommodation:
• Transactional Loan – case-to-case preshipment working capital or postshipment loans.
• Revolving Line – a credit line that may be availed of as transactional loan within 12 months.

Terms/Requirements:

Amounts:
• Preshipment Working Capital Loan – Actual production needs but not to exceed 80% of the value of the Letter of Credit (LC)/Confirmed Purchase Order (CPO)/Confirmed Sales Contract (CSC) or P20.0 Million, whichever is lower.
• Postshipment Loan – Maximum amount shall be the outstanding value of the corresponding preshipment working capital loan. In cases where the export/domestic bill and/or receivable have no corresponding preshipment loan, maximum amount shall not exceed 80% of the value of the export/domestic bill/receivable or P20.0 Million, whichever is lower; aggregate loan limit at any given time for both pre and postshipment financing shall be P20.0 Million.

Interest Rate: PhilEXIM lending rate at the time of loan availment.

Maturity / Repayment:
• Preshipment Working Capital Loan – Maximum of 180 days, the Promissory Note maturity shall be co-terminus with the expiry date of the relative export/domestic LC(s) or the delivery date of the CPO(s)/CSC(s). A 15-day allowance may be granted to cover transit time for receipt of proceeds.
• Postshipment Loan – Maximum of 40 days from purchase of export bill or expiry of issuance period or maturity date of underlying export receivable.

Security:
• Real Estate/Chattel Mortgage.
• Suretyhip Agreement of principals or major stockholders of the corporation.
• Deed of Assignment on the inventory of raw materials, goods in process and finished goods financed by the loan as well as inventory not previously assigned to a third party.
• Deed of Assignment on the proceeds of domestic/export LC, CPO, CSC, export bill, and/or domestic/export receivables from a creditworthy buyer;
• Export Credit Insurance (ECI);
• Endorsement in favor of PhilEXIM of “All Risk” marine and nonlife insurance coverage;
• Postdated Checks, and other acceptable collaterals.

Program Title: MEDIUM AND LONG TERM – DIRECT LENDING PROGRAM (MLT-DLP)

Program Objective: To extend medium and long term loans to small and medium-sized exporters to finance their asset acquisition, expansion, modernization of production techniques and improvement of production capacity.

Eligible Borrowers:
• SMEs engaged in processing, production, manufacturing, marketing or trading of products or rendering services directly or indirectly for export;
• Directly or indirectly exporting the product which is the subject of financing for at least two years;
• Satisfactory credit performance based on bank checkings and no substantial derogatory record;
• Minimum networth of P500,000.00; and
• Maximum debt-equity ratio of 3:1 after financing.

Loan Purposes:
• Purchase of machinery and equipment.
• Acquisition or construction of plant and building.
• Permanent working capital.
• Acquisition of land to be used as project site.
Terms/Requirements:

Amount: Actual needs but in no case more than P40.0 Million. However, not more than 50% of the loan maybe used in the acquisition of land to be used as project site.

Interest Rate: Fixed or Floating.

Maturity / Repayment:
• Medium Term Loan – More than one year up to five years depending on the purpose of the loan.
• Long Term Loan – More than five years up to ten years depending on the purpose of the loan.

Security: Lien on project assets to be acquired:
• Real Estate/Chattel Mortgage.
• Assignment of Marketable Securities or instruments acceptable to PhilEXIM.
• Suretyship Agreement of principals or major stockholders or the corporation.
• Assignment of Export Proceeds.
• Export Credit Insurance (ECI).
• Postdated Check/s, and other acceptable collaterals.

Program Title: SME UNITED LENDING OPPORTUNITIES FOR NATIONAL GROWTH (SULONG)

Program Objective: The program is a financing strategy collaborated by PhilEXIM and other government financial institutions (GFIs) to provide SMEs access to financing under a uniform lending structure.

Eligible Borrowers:
• Small and medium exporters in all industries except trading of imported goods, liquor, cigarettes, and extractive industries;
• At least 60% Filipino-owned, whose assets are not more than P100.0 Million, excluding the value of the land or subject to ownership rules as defined under existing Philippine laws for specific industries;
• Positive income for the previous year (if previous year’s income is negative, the average income of past two or three years should be positive).
• No substantial derogatory record on the firm, its principals and officers; and
• Maximum debt-equity ratio of 4:1 after financing.
Loan Purposes:
- Short-Term Loan
  - Transactional Loan – case-to-case availments shall be against export/domestic Letters of Credit, Confirmed Purchase Orders or Confirmed Sales Contracts.
  - Revolving Line – a credit line that may be availed of as in transactional loan within 12 months

Terms/Requirements:

Loan Limits:
- Short-Term Loan – Actual production needs but not to exceed 70% of the value of the Letter of Credit (LC)/ Confirmed Purchase Order (CPO)/ Confirmed Sales Contract (CSC) or P5.0 Million, whichever is lower.
- Long-Term Loan – 80% of the incremental project cost; maximum of P5.0 Million.

Interest Rates:
- Short-Term Loan – SULONG lending rate at the time of availment.
- Long-Term Loan – 3-year T-Bond rate + 2% for 3-year loan; and 5-year T-Bond rate + 2% for 5-year loan

Maturity / Repayment:
- Short-Term Loan – Maximum tenor of 180 days, the promissory note maturity shall be co-terminus with the expiry date of the relative export/domestic LC(s) or the delivery date of the CPO(s)/CSC(s). A 15-day allowance may be granted to cover transit time for receipt of proceeds.
- Long-Term Loan – Maximum of five years, inclusive of one year maximum grace period on principal amortization.

Security:
- Postdated Checks.
- Real Estate/Chattel Mortgage.
- Deed of Assignment on inventory of raw materials, goods in process and finished goods financed by the loan as well as inventory not previously assigned to a third party.
- Deed of Assignment on proceeds of domestic/export LC, CPO, CSC from creditworthy buyer.
• Assignment of Life Insurance proceeds.
• Suretyship Agreement of principals or major stockholders of the corporation.
• Other acceptable collaterals.

GUARANTEE PROGRAMS

Program Title: PRESHIPMENT EXPORT FINANCE GUARANTEE (PEFG)

Program Objective: To assist small and medium-sized export enterprises, particularly those who are collateral short, in obtaining or expanding their preshipment export working capital financing through a guarantee cover, namely: Export Trade Finance Guarantee (ETFG) for Transactional Loan and Revolving Export Loan Guarantee (RELG) for revolving line.

Guarantee Cover: Ninety percent (90%) of the principal plus interest.

Eligible Borrowers:
• Direct and Indirect Exporters;
• Must not have any derogatory record;
• Maximum debt to equity ratio of not more than 5:1 after financing;
• Minimum networth of P250,000.00 for ETFG; and
• Minimum networth of P500,000.00 for RELG.

Loan Purpose: For purchase of imported or domestic inputs to manufacture an export product and related manufacturing expenses including direct labor cost.

Terms/Requirements:

Amount:
• Export Trade Finance Guarantee (ETFG)-Transactional Loan
  ° Minimum of P150,000.00 and a Maximum of P9.0 Million.
• Revolving Export Loan Guarantee (RELG)
  ° Minimum of P150,000.00 and a Maximum of P20.0 million.

Interest Rate: Determined by the bank, usually at market rate.

Maturity / Repayment: Maximum tenor of 180 days, the promissory note maturity shall be co-terminus with the expiry date of the relative export/domestic Letters of Credit or the delivery date of the Confirmed Purchase Orders/Confirmed Sales Contracts. A 15-day allowance may be granted to cover transit time for receipt of proceeds.
Security:

- Direct Exporter – ETFG/RELG
  - Assignment of inventory of raw materials, goods in process and finished goods financed by the credit accommodation or loan as well as inventory not previously assigned to a third party, and proceeds of the irrevocable export Letter of Credit;
  - Continuing Suretyship of the spouse of the single proprietor, partners in partnership, principals or stockholders of a corporation, and accommodation surety, if required, for as long as the loan or credit accommodation is outstanding;
  - Trust Receipt, if applicable;
  - Insurance Coverage on goods purchase under an LC/TR facility duly endorsed in favor of the lender; and
  - Other collateral or security required by the lender in respect of the guaranteed account.

