

**[ QRCGC CIRCULAR NO. 095, SERIES OF 1999,  
February 19, 1999 ]**

**QUEDANCOR PROGRAM FOR FOOD AND AGRICULTURAL RETAIL  
ENTERPRISES (FARE)**

Circular No. 089, Series of 1998, on the Quedancor Program for Food and Agricultural Retail Enterprises (FARE) is hereby amended with respect to the following items:

x            x            x

6.            STATEMENT OF POLICIES

6.1           Purpose of Loan

To augment the working capital and/or expand business operations of  
retailers.

x            x            x

6.5           Interest and Service Fee Rates

6.5.1          Sole Guarantee Mode (SGM)

x            x            x

A guarantee fee of 2.5% per annum shall be paid by LB upon filing of application for guarantee cover.

6.5.2          Guaranteed Co-Financing Mode (GCFM) and Special Window Mode (SWM)

x            x            x

Interest of loans with a term exceeding one year shall be computed using a discount factor as indicated on the present value table (See attached).

Additionally, Quedancor shall charge a non-refundable service fee of 2.5% on its share of the loan amount for loans with a term not exceeding one year and 2.5% per annum on its share of the outstanding principal for loans whose terms is up to two years. The LB shall have the option to charge its own rate on its share of the loan.

Service fee for the first year shall be deducted from the loan proceeds while interest shall be imputed in the amortization. Payment of service fee for the succeeding year shall be at the start of the anniversary year of the loan.

6.6           Mode and Term of Payment

Loans below P1M shall be payable within a maximum of one (1) year in fixed monthly or quarterly amortizations. Loans from P1M to P3M may be allowed a maximum term of two (2) years and shall be paid in fixed monthly or quarterly amortizations.

For SGM, the mode of payment shall be at the discretion of the bank.

#### 6.7 Loanable Amount

Loan amount shall not exceed P2M for SWM and P3M for SGM and GCFM.

x x x

#### 6.10 Computation of Interests, Surcharges and Penalties

Interest, surcharges and penalties shall be computed as illustrated in Exhibit 1.

x x x

6.10.2 Surcharges of 2% per month shall be collected on the unpaid amortization until the date of actual payment but not yet beyond the maturity date.

x x x

#### 7. MECHANICS

x x x

#### 7.3 Clientele Accreditation

x x x

The QOO shall conduct a background/credit investigation of the applicant; accomplish the Background and Credit Investigation Report and forward for approval the application together with the required documents to the Regional Assistant Vice-President (RAVP)/Sector Head. Upon approval of the application, the RAVP/Sector Head shall cause the issuance to the borrower of an "Accreditation Certificate and Control Book" (Exhibit 2 \*) which shall be valid for a duration of one (1) year. For borrowers with two-year term loans, accreditation shall automatically be renewed and payment of accreditation fee shall be made by the borrower.

#### 7.4 Processing and Release of Loan

x x x

7.4.4 Credit Evaluation Report with recommendation (CER 3 or 4) and the Loan Proposal Memo (LPM) shall be prepared by the QOO and reviewed by RAVP/Sector Head. The loan shall be approved by the authorized Quedancor representative in accordance with Circular No. 090-A on Specifications of Authority.

x x x