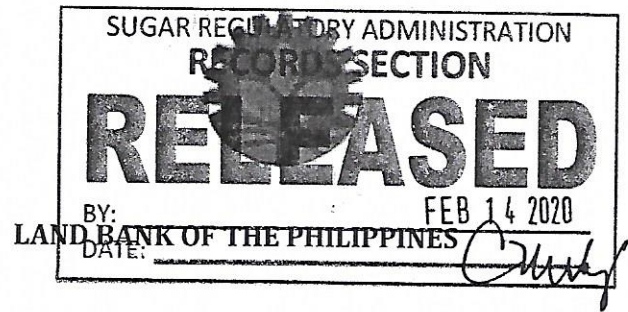




SUGAR REGULATORY ADMINISTRATION



JOINT MEMORANDUM CIRCULAR No. 1
Series of 2020

SUBJECT: IMPLEMENTING RULES AND REGULATIONS (IRR) FOR THE SOCIALIZED CREDIT PROGRAM UNDER THE SUGARCANE INDUSTRY DEVELOPMENT ACT

A. RATIONALE

RA 10659 or the Sugarcane Industry Development Act (SIDA) of 2015 through its Socialized Credit Program (SCP) is aimed to promote and support the productivity improvement programs to boost the production of sugarcane and increase the incomes of sugarcane farmers /planters and farm workers.

B. ACRONYMS/DEFINITION OF TERMS

1. Block Farm - consolidated small farms (5 hectares and below) including farms of agrarian reform beneficiaries, as one larger farm with a minimum contiguous area of 30 hectares within a 2-km radius distance between the perimeters of neighboring farms, to take advantage of the economies of scale; ownership of each small farm that makes up a block farm shall remain with its owner; a block farm shall be organized into cooperative or association
2. CI/BI - Credit Information/Background Investigation
3. Collective Farm – consolidated small farms (5 hectares and below) with area of less than 30 hectares within 2-km radius distance between the perimeters of neighboring farms and collectively managed by small farmers associations, cooperatives, Agrarian Reform Beneficiary Organizations (ARBOs) or other farmer groups with legal personality
4. LBP – Land Bank of the Philippines
5. LC – Lending Center (an LBP unit)
6. Management Fee –covers administrative expenses for the processing of loan application and other costs for collection excluding litigation expenses, attorney's fees and other legal fees
7. MDO – Mill District Officer (of the SRA)
8. MOA – Memorandum of Agreement between LBP and SRA
9. PCIC – Philippine Crop Insurance Corporation
10. Pole Vaulting – act of avoiding payment of loans such as but not limited to:
 - a. selling of standing canes
 - b. milling with other mills not designated in the Deed of Assignment with LBP
 - c. using other name or account
11. SRA – Sugar Regulatory Administration

C. THE PROGRAM COVERAGE

The program shall be made available nationwide particularly in sugarcane producing regions and provinces for the production inputs including but not limited to labor and hauling services, farm machineries and implements necessary for the continuous production of sugarcane of the following target beneficiaries:

1. Individual sugarcane farmers operating a farm land area of ten (10) hectares and below

Note: For purposes of monitoring, report shall separate financed small sugarcane farmers, i.e. 5 hectares and below).

2. Collective Farms with consolidated area of less than 30 hectares within 2 Km radius
3. Block Farms with consolidated area of at least 30 hectares within 2 Km radius which:
 - a. Have not received their start-up capital (grant) under the SIDA Block Farm Program; or
 - b. One year after receiving their full start-up capital (grant) under the SIDA Block Farm Program, they maintain their Block Farm Status in good standing and for meritorious consideration as determined by the SIDA Block Farm Focal person, subject to the approval of the SRA SCP Local TWG to be reported to the SCP Management Committee.
4. Agri-business Machinery, Equipment Service Centers (Common Service Centers) Service Providers duly accredited with SRA which shall provide farm mechanization services to sugarcane farms that do not have the capability to purchase or maintain their own machineries and equipment

D. THE PROGRAM FUND

The Program Fund shall be sourced from the annual General Appropriations Act allocation.