- Direct Exporter – Additional collateral for RELG borrowers
  - Assignment of proceeds of the CPO of CSC, signed by an accredited buyer under a Deed of Assignment;
  - Export Credit Insurance (ECI) in cases where the mode of payment of the corresponding shipment is under a Document Against Acceptance (DA) or Open Account Arrangement (OA);
  - “All Risk” marine insurance coverage duly endorsed in favor of the Lender on shipments made under documents against payment, document against acceptance and open account arrangement payment terms.

- Indirect Exporter – ETFG/RELG
  - Assignment of inventory of raw materials, goods in process and finished goods financed by the credit accommodation or loan as well as inventory not previously assigned to a third party;
  - Continuing Suretyship of the spouse of the single proprietor, partners in partnership, principals or stockholders of a corporation, and accommodation surety, if required;
  - Assignment of proceeds of the domestic LC, CPO or CSC; and
  - Other collateral or security required by the lender in respect of guaranteed account.

Program Title: POSTSHIPMENT EXPORT RISK GUARANTEE (PERG)

Program Objective: To provide small and medium-sized exporters with a complementary postshipment finance facility through a guarantee cover that will encourage banks to purchase export bills, refinance outstanding preshipment export loans as well as extend any form of receivable financing to such exporters pending actual remittance of payment by overseas buyers.

Guarantee Cover: Ninety percent (90%) of the principal plus interest.

Eligible Borrowers: Direct exporters with no derogatory records.

Loan Purposes:
- For purchase of export bills/drafts;
- Settlement of outstanding availments against a pre-shipment export credit facility while awaiting proceeds of the export receivable; and
- Post-shipment financing to cover the usance period or credit extended to the buyer.

Terms/Requirements:

Amount: Maximum amount shall be up to the outstanding value of a corresponding preshipment export obligation under PEFG coverage or 100% of the value of the export bill and/or export receivable if the obligor is exclusively enrolled under the PERG facility. The aggregate amount to be availed of by an obligor under both PEFG and PERG programs shall not exceed, at any given time, P9.0 million under ETFG and P20.0 million under RELG.

Interest Rate: Determined by the bank, usually at market rate.

Maturity / Repayment:
- ETFG – Co-terminus with the expected collection date of the proceeds of the Irrevocable Export Letter of Credit (IELC), but not to exceed 40 days from purchase of export bill for sight LCs or expiry of usance period for usance LCs.
- RELG – Up to twelve (12) months Revolving Export Bill/Receivable Financing Line with each purchase/disbursement co-terminus with the expected collection date of the proceeds of the IELC, documentary collection or export receivable but not to exceed 40 days from purchase of export bill in the case of Sight LCs and documents against payment or from the expiry of the usance period in case of usance LCs and the maturity date indicated in the
underlying receivable document in case of documents against acceptance and open account arrangement payment terms.

Security:
- Assignment of the following: (a) Proceeds of irrevocable export letter of credit/export bill; or (b) Proceeds of a documentary collection (D/A, D/P terms) or an export receivable (shipment made under OA arrangement terms) from a creditworthy buyer, with the Deed of Assignment specifying on its face that the proceeds are to be paid into a named/described account, and from which the Export Bill (EB)/loan may be paid;
- Continuing Suretyship of the spouse of the single proprietor, partners in a partnership, principals or stockholders of a corporation, and accommodation surety, if required, (if married, the obligor’s spouse should conform to the suretyship);
- Letter of Agreement/Guarantee/ Undertaking or any equivalent document executed by the obligor in favor of the Lender to repay the EB/loan in the event no collection is received from the foreign buyer. If obligor is married, his spouse should conform to the obligation;
- Export Credit Insurance (ECI) coverage by PhilEXIM;
- “All Risk” marine insurance coverage duly endorsed in favor of the Lender on export shipments made under D/P, D/A and O/A payment terms; and
- Postdated check in case of export receivable under an open account arrangement.


Program Title: TERM LOAN GUARANTEE PROGRAM (TLGP)

Program Objective: To assist small and medium-sized export enterprises in increasing their productive capacity and gain a stronger foothold in the international market through access to a guarantee program for the purpose of upgrading their plant facilities.
**Guarantee Cover:** Eighty-five Percent (85%) of the principal plus interest.

**Eligible Borrowers:**
- Any exporter, whether a single proprietorship, a partnership or corporation with at least 51% of subscribed capital owned by Filipinos, engaged in processing, production, manufacturing, and marketing or trading of products or rendering of services, directly or indirectly for export, provided it has been exporting for at least one year in the particular product area;
- Profitable operations in the immediately preceding year;
- No derogatory record;
- Maximum debt to equity ratio of 3:1 after financing; and
- Minimum networth of P250,000.00.

**Loan Purposes:**
- Purchase of machinery and equipment.
- Acquisition of land to be used as project site but not to exceed 50% of the loan.
- Plant/building acquisition, construction, improvement and expansion.
- Permanent working capital.

**Terms/Requirements:**

*Amount:* P50.0 Million

*Interest Rate:* Determined by the bank, usually at market rates.

*Maturity / Repayment:*
- For loans to finance the purchase of fixed assets/capital equipment
  - Up to P1.0 Million – more than one year up to a maximum of three years, inclusive of three to six months grace period on principal;
  - Over P1.0 Million – more than one year up to five years maximum, inclusive of three months to one year grace period on principal.
- For loans to finance permanent working capital
  - More than one year up to five years maximum, inclusive of three months to one year grace period on principal.
- For loans to finance plant/building acquisition, construction, improvement or expansion
  - More than one year up to ten years maximum, inclusive of three months to two years grace period on principal.
Security:
- The personal guarantee of the borrower or company principals/stockholders, lien on project assets to be financed, and other collateral based on evaluation, such as real estate, chattels and acceptable marketable instruments; and
- Insurance coverage on all insurable assets to be mortgaged.

PHILIPPINE NATIONAL BANK (PNB)
PNB Financial Center, Roxas Boulevard, Pasay City

Program Title: SMALL BUSINESS LOAN (SBL)

Program Objective: To increase its support to local entrepreneurs in Metro Manila and key provincial centers all over the country.

Eligible Borrowers: Existing businesses under the following priority sectors:

- Food-related businesses – Includes processed/packed meat products, food distribution, biscuits and snack foods, restaurants, retail food stores, and local food franchises.
- Transport and storage – cold storage, warehousing, distribution and transport of consumer goods, and public transport.
- Services and Trading – gas station and automobile service operations, security and manpower, photo developing, food-related, hardware supplies, botica and pharmaceuticals, retail sale of consumer goods, and wholesale distribution.
- Light manufacturing/processing activities.

Loan Purposes:

- Working Capital to finance receivables and inventory build-up, and day-to-day business expenditures;
- Upgrading or acquisition of machinery and equipment; and
- Construction/expansion or modernization of plant facilities.

Terms/Requirements:

Amount: P500,000.00 to P5.0 Million

Interest Rate:

- Term Loan – 15% fixed for one year; no hidden charges; reprice every year.
- Revolving Credit Line – 15% fixed quarterly for one year; reprice quarterly.
Maturity / Repayment: One to five years with equal monthly payments.

Security: Real Estate with classification as residential, commercial, and industrial properties.

Contact Details:
Mr. Reynaldo Orsolino or Ms. Nerissa Toledo
Small & Medium Enterprises (SME) Division
Phone: (632) 573.4177 • (632) 891.6040 local 2274, 2269, or 2063
or the local branches of the Philippine National Bank.
Program Title: REVOLVING CREDIT LINE

Program Objective: To provide short-term loans to SMEs to finance their working capital requirements. Line is drawn via check issuance or ATM withdrawal (for individuals).

Eligible Borrowers:
- Individuals, Partnerships and Corporations with asset size of not less than P1.5 Million.
- Companies engaged in the business for at least three years.
- Companies operating profitably for the last three years.

