



Joint LBP-DAR Memorandum Circular No. 04
Series of 2015

**Amendments to the Implementing Guidelines on
Credit Assistance Program - Program Beneficiaries
Development (CAP-PBD) Window III**

To facilitate and fast track the loan restructuring requests of CAP-PBD Window II and III accounts, the following guidelines are hereby amended:

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<p>A. General Guidelines</p> <p>1. Loan restructuring may be done even before the loan becomes past due. The following are considerations for restructuring or restructuring with refinancing of accounts:</p> <p>a) Admission by the cooperative/association that it can no longer comply with amortization schedule due to business reverses and unfavorable events beyond its control, which will greatly impair cash flow and/or liquidity of the project. These events include natural calamities, fire, labor and management problems.</p> <p>b) The borrower still has the capacity and willingness to pay its loan obligations.</p> <p>c) No increase of approved loan ceiling.</p> <p>d) A written repayment plan shall be submitted to ensure capability to meet the loan amortization under a new repayment term.</p> <p>e) Loan restructuring with refinancing</p>	<p>A. General Guidelines</p> <p>1. Loan restructuring may be done even before the loan becomes past due. The following are considerations for restructuring or restructuring with refinancing of accounts:</p> <p>a) Admission by the cooperative/association that it can no longer comply with amortization schedule due to business adversities and fortuitous events beyond its control, which will greatly impair cash flow and/or liquidity of the project. These events include natural calamities, fire, labor and management problems, except willful default of loan.</p> <p>b) The borrower has still the capacity and willingness to pay its loan obligations.</p> <p>c) No increase of approved loan ceiling.</p> <p>d) A written plan of payment shall be submitted by the borrower.</p>

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shall be allowed for new availers under CAP-PBD Window III. For existing CAP-PBD Window I availers with past due accounts, only restructuring shall be allowed (without refinancing).	
B. Loan Approval All accounts endorsed by DAR shall be evaluated and approved by the LANDBANK Lending Center Head up to P5 Million.	B. Approval of Loan and Loan Restructuring All accounts endorsed by DAR shall be evaluated and approved by the LANDBANK Lending Center Head up to P5 Million. In excess of P5 Million, the loan shall be approved by the LANDBANK Lending Center Head and the Lending Group Head subject to endorsement by the LPMC and approval by the NPMC. This also covers the approval of loan and restructuring of past due accounts under CAP-PBD Window II.
C. Loanable Amount Up to 80% of the project cost but not to exceed P5 Million	C. Loanable Amount Same For loans more than P5 Million, the LPMC shall endorse it to the NPMC for approval.

Any issuances not inconsistent herewith shall remain in force and effect.

Department of Agrarian Reform

VIRGILIO R. DELOS REYES
Secretary

Land Bank of the Philippines

Gilda E. Pico
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Department of Agrarian Reform
Office of the Secretary



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