E. GENERAL POLICIES AND GUIDELINES

1. The following funds shall be established, maintained and disbursed by LBP according to this IRR:
 - a. Program Fund is the fund released by SRA to LBP for the SCP under the Farm Support and Farm Mechanization Programs.
 - b. Income Fund is the fund derived from the interest income on loans and penalties from which the Management Fee and other applicable program expenses (e.g., CI/BI, crop insurance premium* and Credit Surety Fund service fee) shall be charged. Except for the Common Service Centers, which shall pay the Management Fee and other applicable fees and charges, these subsidies shall be provided to other eligible borrowers. In the event that the Income Fund is not sufficient, these shall be charged to the Program Fund.

The income fund shall be under the account name of SRA.

**Note: Charging of PCIC crop insurance premium shall be made only if the borrower is not registered under the Registry System for Basic Sectors in Agriculture.*

2. SRA shall authorize LBP to perform the following transactions:
 - a. Place the Program Fund to the LBP's pool of funds; and
 - b. Debit/Draw from the following:
 - Program Fund which shall be used for loan releases; and
 - Income Fund to cover the expenses mentioned in Item E.1.b
3. LBP shall charge a Management Fee of 3.5% p.a. based on quarterly average loan balance which shall be collected quarterly and charged to the Program Fund.
4. For production loan applications, application fees shall be waived. The minimum deposit required for opening deposit accounts for small and individual farmers shall be P100.00.
5. All loan applicants shall be subjected to the standard LBP CI/BI. Any adverse findings on credit and character shall be a ground for loan denial. However, CI/BI for individual sugarcane farmers with loan amounts of Php 400,000.00 or less shall be waived except when the applicant was/is subject of any court proceeding or has past due loan/s from any financing institution/s. In lieu of CI/BI, information on previous/existing borrowers shall be checked against the internal records of the Bank. If the result is adverse then LBP shall disqualify the applicant and conduct CI/BI. The CI Report shall be valid for two (2) years.
6. LBP shall ensure that all documentary requirements for the loan including collaterals, other forms of securities and all documents necessary to collect the loans are complete and submitted before the loan release. LBP shall also be responsible for the safekeeping of the above-referred documents until the same are turned over to SRA.
7. LBP shall provide SRA quarterly status report on loans (disbursements, collections/repayments, outstanding balances and financed projects of borrowers) and status of the Income and Program Funds (interest income, operating expenses and fund balances).
8. LBP shall not bear the credit risk in administering the loans, collecting loan repayments, and performing remedial actions such as, loan restructuring, foreclosure (optional) except when LBP violates the provision on the safekeeping of all loan documentary requirements or in cases of unpaid loans which cannot be turned over to SRA as stated under item 10 of this section.
9. Past due loans can be restructured by LBP except when the borrower committed fraud or misrepresentation, pole vaulting, selling of standing canes, using other names or accounts and such other illegal acts to avoid payment of loan. For this purpose LBP may coordinate with the concerned MDOs and ROs.
10. Loan accounts that remain unpaid for more than three (3) years shall be turned over to SRA together with the Promissory Notes, loan securities/collaterals, and other supporting documents including the Deed of Assignment authorizing SRA to institute necessary legal action to collect unpaid loans. However, unpaid loans with incomplete documentation cannot be turned over to SRA.

Moreover, LBP may provide SRA necessary assistance in collecting unpaid and turned over accounts including but not limited to providing witnesses in any legal proceedings.
11. LBP, at its option, may foreclose the Real Estate Mortgage and/or Chattel Mortgage, if necessary, based on its standard procedures. On which case, all related costs including litigation expenses, publication and the maintenance of the foreclosed property/equipment shall be charged against the Borrower. The said costs may be advanced by LBP from the Program/Income Fund but shall be credited back to the said Fund once collected. The latter notwithstanding, LBP shall obtain the prior consent of

SRA in incurring these costs and expenses if the same is more than twenty percent (20%) of the outstanding principal balance and/or shall substantially deplete the Income Fund. LBP shall shoulder all costs for any lost or destroyed collateral documents (i.e., Chattel Mortgage, quedan), and other loan documents in its possession.