Loan Purpose: For Working Capital requirements such as receivable financing, purchase of additional inventory, etc.

Terms/Requirements:

Amount: Minimum of P5.0 Million; Maximum of P30.0 Million.

Interest Rate: Prevailing bank lending rate, reviewed monthly.

Maturity: One year line subject to renewal.

Mode of Payment: Interest payable monthly; principal at maturity.

Security: Real Estate Mortgage (REM) or a combination of REM/Chattel Mortgage.

Program Title: MORTGAGE OPTIMIZER

Program Objective:
- To provide loan or lines for business or personal undertakings.
- It has a unique Deposit Link feature where every peso deposited in the current account shall have a corresponding value which reduces interest payment on the loan.
- Line is drawn via check issuance or ATM withdrawal (for individuals).
Eligible Borrowers:
- Individuals, Partnerships and Corporations;
- Companies engaged in the business for at least three years; and
- Companies operating profitably for the last three years.

Loan Purposes:
- Working Capital/ Fixed Assets for Business.
- House Renovation.
- Personal Consumption.
- Emergencies.

Terms/Requirements:

*Amount:* Minimum of P500,000.00; Maximum of P5.0 Million.

*Interest Rate:*
- Revolving Credit Line (RCL) – prevailing bank lending rate, reviewed monthly.
- Term Loan (TL) – fixed rate for the entire term of the loan.

*Maturity / Repayment:*
- RCL – maximum of one year, subject to renewal.
- TL – maximum of five years.

*Mode of Payment:*
- RCL – Interest payable monthly, principal at maturity.
- TL – equal monthly amortization.

*Security:* Real Estate Mortgage on residential and commercial properties with good marketability.

**Program Title:** TERM LOAN

**Program Objective:** To provide loans for fixed asset acquisition and permanent working capital requirements.

**Eligible Borrowers:**
- Individuals, Partnerships and Corporations having an asset size of not less than P1.5 Million;
- Companies engaged in the business for at least three years; and
- Companies operating profitably for the last three years.
Loan Purposes:
- For Permanent Working Capital.
- Fixed Asset Acquisition such as purchase of machines, construction/renovation of building/plant facilities.

Terms/Requirements:

Amount: Minimum of P5.0 Million; Maximum of P30.0 Million.

Interest Rate: Prevailing bank lending rate available at variable or fixed rate options.

Maturity / Repayment: Maximum of ten years, payable monthly or quarterly.

Security: Real Estate Mortgage (REM) or a combination of REM/Chattel Mortgage.

Program Title: CONTRACT TO SELL (CTS) PURCHASE FACILITY

Program Objective: To enable the property developers of subdivision or condominium projects to liquidate their installment receivables.

Eligible Borrowers:
- Developers with proven track record and good reputation in the real estate industry;
- Land development must be 100% completed; and
- Must have existing list of buyer receivables.

Loan Purposes:
- For Working Capital.
- For continuous development of housing projects.

Terms/Requirements:

Amount: Minimum drawdown of P1.0 Million.

Interest Rate: Prevailing bank lending rate.

Maturity / Repayment: Maximum CTS term of 15 years with monthly amortization.

Security: Assignment of CTS papers.
Planters Development Bank is an accredited participating financing institution (PFI) of the following program agencies:

LAND BANK OF THE PHILIPPINES Program Facilities:
  • Countryside Loan Fund (CLF) I
  • CLF II
  • CLF III

DEVELOPMENT BANK OF THE PHILIPPINES Program Facilities:
  • Industrial Guarantee Loan Fund (IGLF)
  • Industrial and Support Services Expansion Program (ISSEP)
  • Environmental Infrastructure Support Credit Program (EISCP)
  • Domestic Shipping Modernization Program (DSMP)

SMALL BUSINESS CORPORATION Program Facilities:
  • Funding Access for Short Term Loans (FAST)
  • Financing Investment for Regional Market (FIRM)

SOCIAL SECURITY SYSTEM Program Facilities:
  • SSS Financing Program
  • SSS Financing Program for Educational Institutions
  • SSS Hospital Financing Program
  • SSS Industry Loan Program
  • SSS Tourism Program
SELF-RELIANT TEAM (SRT) PROGRAMS

Program Title: URBAN AND RURAL POOR PROGRAM

Program Objective: To provide financing for agri-fishery, food related projects and other livelihood projects of the urban and rural poor.

Eligible Borrowers: Urban and Rural Poor

Terms/Requirements:

Amount: P20,000.00 per borrower

Interest Rate: 2% per month

Maturity / Repayment: One year with Weekly, Semi-Monthly, Monthly, Quarterly, or Semi-Annual payments.

Security:
- Postdated Checks (PDCs).
- Joint and Several Signatures (JSS) of members of SRT.
- Group Credit Life Insurance (GCLI).

Program Title: PHILIPPINE DAIRY

Program Objectives:
- To encourage lending banks to extend credit to target clients engaged or will engage in dairy business, involving production, processing, marketing, packaging, wholesale, or retail distribution of fully processed milk and dairy products.
- To provide guarantee cover on National Dairy Authority (NDA) loans funded by the Land Bank of the Philippines.
- To provide credit to target clients under Quedancor’s Special Window Mode facility.

Eligible Borrowers:
- Cooperatives;
- Farmer-member of Cooperatives;
- Non-Government Organizations;
• Private Individuals or Entrepreneurs; and
• Local Government Units.

**Terms/Requirements:**

*Amount:* P2.0 Million

*Interest Rate:* 8% per annum

*Maturity / Repayment:* Monthly, Quarterly, or Semi-Annual payments
• Working capital – Three years
• Other Loan Purpose – Five years

*Security:*
• Postdated Checks (PDCs).
  Chattel on animals and Joint and Several Signatures.
• other acceptable securities.

**Program Title:** CREDIT AND ENTREPRENEURSHIP ASSISTANCE PROGRAM FOR AGRICULTURAL ENGINEERING STUDENTS AND ORGANIZATIONS

**Program Objective:** To finance existing or start-up agri-business projects involving crops, livestock, fisheries, aquaculture projects, operation and management of agricultural machinery and equipment pools, post harvest facilities, and other agri-business projects.

**Eligible Borrowers:** Agricultural Engineers, Agricultural Engineering Students/ Graduates, and other institutional borrowers.

**Terms/Requirements:**

*Amount:* P50,000.00

*Interest Rate:* 14% per annum

*Maturity / Repayment:* Monthly, Quarterly, Semi-Annual, or Annual payments
• Working Capital – Three years
• Acquisition of Facilities, Machineries/ Equipment – Five years
• Construction / Upgrading of Warehouses/ other Agri-fishery Facilities – Seven years
Program Title: SELF-RELIANT FARMERS/FISHERFOLK (SRF)

Program Objective: To finance the working capital or cash flow requirements of self-reliant farmers/fisherfolk engaged or will engage in mono/multi-crop planting, integrated farm production activities and/or other livelihood projects.

Eligible Borrowers: Farmers and fisherfolk.

Terms/Requirements:

Amount: Maximum of P50,000.00 per member-borrower or shall depend on the type of project or as recommended by Quedancor-Credit Assessment Group (CAG)

Interest Rate: 14% per annum

Maturity / Repayment: Depending on the type of project.

Security:
- Postdated Checks (PDCs).
- Joint and Several Signatures (JSS) of members of SRT.
- Deed of Undertaking.
- Group Credit Life Insurance.

Program Title: SWINE PROGRAM

Program Objective: To provide credit for the breeding and fattening of swine to targeted clientele engaged in swine production.

Eligible Borrowers: Farmers engaged or will engage in breeding and fattening of swine.

