

[CDA RESOLUTION NO. 162, S. 1995, April 20, 1995]

LOAN FUND FOR CERTAIN COOPERATIVES

Upon the motion of Adm. Omera H.D. Lucman and duly seconded by Adm. Arcadio S. Lozada, RESOLVED as it is hereby RESOLVED to set aside a portion of the CRDLF to be the loan fund for cooperatives organized by indigenous communities, rebel returnees, agrarian reform beneficiaries, the disabled, women and the youth.

RESOLVED further that the lending guidelines and policies on the matter, a copy of which is being hereto attached as Annex "A", be APPROVED as it is hereby APPROVED.

RESOLVED finally that BOA Resolution No. 137, s. 1995 dated March 20, 1995 be amended by deleting the creation of the Special Loan Fund.

APPROVED.

Adopted: 20 Apr. 1995

(SGD.) FELIPE G. DERI
Board Secretary IV

Annex "A"

Lending Guidelines and Policies

Background

The Board of Administrators of CDA in its meeting held on March 20, 1995 initially set aside the remaining loanable funds of Cooperative Rehabilitation Development Loan Fund (CRDLF) to fund the business activities of cooperatives organized by rebel returnees, tribal or indigenous cultural minorities, agrarian reform beneficiaries, the disabled, women and the youth.

SECTION 1. Objectives -

- a. To finance the entrepreneurial activities of the organized special groups of cooperatives; and
- b. To provide institutional support requirements for the identified business enterprises for the benefit of their members.

SECTION 2. General Loaning Policies and Operations - The basic loaning policy is to provide the special types of cooperatives with funds to meet their needs and purposes based on the identified business undertaking and/or the terms the borrowers can reasonably be expected to achieve and repay at reasonable terms and conditions.

SECTION 3. Types of Loans - The following are the types of loans that may be extended:

1. Marketing/Operating Loan - for the purchase of the produce of members and for the procurement and distribution to members of supplies and inputs and for operational and working capital for the cooperative's marketing activities.
2. Facility Loan - for the purchase of facilities such as hand tractor, thresher, ricemill machineries, solar dryer, etc. to support business activities of the cooperatives.
3. Land/Building Loan - for the purchase of land and materials for the construction of building.
4. Merchandising Loan - for the purchase of consumers goods and other items for resale to members.

SECTION 4. Eligible Borrowers -

1. The following duly registered special types of cooperatives may borrow whether primary, secondary and tertiary cooperatives undertaking economic business activities.

- a. Agrarian Reform Cooperatives
- b. Rebel Returnees Cooperatives
- c. Cooperatives among Tribal/Indigenous Cultural Minorities
- d. Cooperatives among the Disabled
- e. Cooperatives among the Women and Youth

2. The cooperative must have been in operation for at least one year, shown satisfactory operating performance, maintained books of accounts and has qualified officers and staff.

SECTION 5. Specific Terms and Conditions -

1. Amount of Loan - The amount of loan shall be based on the actual needs of the project but not to exceed P500,000.00. The borrower shall be required to provide counterpart (equity contribution), a minimum of 20% of the project cost. The equity contribution of the borrower may not necessarily be in cash. Labor, raw materials, project sites and other facilities may be acceptable.

2. Security of the Loan - Collaterals should be linked to the loan. Collaterals may be real estate, equipment, as well as any improvements and pledges of various types of personal property. Rolling stocks are also acceptable collateral. A real estate or chattel mortgage of the collateral shall be executed by the borrower.

3. Interest rates -

- a. Marketing/Operating/Merchandising Loan - not less than eight percent (8%) per annum.
- b. Land/Building Loan - not less than eight percent (8%) per annum.
- c. Facility Loan - not less than six percent (6%) per annum.

4. Terms and Repayment