12. The funds transferred by SRA shall be administered by LBP for a period of five (5) years commencing from the date of fund transfer subject to a mandatory annual evaluation by SRA. Parties shall conduct regular review of the MOA and IRR for necessary changes/modifications.
13. All loan data/information received by SRA and LBP shall be treated by both parties with utmost confidentiality.

F. PROGRAM MANAGEMENT

1. Socialized Credit Program Management Committee (SCPMC)

An SCPMC shall be created to be constituted by representatives from SRA and LBP with the following functions:

- a. Provide direction and formulate policies for the SCP;
- b. Monitor the performance of the SCP;
- c. Act on issues or concerns relative to program implementation; and
- d. Conduct SCP performance evaluation.

The SCPMC shall be composed of:

CHAIRPERSON: SRA Representative

VICE CHAIRPERSON: LBP Agricultural and Development Lending Sector Head

MEMBERS:

- a. SRA Administrative and Finance Department Representative
- b. LBP Lending Program Management Group Head/ Representative
- c. SRA Legal Department Representative
- d. SRA Research Development and Extension Department Representative
- e. SRA Regulation Department Representative

2. SCP TECHNICAL WORKING GROUP (SCP-TWG)

An SCP-TWG (National Level) shall be created to be constituted by representatives from SRA and LBP with the following functions:

- a. Monitor the process of implementation and SCP performance;
- b. Review the policies, procedures, and recommend changes to the SCPMC; and
- c. Monitor fund disbursements against program funds.

The SCP-TWG shall be composed of:

HEAD: SRA Representative

ALTERNATE HEAD: SRA Representative

MEMBERS:

(5) SRA Representatives and

(3) LBP Representatives from the Program Management Department I

3. SCP-SIDA Technical Secretariat

Four (4) SRA representatives shall act as SCP-SIDA Technical Secretariat who shall:

- a. Coordinate with partner agencies;
- b. Prepare minutes of meetings and resolutions of the SCPMC;
- c. Consolidate monthly status reports; and
- d. Prepare materials.

4. AREA ACTION TEAM

The Area Action Team composed of LBP-LC and SCP MDOs and ROs shall:

- a. oversee the implementation of SCP-SIDA at the Local Level and elevate issues and concerns to the SCP TWG that need action at the National Level; and
- b. devise a collection mechanism appropriate to their area in coordination with the Sugar Mill, Muscovado and Distilleries Representatives.

5. SCP LOCAL TWG

The SCP Local TWG composed of SRA Regional/Field Personnel shall:

- a. Review and evaluate loan applications (including all documentary requirements) for Block Farms referred to in item C.3.b and Common Service Centers that require Sugar Board endorsement to LBP;
- b. Endorse the loan applications which passed its review process, as follows:
 - Concerned LC (Block Farms)
 - SRA Sugar Board (Common Service Centers)
- c. Perform/Undertake other functions that may be assigned from time to time.

6. Mill District Officers/SCP-SIDA Focal Persons

SRA shall designate focal persons or the MDOs for the SCP-SIDA at the Mill District Levels covered by the Program who shall have the following responsibilities:

- a. Consolidate and update the list of accredited sugarcane farmers, block/ consolidated farms, and planters' cooperatives/associations/federations and common service centers;
- b. For loan applications, verify the filled-out loan application form together with certified photocopy of the documentary requirements of SRA and LBP and endorse/forward the same to the:
 - Nearest LBP-LC(Individual Farmers, Collective Farms and Block Farms per Item C.3.a)
 - SCP Local TWG (Block Farms under item C.3.b and Common Service Centers);
- c. Coordinate with various regional program partners for the conduct of regional/provincial orientation seminar;
- d. Coordinate with the SCP-SIDA Technical Secretariat regarding the reportorial and other requirements in line with the SCP-SIDA implementation;
- e. Conduct of field inspection of sugarcane farms of individual farmers prior to release for harvesting costs; and

- f. Monitor the harvesting and delivery of cane of farmer-borrowers to the mill through the assistance of SRA Regulation Officers. Any credit bagging practice (i.e., transfer of cane ownership to other person) shall be ground for blacklisting by SRA.