Terms/Requirements:

Amount:
- Maximum of P120,000.00 per member-borrower for SRT.
- Maximum of P12.0 Million for individual.
**Interest Rate:** 14% per annum

**Maturity / Repayment:**
- For fattening/contract growing for fattening – six months to one year.
- For breeding/gilt production
  - 1st Parity – eight months
  - 2nd to 5th Parity – six months

**Security:**
- Postdated Checks (PDCs)
- Joint and Several Signatures (JSS) of members of SRT
- Deed of Undertaking
- Group Credit Life Insurance

**Program Title:** FISHERIES

**Program Objectives:**
- To generate more employment and livelihood opportunities for small fisherfolk, fishpond operators, and micro-entrepreneurs in order to reduce poverty incidence in the rural areas.
- To foster entrepreneurial activities among fisherfolk in the production, processing, manufacturing and trading of fish, seaweed, and other marine products.
- To enhance productivity in the fishery sector through training and adoption of modern technologies, machinery and equipment.

**Eligible Borrowers:**
- Fisherfolk, and their immediate family members.
- Small fishpond operators.
- Fish farmers in coastal areas, lakes, and rivers.

**Terms/Requirements:**

*Amount:*
- Maximum of P50,000.00 per member-borrower.

*Interest Rates:*
- 14% p.a. for monthly mode of payment.
- 16% p.a. for quarterly mode of payment.
• 18% p.a. for semi-annual mode of payment.
• 20% p.a. for annual mode of payment.

_Maturity / Repayment:_
• For marketing/processing and production loans – three years.
• For fixed assets acquisition and construction of facilities – seven years.

_Security:_
• Postdated Checks (PDCs).
• Joint and Several Signatures (JSS) of members of SRT.
• Deed of Undertaking.
• Group Credit Life Insurance.

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**Program Title:** QUEDANCOR 20-20-20 PROGRAM FOR PALM OIL

**Program Objective:**
• To improve the productivity and income of the palm oil farmers by providing credit assistance.
• To provide livelihood opportunities to palm oil farmers through additional financing assistance to augment their income.
• To develop the palm oil industry by providing credit assistance to farmers.

**Eligible Borrowers:** Agrarian Reform Beneficiaries (ARBs) and non-ARB farmers engaged or will engage in palm oil industry.

**Terms/Requirements:**

*Amount:* Maximum of P50,000.00 per member-borrower.

*Interest Rate:* 14% per annum.

*Maturity / Repayment:* 12 years.

_Security:_
• Postdated Checks (PDCs).
• Joint and Several Signatures (JSS) of members of SRT.
• Deed of Undertaking.
• Group Credit Life Insurance.
NON SELF-RELIANT TEAM (SRT) PROGRAMS

**Program Title:** SMALL RETAIL ENTERPRISE (SRE)

**Program Objective:** To augment working capital of small retail enterprises.

**Eligible Borrowers:** Duly Licensed Retailers

**Terms/Requirements:**

- **Amount:** P25,000.00-P50,000.00
- **Interest Rate:** 2% per month
- **Maturity / Repayment:** Six Months with Weekly, Semi-Monthly, or Monthly payments.
- **Security:**
  - Two qualified Co-makers.
  - Postdated Checks (PDCs).
  - Group Credit Life Insurance.
  - Continuing Deed of Assignment of Stocks-in-Trade with Trust Receipt Agreement.

**Program Title:** INCOME AUGMENTATION AND LIVELIHOOD (IAL)

**Program Objective:** To provide financing for agri-fishery and other livelihood projects of government employees thereby augmenting their income and creating employment for their families and relatives.

**Eligible Borrowers:** State Employees

**Terms/Requirements:**

- **Amount:** Five times basic salary or P50,000.00, whichever is lower.
- **Interest Rate:** 14% per annum
- **Maturity / Repayment:** One to three years; Monthly payments.
- **Security:** Co-maker.
Program Title: WOMEN ENTREPRENEURS

Program Objective: To provide capital to women entrepreneurs for start-up or expansion of agri-fishery related businesses.

Eligible Borrowers:
- Women Farmers;
- Fisherfolk;
- Rural Workers;
- Housewives;
- Processors;
- Traders;
- Cooperatives/Associations; and
- Small Businesses

Terms/Requirements:

Amount: Depending on the project cost but not to exceed P20,000.00.

Interest Rate: Retail
- 14% per annum for monthly mode of payment.
- 16% per annum for quarterly mode of payment.
- 18% per annum for semi-annual mode of payment.
- 20% per annum for annual mode of payment.

Maturity / Repayment: Two years in Monthly or Quarterly payments.

Security:
- Assignment of government bonds/securities, blue chip commercial shares of stocks or bank deposits/placements.
- Real Estate/ Chattel Mortgage
- Assignment of Receivables supported by a marketing contract.
- Hold-out deposits equivalent to 15% of the approved loan.
- Joint and Several Signatures (JSS) executed by at least three authorized representatives
- Two qualified Co-makers, and other acceptable collaterals.

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Program Title: FOOD AND AGRICULTURAL RETAIL ENTERPRISES (FARE)

Program Objective:
- To develop a vibrant market for farmers’ produce.
- To help stabilize prices of basic commodities by facilitating the flow of institutional credit to retailers.
• To encourage the banking sector to actively service the credit financing needs of retailers.

**Eligible Borrowers:** Licensed Retailers.

**Terms/Requirements:**

*Amount:*
- Maximum of P2.0 Million for Special Window Mode (SWM)
- Maximum of P3.0 Million for Sole Guarantee Mode (SGM)

*Interest Rate:*
- SWM
  - 14% per annum for monthly mode of payment.
  - 16% per annum for quarterly mode of payment.
  - 18% per annum for semi-annual mode of payment.
  - 20% per annum for annual mode of payment.
- SGM – Discretion of the Lending Bank, usually lower than prevailing commercial rates.

*Maturity / Repayment:*
- Below P500,000.00 – Maximum of one year.
- P500,000.00 to P3.0 Million – Maximum of three years.

Payments in fixed monthly, quarterly, semi-annual, or annual amortizations. For SGM, the mode of payment shall be at the discretion of the Bank.

*Security:*
- Loans under SWM shall be secured by the issuance of Postdated Checks (PDCs).
- Two qualified Co-makers with any or a combination of Real Estate Mortgage and Assignment of government bonds/securities, blue chip/commercial/Quedancor notes or bank deposits.

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**Program Title:** LIVESTOCK AND POULTRY

**Program Objective:**
- To improve the living and income position of small poultry and livestock raisers and their cooperatives and associations.
- To encourage the use of modern facilities and equipment for greater production output and to ensure the quality of meat and meat products.
• To encourage adoption of appropriate modern technologies and practices.

Eligible Borrowers:
• Farmers/Fisherfolk/Rural Workers
• Sole Proprietors/Partnerships/Corporations
• Cooperatives/Associations engaged or will engage in projects eligible under the GMA-CARES-LIVESTOCK and POULTRY.

Terms/Requirements:

Amount: Loanable amount shall depend on the project cost.

Interest Rate:
• 14% per annum for monthly mode of payment.
• 16% per annum for quarterly mode of payment.
• 18% per annum for semi-annual mode of payment.

Maturity / Repayment:
• For marketing/processing and production loans
  ° depends on the cash flow within a period not exceeding three years.
  ° loans below P100,000.00 – two years.
• For fixed assets acquisition and construction of facilities – shall depend on the cash flow within a maximum of seven years.
• P500,000.00 to P3.0 Million – Maximum of three years.

Security:
• Assignment of government bond/securities, blue chip commercial shares of stocks or bank deposits/placements.
• Real Estate/Chattel Mortgage.
• Hold-out on deposits equivalent to 15% of the approved loan.
• Joint and Several Signatures executed by at least three authorized representatives.
• Two qualified Co-makers, and other acceptable collaterals.

Program Title: QUEDANCOR – SMC CREDIT PROGRAM FOR CASSAVA, CORN, SORGHUM, AND SOYBEAN

Program Objectives:
• To improve the productivity and income of corn, cassava, sorghum and soybean farmers through the provision of credit assistance and other support mechanism.
• To encourage the formation of business tie-ups between farmers engaged in corn, cassava, sorghum and soybean production and private assemblers-consolidators through joint venture agreements, such as contract farming/growing and management contract.
• To promote the adoption of better technology and strengthen the market linkage between farmers and buyer-firms and assemblers-consolidators.

Eligible Borrowers:
• Assemblers-Consolidators, which may be Sole Proprietorship/Partnership/Corporation/Cooperative or other organizations directly engaged or will engage in the production, processing, and marketing of corn, cassava, sorghum, and soybean or indirectly through participating farmer-growers.

Terms/Requirements:

Amount: Depends on the project cost and/or financial condition of the borrower.

Interest Rate:
• For production, processing and marketing loans – 12% per annum.
• For acquisition of post harvest facilities, machinery and other equipment:
  ° 14% per annum for monthly mode of payment.
  ° 16% per annum for quarterly mode of payment.
  ° 18% per annum for semi-annual mode of payment.

Maturity / Repayment: Depends on the production cycle or cash flow of the project.

Security: The Assembler-Consolidator shall be required to sign a Memorandum of Agreement with QUEDANCOR and SAN MIGUEL CORPORATION and submit any or a combination of Real Estate/Chattel Mortgage, Joint and Several Signatures (JSS) of officers duly authorized representatives (if entity)/Co-maker (if not entity), Marketing Contract supported by Purchase Order, and other acceptable collaterals.
DIRECT LENDING PROGRAMS

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Program Title: SME-FINANCING FOR RECEIVABLES OF SUPPLIERS’ TRANSACTIONS (SME-FIRST)

Program Objectives:
• To provide credit access to domestic suppliers that are not eligible to secure new or additional financing from banking institutions due to insufficient collateral and/or other credit-risk considerations;
• To help bridge the financing gap faced by SME suppliers resulting from long receivables turnaround time, especially during times of credit crunch; and
• To ensure the continued viability of the financing program despite its direct lending mode, thereby providing sustained assistance to the domestic suppliers sector.

Eligible Borrowers:
• Enterprises with asset size of not more P100.0 Million, excluding the value of land. Relatedly, the enterprise should not be a subsidiary or division of the large enterprise;
• The enterprise is at least 60% Filipino-owned;
• All industries except enterprises engaged in farm-level agriculture/aquaculture production, in trading of imported goods, of liquor and cigarettes, in extractive industries, and in housing projects;
• Latest annual sales of at least P3.0 million
• Other standard financial ratios
**Loan Purpose:** Transactional or temporary working capital for SMEs with receivables from:
- Among the top 1,000 corporations;
- Government corporations; and
- Industry anchor firms.

**Terms/Requirements:**

*Amount:*
- Maximum of 80% of the value of the receivables.
- Initial credit line of P2.0 Million.
- Maximum initial credit line of P5.0 Million if clean after 3 paid loans.
- The credit line can be further increased up to P8.0 Million after 2 more paid loans and if under direct collection by Small Business Corporation.
- Up to P1.0 million, if receivables is from a government agency.
- Up to P1.5 million if receivables is from a top 1,000 corporation in construction industry or IT software development.

*Interest Rate:* Shall be set by Small Business Corporation

*Maturity / Repayment:* Based on collection schedule.

**Program Title:** SME – FINANCING FOR RECEIVABLES OF SUPPLIERS’ TRANSACTIONS EXPANDED (SME – EFIRST)

**Program Objectives:**
- To provide credit access to domestic suppliers that are not eligible to secure new or additional financing from banking institutions due to insufficient collateral and/or other credit-risk considerations;
- To help bridge the financing gap faced by SME suppliers resulting from long receivables turn-around time, especially during times of credit crunch; and
- To ensure the continued viability of the financing program despite its direct lending mode, thereby providing sustained assistance to the domestic suppliers sector.

**Eligible borrowers:**
- Enterprises with asset size of not more than P100.0 Million, excluding the value of land. Relatedly, the enterprise should not be a subsidiary or division of a large enterprise, and
- Enterprises with at least 60% Filipino-owned.
• All industries except enterprises engaged in farm-level agriculture/aquaculture production, in purely retail trading, in vice generating activities, in extractive industries, and in housing projects.
• Enterprise must meet the following minimum eligibility criteria:
  o Capitalization or equity of at least P500,000.00;
  o At least two (2) years of profitable operations;
  o Latest annual sales of at least P3.0 Million; and
  o Other standard financial ratios.

**Loan Purposes:** Transactional working capital for SMEs with Purchase Orders (POs) from:
- Cebu-based top exporters.
- Among the top 1000 corporations.
- Government Corporations.
- Industry anchor firms

**Terms/Requirements:**

**Amount:**
- Minimum financing is P200,000.00, while maximum financing shall be up to 80% of the value of Sales Invoice/Purchase Orders. A maximum of P2.0 Million shall apply to POs issued by Cebu-based top exporters;
- Maximum initial credit line of P3.0 Million if clean loan after five paid loans;
- Credit line can be further increased up to P5.0 Million if amount beyond P3.0 Million is at least 50% secured;
- The credit line can be further increased up to P8.0 Million if amount beyond P5.0 Million is fully secured in addition to the initial collateral.
- Up to P1 million if PO is from a government line agency and if loan is at least 50% secured
- Up to P1 million if PO is from a top 1,000 corporation in the construction industry or in IT software development and if loan is at least 50% secured

**Interest Rate:** Shall be set by Small Business Corporation

**Maturity/Repayment:** Based on collection schedule.

**Security:** Titled Chattel Mortgage (REM) and/or motor vehicles.
Program Title: SME – FINANCING REACH FOR EXPORTERS THRU NETWORK DEVELOPMENT (SME – FRIEND)

Program Objectives:
- To provide credit access to exporters that are not eligible to secure new or additional financing from banking institutions due to insufficient collateral and/or other credit-risk considerations; and
- To ensure the continued viability of the financing program despite its direct lending mode, thereby providing sustained assistance to the export sector.

Eligible Borrowers:
- Exporters with asset size of not less than P1.5 Million and not more than P100.0 Million, excluding the value of land. Relatedly, the enterprise should not be a subsidiary or division of a large enterprise;
- Enterprises with at least 60% Filipino-owned; and
- All except exporters engaged in farm-level agriculture/aquaculture production, in extractive industries and in purely trading, in vice generating activities, or in housing.

Loan Purpose: Transactional working capital for exporters with export LCs and/or export POs as endorsed by FOBAP.

Terms/Requirements:

Amount: Maximum of 70% of the face value of the export LC/PO or its total working capital requirement (limited to raw materials, direct labor and shipping costs, whichever is lower); On a per LC/PO basis, the total loan amount shall not be less than P200,000.00. On a per borrower basis, the total outstanding balance of the LCs/POs shall not initially exceed P5.0 Million.

Interest Rate: For evaluation by Small Business Corporation.

Maturity / Repayment: The term of payment shall be based on the LC/PO expiry date, with allowance for the collection period.

Security: Titled Real Estate Mortgage and/or Motor Vehicle.
Program Title: SME – FINANCING FOR ORGANIZATIONALLY COMPETENT AND EXCELLENT FRANCHISE BUSINESSES (SME – FORCE)

Program Objectives:
• To provide credit access to franchisees that are not eligible to secure new or additional financing from banking institutions due to insufficient collateral and/or other credit-risk considerations; and
• To ensure the viability of the financing program despite its direct lending mode, thereby providing sustained assistance to the business financing sector.

Eligible Borrowers:
• Franchisees (for the start-up of a franchise outlet or for expansion / renovation)
• Franchisor in need of improvement or expansion of commissary/ support system for franchising operations

Loan Purposes:
• For acquisition of fixed assets.
• For leasehold improvements.
• For initial working capital.

Terms/Requirements:

Amount: Minimum of P200,000.00 and not more than P5.0 Million; P2.5 Million, if franchise system is less than three years old. On a per franchise business basis, the total loans shall not exceed P30.0 Million (franchise projects with higher loan requirements may be assisted by Small Business Corporation under its guarantee program where bank financing shall be applied).

Interest Rate: Shall be set by Small Business Corporation.

Maturity / Repayment: Maximum of three years with six months grace period; Monthly or quarterly amortization.