G. BASIC LENDING POLICIES

	Individual Sugarcane Farmer	Collective/Block Farm	Common Service Center
Eligible Borrowers	<p>Individual Sugarcane Farmer who is not a member of any Block or Collective Farm:</p> <ul style="list-style-type: none"> • Small sugarcane farmer with farm area of five (5) hectares and below • Other individual sugarcane farmer with total farm area of more than five (5) hectares up to ten (10) hectares 	<p>Cooperative or Farmers' Association with legal personality to borrow:</p> <ul style="list-style-type: none"> • Collective Farm - consolidated area of less than 30 hectares within 2-km radius; participating farmers are with individual farm areas of five (5) hectares and below • Block Farm - consolidated area of at least 30 hectares within 2-km radius 	<ul style="list-style-type: none"> • Sole Proprietor, Partnership, Corporation; • Cooperative/ Association/NGO with legal personality to borrow
Program Fund Allocation ¹	80%		20%
Eligible Projects/ Loan Purpose	Sugarcane Production	Sugarcane Production	<ul style="list-style-type: none"> • Assets Acquisition (farm machinery/equipment, tractor & implements, harvesters/cutters, loaders, irrigation, hauling trucks, etc.) for farm mechanization and hauling services • Equipment Shed/Motor Pool/Garage Construction • Working Capital
Eligibility Criteria	<ul style="list-style-type: none"> • Endorsed by SRA MDO • Registered with SRA 	<ul style="list-style-type: none"> • Endorsed by SRA MDO or SCP Local TWG • Accredited with SRA 	<ul style="list-style-type: none"> • Accredited by SRA Farm Mechanization

¹ Note: The indicated program fund allocation may be reviewed periodically by the SCPMC and adjusted if necessary to meet actual demand for credit by the target program beneficiaries.

	Individual Sugarcane Farmer	Collective/Block Farm	Common Service Center
Eligibility Criteria (cont.)	<ul style="list-style-type: none"> • Must have no existing loan with LBP and its conduits, other government institutions and other creditors covering the same project area; or that such loan has already been fully paid prior to release of the SCP-SIDA loan; or • Not a beneficiary of any government financial farm productivity assistance for the same project applied for 	<ul style="list-style-type: none"> • No adverse findings on the borrower and its principals; • Operating for at least 6 months, evidenced by duly signed minutes of meetings covering at least 3 meetings; • Should have a defined Operational Structure composed of manager, cashier/ treasurer, bookkeeper and operations officer or other equivalent positions; • Must exhibit profitable operations and sound financial condition, if applicable, otherwise must be able to demonstrate profitable operations based on the financial projections of the proposed project for financing; and • Has undergone relevant technical training on sugarcane-related projects (may be required as a post-release requirement) 	<p>Program Committee/TWG</p> <ul style="list-style-type: none"> • Endorsed by the SRA Board to LBP
Credit Facility	Short Term Loan Line (STLL)		<ul style="list-style-type: none"> • Term Loan • STLL - Working Capital
Loanable Amount	Up to 90% of the project cost per Standardized Farm Plan and Budget based on general fertilizer recommendation by SRA per Mill District, as reviewed and affirmed by the MDO		Up to 90% of the total project cost or financing requirement
Interest Rate	2% p.a.		6.5% p.a.
Term of Loan	STLL-Production Loan - maximum of 18 months from the initial release of the loan		<ul style="list-style-type: none"> • Fixed Asset Acquisition/ Construction - based on project cash flow/ payback period but not more than the economic useful life of fixed assets or remaining useful life for

	Individual Sugarcane Farmer	Collective/Block Farm	Common Service Center
			secondhand/ refurbished machines <ul style="list-style-type: none"> • Working Capital - one year line available via Promissory Notes (PN) depending on cash cycle
CI/BI fees (P1, 500/ application)	Chargeable to Income/Program Fund, as applicable		Charged to Borrower
Fees and Charges	Loan application fee shall be waived for production loans		Other applicable standard fees and charges for loans shall apply
Documentary Stamp Tax (DST)	<ul style="list-style-type: none"> • For borrowers other than cooperatives - DST shall be charged either as a deduction from the loan proceeds, or, out-of-pocket by the borrower. • For cooperatives with BIR Tax Exemption Certificate - DST shall be taken from the Income/ Program Fund. 		
Grace Period	Maybe granted, if applicable, depending on the cash flow of the project		
Principal/ Interest Repayment	STLL-Production Loan <ul style="list-style-type: none"> • Principal - payable upon maturity of the PN or disposal/sale of the quedan whichever comes earlier • Interest - payable in arrears to coincide with the principal payment 		<ul style="list-style-type: none"> • Term Loan <ul style="list-style-type: none"> - Principal - quarterly or semestral depending on the cash flow - Interest - payable in arrears to coincide with the principal payment • STLL-Working Capital <ul style="list-style-type: none"> - Principal - payable upon maturity of the PN - Interest - payable in arrears to coincide with the principal payment

	Individual Sugarcane Farmer	Collective/Block Farm	Common Service Center
Collateral, Guarantee and Insurance	Any or a combination of the following: <ul style="list-style-type: none"> • Assignment of sugar quedans on net planter's share with mill conformity • Assignment of Sales Proceeds of Sugarcane (for borrowers with no quedan) • Assignment of credit enhancement instruments such as PCIC, Credit Surety Fund and other similar instruments whichever is/are applicable. The premium/ service fee for the said coverage shall be charged against the Program/Income Fund. 		Any asset acceptable to the Bank e.g., Real Estate Mortgage, Chattel Mortgage, guarantee cover, insurance cover, etc.
Additional Terms and Conditions	<ul style="list-style-type: none"> • Submission of any proof of attendance to the following seminars as post-release requirements, within six (6) months after the release of loan: <ul style="list-style-type: none"> - Financial Literacy Seminar issued by Department of Agriculture- Agricultural and Training Institute, SRA, or other appropriate agency - Outreach Program for Sugarcane Industry Seminar /Farm Management Seminar conducted by SRA • Mode of Release <ul style="list-style-type: none"> - The approved STLL shall be budgeted and released according to Farm Plan and Budget as reviewed and affirmed by SRA. - Releases for land preparation, planting, cultivation and fertilizer may be made within the 4-month cultivation period. Release for harvesting is 7 months after planting subject to submission by the MDO of a Certification endorsing the release and that there was no failure on land preparation and cultivation brought about by fortuitous events such as drought. - If the block farm has availed of both the production and farm machinery loan/s, the loan proceeds from the production loan should exclude the tractor rental cost. • Burning of sugarcanes is prohibited. Violation of this condition shall be a ground for the denial of loan applications or termination of existing loan under SCP. 		<ul style="list-style-type: none"> • Borrower to issue post-dated checks to cover loan amortizations for the entire duration of loan • Acquire machinery/ equipment which passed the testing and evaluation by the Agricultural Machinery Testing and Evaluation Center (AMTEC) based on prescribed quality and performance standards under the Philippine Agricultural Engineering Standards as proven by Certification Registry to be maintained by the DA Bureau of Agricultural and Fisheries Engineering (DA-BAFE) <p><i>Note: Pending implementation of registry system by the DA-BAFE, submission of AMTEC Test Report will be acceptable.</i></p>