Security:
• Corporate guarantee by the franchisor-firm equivalent to at least 50% of the outstanding balance of the loan or at least 50% hard collateral cover (real estate and/or motor vehicles) assessed at simple market value;
• Chattel mortgage on the fixed assets to be financed; and
• Assignment of leasehold rights on the project site to be financed;
  Assignment of the franchise rights.

Program Partners:
Association of Filipino Franchisors, Inc. (AFFI), and Philippine Franchisors,
Inc. (PFI).

Program Title:
SME – GUARANTEE INCUBATION FOR DTI-ENDORSED PROJECTS
(SME – GUIDE)

Program Objective: To support the revenue stream of DTI in terms of
direct financial package.

Eligible Borrowers:
• Filipino-owned Enterprises, Corporation (at least 60% Filipino-owned)
  that are not engaged in extractive industries, purely retail
  trading, vice-generating activities, housing or in farm-level agri/aqua
  production, and activities imposing threat in the environment
• Minimum asset size of P500,000.00 (excluding value of the land)
• Maximum asset size of P100.0 Million (excluding value of land)
• At least one (1) year in operation

Loan Purposes:
• Building construction/improvement.
• Equipment acquisition.
• Lot acquisition (Up to 25% of the loan).
• Loan take-out from non-government financial institutions (up to
  25% of the loan).
• Permanent working capital (maximum of P1 million for pure working
  capital).

Terms/Requirements:
Amount: Minimum of P200,000.00; Maximum of P5.0 Million; Up to
70% of each component of the project cost; Up to two times of existing
networth or up to five times of latest annual net income; whichever is
lower.

Interest Rate: Shall be set by Small Business Corporation

Maturity/Repayment: Depending on loan amount relative to existing
financials of borrower, but preferably up to three years and up to six months grace period. Maximum of five years with up to one year grace period. Amortization is monthly or quarterly.

Security: Assets financed by the loan; collateral substitute if building improvement/ construction could not be made part of collateral. Small Business Corporation reserves the right to require other assets owned by the proponent as collateral except for the family abode.

Program Partner: Regional/Provincial Offices.

GUARANTEE PROGRAMS

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Program Titles:
• SME-GUARANTEE FOR ENTERPRISES IN MANUFACTURING AND SERVICES (SME-GEMS) – Projects which are or will be engaged in manufacturing, services and trade activities, whether for domestic or export market, except trading of cigarettes and liquor, housing, and vice-generating business activities.
• SME-GUARANTEE RESOURCES FOR AGRIBUSINESS INVESTMENTS (SME-GRAIN) – Projects in agribusiness except direct farm level of production, live stock, poultry, fishing and aquaculture. Eligible project are those which are one step forward from the above mentioned production activities.
• SME-GUARANTEE LINES FOR ANCHOR INDUSTRIES (SME-GLAD) – Eligible projects are SMEs that supply goods and services to private business firms commonly referred to as Big Brother Companies.
• GUARANTEE FOR SUPPLIERS OF LOCATORS OF PEZA/BOI

Programs Objectives:
• To stimulate the flow of credit to the SME sector thru the provision of credit guarantees and other support; and
• To encourage greater participation of financial institutions in the development of SMEs.

**Eligible Borrowers:**

• Asset size before the loan, exclusive of the value of the land where project is situated:
  ○ Small Scale – P1.5 Million to P15.0 Million.
  ○ Medium Scale – More than P15.0 Million up to P100.0 Million.

• Individual/sole proprietorship, partnership, corporation, cooperative, organization or association

• If a sole proprietorship or partnership, it must be 100% owned and capitalized by Filipino citizen. However, if it is juridical entity, at least 60% of its capital or outstanding stocks must be owned by Filipino citizens

• Must neither be a branch, subsidiary or division of a large scale enterprise nor may its policies be determined by a large scale enterprise or by persons who are not owners or employees of the enterprise

• Its latest in-house financial statements must comply with a current ratio of at least 1.20:1.00 and debt-to-equity ratio of at most 80:20 before the loan

• Must have generated positive income for the immediate past year based on BIR-filed financial statements

• In the case of new enterprise, the technology must be tested and proven and market must be clearly identified

• Must have a firm, determined and reliable market and proven managerial capability

• Projected internal rate of return on investment of at least 15% per annum

• For new exporters, at least two (2) years profitable performance as local producers or sub-contractors

• Three-year profitable performance with average annual sales of at least US$100,000.00 or eight LC/PO/SC transactions totaling at least US$200,000.00 must have been consummated if less than three years

• The exporter/borrower and foreign buyers must be pre-cleared with the negative list of the Bureau of Export Trade Promotion (BETP)

• The borrower must have the production capacity to carry out orders

**Loan Purposes:**

• Acquisition of assets:
  ○ for land or project site acquisition (not more than 25% of the loan)
building improvements/expansion or construction of plant facilities
for new equipment
for second hand/reconditioned equipment
• Permanent working capital.
• Temporary working capital.

Terms/Requirements:

Amount: For guarantee cover: P100,000.00 to P20.0 Million.

Interest Rate: Not to exceed 30% per annum inclusive of all fees and charges.

Guarantee Fee: 2% per annum of the guaranteed portion.

Maturity / Repayment:
• Credit Line – upon maturity of Promissory Notes (PNs).
• Term Loan – monthly, quarterly or semi-annually.

Security: Project assets to be financed by loan should form part of collateral.

WHOLESALE PROGRAMS

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Program Title: SME-FUNDING ACCESS FOR SHORT TERM LOANS (SME-FAST)

Program Objectives: A wholesale short-term financing program channeled through Accredited Financial Institutions (AFIs) as conduits for SME lending to attain the following:
• To provide SMEs wider access to short-term credit by improving the over-all liquidity of the financial system; and
• To provide incentive to competitive SMEs by way of access to short-term loans with lower interest rates.
Eligible Borrowers:
- Enterprises with asset size of not less than P3 Million and not more than P100.0 Million, excluding the value of land. Relatedly, the enterprise should not be a subsidiary or division of a large enterprise, at least 60% Filipino-owned; and
- All except enterprises engaged in farm-level agriculture/aquaculture production, in trading of imported goods of liquor & cigarettes and in housing projects.

Loan Purpose: Encourage the financial system to open up to more SME markets of wider industry coverage and of regional dispersal

Terms/Requirements:

Amount: Maximum of 90% of the face value or outstanding principal balance of PN(s) to be rediscounted or P15.0 Million, whichever is lower.

Interest Rate: Monthly to consider Weighted Average Interest Rate (WAIR) of 91-day Treasury Bills, and the agency’s cost of funds and of doing business.

Maturity/Repayment: Maximum of 360 days (short term).

Security of Borrower: Deed of Real Estate Mortgage; From the Bank, there should be a Deed of Assignment with Recourse on all rights, interests and/or titles covering the rediscounted PN; Deed of Undertaking with Custodianship, if applicable


Program Title: SME-FUNDING FOR INVESTMENTS IN REGIONAL MARKETS (SME-FIRM)

Program Objectives: A wholesale medium-term financing program using banking institutions as conduit for lending to attain the following:
- To provide SMEs wider access to medium-term credit by improving the financial system’s capability to allocate for these requirements;
- To provide incentive to competitive SMEs by way of access to medium-term loans with lower interest rates;
• To provide SMEs a more steady financing cost base that would enable them to grow in their investment areas; and
• To reach out to SMEs in provincial cities and other areas outside of the traditional centers of lending, thereby providing opportunities for growth in the regions.

Eligible Borrowers:
• Enterprises with asset size of not less than P3 Million and not more than P100.0 Million, excluding the value of land. Relatedly, the enterprise should not be a subsidiary or division of a large enterprise;
• The Enterprise is at least 60% Filipino-owned;
• All except enterprises engaged in farm-level agriculture/aquaculture production, trading of imported goods, of liquor and cigarettes, in extractive industries, and in housing projects;
• Borrower should be able to capitalize at least 20% of the total cost of putting up the project;
• The project has an estimated internal rate of return of at least 15% during the term of the loan.

Loan Purposes:
• Permanent working capital.
• Fixed asset acquisition/construction, where land purchase should not exceed 25% of the total loan amount.

Terms/Requirements:

Amount: Maximum of 90% of the face value or outstanding principal balance of PN(s) to be rediscounted or P15.0 Million, whichever is lower.

Interest Rate: Weighted Average Interest Rate (WAIR) of 91-day Treasury Bills, and the agency’s cost of funds and of doing business.

Maturity/Repayment: The loan has a term of at least one year and not more than five years depending on the requirement of the borrower.

Security:
• Real Estate Mortgage (REM)
• From the Bank, there should be a Deed of Assignment with Recourse on all rights, interests and/or titles covering the rediscounted PN.
Program Title: SME – EQUITY VENTURES PROGRAM (EVP)

Program Objectives: To support the financing needs of small and medium enterprises (SMEs) that are ready to develop into a higher level of marketing, technical, management and production operations.

The program shall be implemented with a private sector partner who shall put up a counterpart fund equal to the EVP fund. Equity investments in SMEs between the SB Corporation and its partner shall be on a 50:50 basis. The Small Business Corporation and its partner shall jointly manage the investment fund.

Eligible Borrowers:
- SME Corporation or an enterprise willing to incorporate if it is a registered proprietorship/ partnership entity;
- Must be engage in the following sectors: Industrial and Manufacturing, Agri-business, Service, Tourism, and Environmental projects;
- Must have a well-defined business plan; should include potential revenue of income and resource requirements needed to attain and sustain the success of the project;
- Have a track record of success in the targeted industry and technology to be engaged in;
- The products or services of the enterprise have the potential of becoming nationally, if not globally competitive;
- If using a new technology, must be able to show appropriate technology transfer arrangement of the key intellectual property rights;
- Must have a capable and experienced management team with at least one key senior officer with a similar record in managing similar companies; and
- The directors and officers of the SME have impeccable integrity to safeguard the interest of its stockholders, creditors, and customers.

Loan Purposes:
- Acquisition of machinery and equipment;
- Building improvement/expansion or construction of plant facilities; and
- Working capital.
Terms/Requirements:

**Amount:** Maximum of P20.0 Million or not more than 40% of the authorized capital of the SME, whichever is lower.

**Dividend Rate:** The dividend rate on preferred shares of stocks shall be based on SB Corporation’s lending rate plus a spread for administrative and risk premium.

**Maturity / Repayment:** Maximum of five years; Payments depend on deal structure.

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Program Title: SME UNIFIED LENDING OPPORTUNITIES FOR NATIONAL GROWTH (SULONG)

Program Objective: To provide SSS members, belonging to the small and medium enterprises (SMEs) category, greater access to short and long-term funds through SSS accredited conduit banks which will re-lend the fund to qualified SSS member-borrowers.

Loan Purposes:
- Short-Term Loan – export packing credit, and temporary working capital;
- Long-Term Loan – purchase of equipment, building or warehouse construction, purchase of lot, purchase of inventories or as permanent working capital

Eligible Borrowers: SSS members with the following qualifications:
- Existing private enterprises in all industries except trading of imported goods, liquor, cigarettes, and extractive industries like mining or quarrying;
- At least 60% Filipino owned;
- Asset size of not more than P100.0 million excluding land;
- Have positive income for the previous year (if previous year’s income is negative, the average income of the past two or three years should be positive);
- Have debt-to-equity ratio of not more than 80:20 after financing, or 70:30 if borrower is a franchisee; and
- SSS member-employers of good standing.

Terms/Requirements:

Amounts:
- Short-Term Loans – Up to 70% of the value of the Letter of Credit or Purchase Order for export packing, or 70% of the working capital requirement, or maximum of P5.0 Million.
- Long-Term Loans – Up to 80% of the incremental project cost, or maximum of P5.0 Million.
Interest Rates:

- **Short-Term Loans**
  - To PFI – Fixed rate based on prevailing 364-day T-bill Rate.
  - To End-user – PFI’s option

- **Long-Term Loans**
  - To PFI – Over 1-5 yr. term loan based on the prevailing T-Bond Rate but not to exceed 10% p.a.
  - To End-user – PFI’s option

Maturity / Repayment:

- **Short-Term Loans** – Maximum of one year.
- **Long-Term Loans** – Maximum of five years with one-year grace period on principal payment.

Security:

- **Short-Term Loans**
  - Postdated Check.
  - Registered/Unregistered Real Estate Mortgage (REM) or Chattel Mortgage (CM).
  - Assignment of Letter of Credit (LC) or Purchase Order (PO).
  - Assignment of Life Insurance.
  - Guarantee Cover.
  - Corporate Guarantee (if franchisee).
  - Assignment of Lease Rights (if franchisee).

- **Long-Term Loans**
  - Postdated check.
  - Registered/Unregistered REM/CM.
  - Guarantee Cover.
  - Assignment of Life Insurance.
  - Corporate Guarantee (if franchisee)
  - Assignment of Lease Rights (if franchisee).

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**Program Title:** THE SSS SPECIAL FINANCING PROGRAM

**Program Objectives:**
- To address the unavailability of credit facility to the business sector through the conduit banks or participating financial institutions (PFIs) which will on-lend the fund to eligible borrowers;
To encourage the formation and growth of barangay micro business enterprises; and
To generate employment.

Eligible Borrowers:

- New or existing micro, cottage, small and medium enterprises including registered Barangay Micro Business Enterprises (BMBEs) as well as entities with asset size of not more than P200.0 Million;
- Enterprises engaged in agribusiness, manufacturing, utilities, transportation and communications, commercial production, particularly of food and basic consumer items, and products for export, trading, and service-oriented enterprises; and
- SSS member-employer of good standing.

Loan Purposes:

- Construction or renovation or expansion of building;
- Acquisition or upgrading of machinery and equipment;
- Working Capital.

Terms/Requirements:

Amount: Maximum loan of P50.0 Million.

Interest Rate:

- To PFI:
  - 1 year 7%
  - over 1-3 years 9%
  - over 3-5 years 10%
  - over 5 years 11%
- To End-user: PFI’s option.
The interest rate is subject to review every five years.

Maturity / Repayment: Maximum of ten years, in equal quarterly payments, which may include a two-year grace period on principal payment, if warranted. Loan to BMBEs may be amortized monthly or quarterly depending on the cash flow projection of the borrower.

Security: Any collateral acceptable to the PFIs. However, loan to BMBEs if not secured by hard collateral, may also be secured by SB Corporation.
Program Title: INDUSTRY LOAN PROGRAM (Under the PFIs Omnibus Credit Line)

Program Objectives:
- To contribute to the national recovery effort by providing financial assistance to selected companies through conduit arrangement with SSS accredited participating financial institutions (PFIs); and
- To create employment opportunities by increasing the capacity utilization or modernization of plant and equipment of selected companies.
- To further diversify SSS investments and to efficiently use its resources consistent with its earnings, liquidity and risk targets.

Eligible Borrowers: Existing and Start-up enterprises with the following qualifications:
- Engaged in Agribusiness (contract growing, aquaculture), Food Processing (rice, oil, feedmill, meat processing), Manufacturing (garments, ceramics, textile, furniture, construction materials, etc.), Service Oriented Enterprises (transportation, warehousing, utilities, etc.), Tourism Related Projects (hotels, resorts, theme parks, etc.), and Real Estate Development Projects (industrial estate development, commercial);
- Have an asset size of at least P60.0 million;
- Have a debt-equity ratio not exceeding 75/25 after financing;
- Have proven track record of profitability;
- Be at least 70% Filipino-owned, for corporation;
- Not have defaulted in the payment of interest on any of its debts, securities or loans;
- Not have any arrearages with SSS insofar as premium contribution or loans and remittance of employee contributions or payments on their loans are concerned.

Loan Purposes:
- Modernization of plant and equipment resulting to an increase in production capacity.
• Civic works and construction of building.
• Increasing capacity utilization of existing firms.
• Additional/ new capacity.