	Individual Sugarcane Farmer	Collective/Block Farm	Common Service Center
	<ul style="list-style-type: none"> • The lender shall have a lien on the quedan of farmers who obtained a crop loan until the crop loan is fully paid. For this purpose, the LC shall provide the sugar mill with the list of borrowers. Upon issuance of quedans, the LC is authorized to endorse the same to mill-based sugar planters' association/cooperative for bidding/marketing provided that the proceeds shall be remitted to LC for loan amortization and other charges, if any. In case of staggered harvesting of sugarcane field, the LC and borrower may work-out a sharing scheme on the proceeds provided that the loan can be fully paid when the financed area is 90% harvested. The Area Action Team to be established per Mill District may devise other collection mechanism appropriate to their area. • The MDO shall monitor the harvesting and delivery of cane of farmer-borrowers to the mill. Any credit bagging practice (i.e., transfer of cane ownership to other person) shall be ground for blacklisting by SRA. • Individual farmers cannot be granted another loan until their loan is fully paid. • Co-borrower and Credit Life Insurance may be required for applicant aging 60 years old and above. 		<ul style="list-style-type: none"> • Acquire machinery/ equipment only from manufacturers, fabricators, assemblers and dealers who are capable to provide after sales services such as repair, warranty, and spare parts are readily available when needed. • The borrower or the designated operator shall undergo training to operate and maintain the facility at a training center prescribed by dealer/ manufacturer. • Owners must register their farm machinery and equipment with their respective local government units' agriculture offices.

	Individual Sugarcane Farmer	Collective/Block Farm	Common Service Center
Documentary Requirements	<p>Endorsement letter from the MDO or SCP Local TWG Resolution, as applicable, with following attachments:</p> <ul style="list-style-type: none"> • Accomplished application form (available from MDO) that shall incorporate the following: <ul style="list-style-type: none"> ▫ Sworn Affidavit: <ul style="list-style-type: none"> - that applicant is not a beneficiary of any government financial farm productivity assistance and has no existing loan with LBP or its conduits and other creditors covering same project area. - that after loan was released, the financed area shall not be leased or sub-leased, transferred or conveyed until loan is fully paid. ▫ Information on mother's maiden name of applicant ▫ Waiver of Confidentiality ▫ Authority to Debit Account • Standardized Farm Plan and Budget based on general fertilizer recommendation by SRA per Mill District, as reviewed and affirmed by the MDO • Tax Identification Number (TIN) of applicant 	<ul style="list-style-type: none"> • Certification from MDO/SRA Extension that the applicant is not a beneficiary of start-up capital; and/or, SRA TWG Resolution for applicant that already received start-up capital but due to meritorious consideration can avail of the SCP • List of participating farmers with the corresponding area to be planted • Proof of ownership or lease contract • LBP standard documentation for Cooperative/ Association (Annex "A") 	<ul style="list-style-type: none"> • SRA Board Resolution endorsing the loan application to concerned LC • SRA standard documentation (Guidelines of Block Farm/Farm Mechanization Committee) • LBP standard documentation as to type of borrower and project to be financed (Annex "A").
	<ul style="list-style-type: none"> • MDO Certification that: <ul style="list-style-type: none"> ▫ Applicant is not a member of any Block Farm or Collective Farm and applicant's sugarcane farm is not more than 10 Hectares and that the farm is planted only with sugarcane ▫ Applicant is the actual tiller or is directly supervising the farming activities of the land (specify Transfer Certificate of Title/Certificate of 		

	Individual Sugarcane Farmer	Collective/Block Farm	Common Service Center
Documentary Requirements (<i>cont.</i>)	<ul style="list-style-type: none"> Landownership Award/Private Subdivision number) with an area of xxx hectares and has tenurial right over the farm 		

H. AMENDMENT

This IRR may be amended upon written agreement of all parties.

I. SEPARABILITY

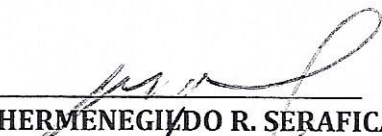
If any provision in this IRR or application of such provision to any circumstance is held invalid, the remainder of this IRR shall not be affected thereby.

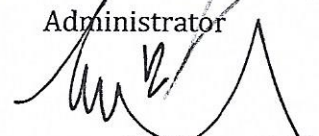
J. EFFECTIVITY

This Joint Memorandum Circular shall take effect upon signing.


City of Manila, FEB 13 2020, 2020

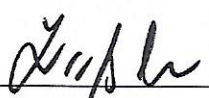
SUGAR REGULATORY ADMINISTRATION

By: 
HERMENEGILDO R. SERAFICA
 Administrator

By: 
ATTY. ROLAND B. BELTRAN
 Chairman, Committee on Socialized Credit Program
 Board Member, Miller's Representative

LAND BANK OF THE PHILIPPINES

By: 
CECILIA C. BORROMEO
 President and CEO

By: 
LIDUVINO S. GERON
 Executive Vice President
 Agricultural and Development Lending Sector

**SCP-SIDA Documentary Requirements
(As to Type of Borrower)**

Sole Proprietor/ Partnership*	Corporation*	Cooperative/Association**
<ol style="list-style-type: none"> 1. DTI Certificate of Registration 2. Bio-Data of Borrowers/ Proprietors/ Partners 3. Mayor's Permit 4. Income Tax Return (last 3 years, if applicable) 5. Audited BIR-filed Financial Statement (last 3 years) 6. Latest Interim Financial Statement 7. Brief history of business operations 8. Fully accomplished Basic Business Information 	<ol style="list-style-type: none"> 1. SEC Registration 2. Certified true copy of Articles of Incorporation and By Laws 3. List of Officers and Directors as Certified by Corporate Secretary 4. Brief Background of Key Officers and Directors 5. Alien Registration Certificate of Foreign Officers, if applicable 6. Latest General Information Sheet (GIS) filed with SEC 7. Statement of Assets and Liabilities of Owners/ Officers (notarized) 8. Board Resolutions on authorized signatories and authority to borrow 9. Audited BIR-filed Financial Statements (last 3 years) 10. Latest Interim FS 11. Brief history of business operations 12. Fully accomplished Basic Business Information 	<ol style="list-style-type: none"> 1. Certificate of Registration with Cooperative Development Authority/Securities and Exchange Commission/National Irrigation Administration/Department of Labor and Employment-Bureau of Rural Workers 2. CDA Certificate of Compliance (COC) 3. Articles of Cooperation/ Incorporation and By-laws 4. Updated Business Permit 5. List of members with corresponding address, work area, farm location and paid-up share capital duly certified by its secretary and attested by the chairperson 6. Certified list of Board of Directors and Key Officers (Manager or President, Treasurer/ Cashier and Bookkeeper) together with their Bio-data and TIN 7. Profile/Background 8. Three (3) years BIR-filed Audited FS and latest interim FS for the current year, if applicable 9. Photocopy of Systems and Procedures and Minutes of Meeting/s 10. Board Resolution or Notarized Secretary's Certificate indicating the General Assembly approval on: <ol style="list-style-type: none"> a) Authority of the Coop to negotiate/borrow the requested amount of loan and to assign the corresponding loan security (assignment of members' Promissory Notes) to the Bank; and b) Designation of at least two (2) Coop representatives to sign loan documents pertinent to the loan

*For Common Service Center/Farm Mechanization provider

**For to both Common Service Center/Farm Mechanization provider and Block/Collective Farm

For Common Service Centers

- Business Plan/Feasibility Study (including Financial Projections, Source of Equity, List of Suppliers/Markets or Customers and Contact Numbers)
- For Acquisition of Machinery/ Equipment: Price Quotation of Machinery/Equipment to be acquired
- For Construction/Repairs and Renovation:
 - Cost Estimates
 - Building Plan/Architectural Design and Specification
 - Bill of Materials and Work Program
 - Building Permit
 - Contractor's All Risk Insurance (CARI) for building to be constructed (thru LANDBANK Insurance Brokerage)
- Collateral Documents
 - Real Estate Mortgage
 - copy of TCT
 - copy of Tax Declaration
 - copy of RETR
 - Location Plan/Vicinity Map
 - Building Plans/Architectural Design, Bill of Materials of land development & building improvements
 - Chattel Mortgage
 - Evidence/Affidavit of Ownership of Existing Machineries/Equipment (e.g. Official Receipt/Certificate of Registration of vehicle)