Terms/Requirements:

Amount: Minimum of P51.0 Million; Maximum of P500.0 Million (75% of the requirement of the project but not to exceed P500.0 Million or loan value of collateral whichever is lower).

Interest Rate:
• To PFI:
  ° over 1-3 years 9%
  ° over 3-5 years 11%
  ° over 5 years 12%
• To End-user: PFI’s option.
The interest rate is subject to review every five years.

Maturity / Repayment: Maximum of ten years, payable quarterly, depending on the cash flow requirements of the project. Grace period for amortization of the principal may be given on a case-to-case basis, but not to exceed three years.

Security: Real Estate/Chattel Mortgage and other collaterals acceptable to the PFIs.

Contact Details:
Institutional Loans Department (ILD)
Phone: (632) 926.1644 • (632) 927.8249
       (632) 920.6401 locals 5115 or 5118
Email: member_relations@sss.gov.ph

Program Title: FINANCING PROGRAM FOR TOURISM PROJECTS

Program Objectives:
• To provide long-term financing to SSS members engaged in tourism projects through accredited Participating Financial Institutions as a means of spurring economic growth and regional development.
• To contribute to the government’s program of generating more employment opportunities especially in the countryside.
• To contribute to the country’s foreign exchange earnings.
Eligible Borrowers:
- New or Existing enterprises engaged in tourism business using the eco-based approach.
- At least 60% Filipino-owned.
- Must have a track record, experience and training on the project being proposed.
- Must have debt-to-equity ratio of not more than 75:25.

Loan Purposes:
- Site development;
- Enhancement of existing facilities;
- Construction of building e.g. resort cottages; and
- Acquisition of machinery and equipment, furniture, furnishings and fixtures.

Terms/Requirements:

Amount: Depends on the requirements of the project/business but not to exceed P150.0 million.

Interest Rates (end-borrower):
- 1-3 years 13%
- over 3-5 years 14%
- Over 5-10 years 15%
Interest rates are subject to review every five years.

Maturity / Repayment: Maximum of ten years, in equal quarterly payments, including a grace period on the repayment of principal of not more than three years.

Security: Real Estate/Chattel Mortgage and other collaterals acceptable to the PFIs.

Contact Details:

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Program Title:
SPECIAL FINANCING PROGRAM FOR VOCATIONAL AND TECHNICAL SCHOOLS

Program Objectives:
• To contribute to the development of vocational and technical skills necessary to increase the overall productivity in the economy, thus help in accelerating the economic and social development of the country; and
• To improve access of the general population and in particular, SSS members and their dependents, to better educational facilities by providing long-term financial assistance to private vocational and technical schools through accredited Participating Financial Institutions (PFIs).
• To create awareness and appreciation of the demand and potential earning capabilities of vocational and technical skills.

Eligible Borrowers:
• New or existing private vocational and technical schools duly licensed by an authorized agency such as Department of Education (DepEd), Technical Education and Skills Development Authority (TESDA), and Commission on Higher Education (CHED);
• A registered SSS member-employer;
• At least 60% Filipino-owned;
• Have a proven track record of profitability;
• Have a debt-to-equity ratio of not more than 75:25 after financing; and
• An SSS member of good standing.

Loan Purposes:
• Construction of new school buildings;
• Completion or improvement of existing school buildings; and
• Acquisition or repair/upgrading of school equipment and facilities.

Terms/Requirements:

Amount:
• Maximum of 80% of the total project cost, but not to exceed P75.0 Million;
• For repair and reconstruction projects in declared calamity areas, 100% of the project cost, but not to exceed P75.0 Million.
Interest Rates (end-borrower):
- 1-3 years: 13%
- over 3-5 years: 14%
- Over 5-10 years: 15%

Interest rates are subject to review every five years.

Maturity/Repayment: Ten years, in equal quarterly payments, including a grace period of three years on principal payment.

Security: Preferably by a Real Estate Mortgage on the borrower’s property or by a collateral acceptable to the PFIs.

Contact Details:
Institutional Loans Department (ILD)
Phone: (632) 926.1644 • (632) 927.8249
(632) 920-6401 locals 5115 or 5118
Email: member_relations@sss.gov.ph

Program Title: HOSPITAL FINANCING PROGRAM

Program Objectives:
- To facilitate the establishment of and to help maintain hospitals and related institutions by providing funds through accredited Participating Financial Institutions (PFIs).
- To improve hospital care delivery to the general population and to SSS members and their dependents by making adequate hospital care accessible and affordable to low-income workers.
- To support the national government’s program of attaining a much better distribution of hospital facilities throughout the country that will be more responsive to the needs of particular localities and their inhabitants.

Eligible Borrowers: All categories of hospitals licensed by the Department of Health (DOH), either primary, secondary, or tertiary may borrow under the loan program and must be:
- At least 60% Filipino-owned;
- Have a proven track record of profitability;
- Maintain a debt-to-equity ratio of 75:25 after financing; and
- An SSS member of good standing.
Loan Purposes:
• Construction of new hospital buildings and institutions for the sick, aged, and infirm individuals.
• Completion or improvement of existing hospital buildings.
• Acquisition or repair/upgrading of hospital equipment and machinery.
• Repair and reconstruction of hospital buildings damaged by recent calamities.
• Construction, expansion and improvement of doctor’s clinic as part of the hospital building complex.

Terms/Requirements:

Amount:
• Maximum amount shall be 75% of the project cost but not to exceed P150.0 Million for primary and secondary hospitals and P350.0 Million for tertiary hospitals.
• For repair and construction projects in declared calamity areas, the maximum amount shall be 100% of the project cost but not to exceed P150.0 Million for primary and secondary hospitals and P350.0 Million for tertiary hospitals.
• For doctor’s clinic, the loanable amount is equivalent to 50% of the project cost, but not to exceed P150.0 Million.

Interest Rate (end-borrower):
• 1-3 years 13%
• over 3-5 years: 14%
• Over 5-10 years 15%
Interest rates are subject to review every five years.

Maturity / Repayment: Payable within ten years, including a grace period of three years on the principal. Principal balance will be amortized monthly, quarterly, and semi-annually together with the interest based on the cash flow projections.

Security: Preferably by a Real Estate Mortgage on the borrower’s property or any collateral acceptable to PFIs.

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Email: member_relations@sss.gov.ph
Program Title: SSS FINANCING PROGRAM FOR EDUCATIONAL INSTITUTIONS

Program Objectives:
• To improve access to better educational facilities by providing long-term financial assistance to private educational institutions.
• To enhance the country’s economic productivity thru the development of a larger pool of professionals and skilled workers to support the country’s industrial and agricultural expansion.
• To complement the government’s aim to achieve a better distribution of educational institutions nationwide.

Eligible Borrowers: New or existing private educational institutions in the elementary, secondary, or collegiate/university level, which are duly licensed by the Department of Education or the Commission on Higher Education may borrow under the program and the borrowing institution must:
• Be a registered SSS member-employer;
• Be at least 60% Filipino-owned;
• Have a proven track record of profitability;
• Maintain a debt-to-equity ratio of 75:25 after financing; and
• An SSS member of good standing.

Loan Purposes:
• Construction of new school buildings including gymnasium, library and other facilities related to school’s operations (sports complex, multi-purpose hall, covered court, track and field, etc.).
• Completion or improvement of existing school buildings.
• Acquisition or repair/upgrading of school equipment and machinery.
• Repair and reconstruction of school buildings damaged by recent calamities.

Terms/Requirements:

Amount: The maximum loanable amount shall be 75% of the total project cost but not to exceed P150.0 Million for primary and secondary schools, P250.0 Million for colleges, and P350.0 Million for universities.

Interest Rate (end-user/borrower):
• 1-3 years 13%
• over 3-5 years: 14%
• Over 5-10 years 15%
Interest rates are subject to review every five years.
Maturity/Repayment: The loan is payable within ten years including a grace period of three years on the principal. The principal balance will be amortized quarterly together with the interest based on the cash flow projections.

Security: Preferably by a Real Estate Mortgage on the borrower’s property. The loan may also be secured by any collateral acceptable to the PFIs.

Contact Details:

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