

Retail Lending for Micro and Small Enterprises

Program Objectives

- To enhance micro and small enterprises' access to credit through a simplified procedure and shorter turn-around time.
- To improve the DBP's role in developing micro and small enterprises and help them build up their assets.
- To expand DBP's loan portfolio for micro and small enterprises consistent with the Magna Carta for MSMEs.

Eligible Projects

- Any duly registered enterprise of good standing in the community.

Eligible Borrowers

- Single proprietorship
- Partnership
- Corporation
- Cooperative
- Other entities with legal personality to engage in a business enterprise

Loan Features

Coverage

- Start-up or existing micro and small enterprises with asset size of not more than P15.0M and with loan requirements of over P 150,000 but not more than P10.0M.

Eligible Loan Purpose

- Production
- Working Capital (Short-term or permanent)
- Investment and expansion in plant and/or equipment
- Purchase Order / Letter of Credit Financing (P.O./L.C.)

Loan Amount

- Up to 90% of the Total Project Cost (TPC).

Equity Requirement

- The borrower shall put up a minimum equity of 10% of total project cost.
- For P.O./L.C. financing, the loans shall be up to 80% of the amount of the instrument or based on actual cost of the goods purchased.

Interest Rate

- Prevailing market rate.

Fees

- A one-time service fee shall be charged upon approval of the loan equivalent to P1,000.00 or 0.1% of the loan, whichever is higher.
- Documentary Stamp Tax
- Monthly Interest Rates are inclusive of GRT and all other fees.

Collateral

- Real Estate Mortgage and Chattel on TCT and Equipment.
- Mortgage on Tax Declaration / CLOA and OCT.
- For P.O./L.C. financing, a Deed of Assignment on Irrevocable P.O./L.C. is accepted and provided the term shall not exceed its expiry date.
- Other alternative collaterals such as PDCs, assignment of contracts/receivable/inventory.

Repayment Terms

- Based on enterprise's development period but not to exceed ten (10) years, payable based on business cash cycle.
- Minimum Grace Period of three (3) years on principal for projects with short gestation period and five (5) years on principal and interest on long gestating projects.

Checklist of Requirements

General

- Application Form
- Business Registration Form (from DTI/SEC/CDA/DOLE)
- Business Permit (from LGU)

For Corporations and Cooperatives

- By-Laws and Articles of Incorporation/Cooperation
- Board Resolution and Secretary's Certificate authorizing the loan, indicating the authorized signatories.

Additional Requirements (if applicable)

Real Estate Collateral

- Two copies of Sketch/Location Map
- Two copies of TCT/OC

Chattel Collateral

- Affidavit of Ownership and Certification of Non-Encumbrance with specifications
- Copy of OR/CR for transportation equipment

Additional Requirements per Type of Loans

Franchise

- Business Profile of Franchisor
- Photocopy of Franchise Agreement
- Endorsement by Franchisor
- Franchise Package Kit

Term Loan (Start-up)

- Business Plan
- Statement of Assets, Liabilities and Networth of Principal Borrower/s
- Bank Statement for at least three (3) months
- Business Evaluation Form

Term Loan (Existing)

- Financial Statements for the past three (3) years (in house FS acceptable)
- Business Plan
- Business Evaluation Form

Dealership

- Photocopy of documents submitted to the mother company
- Dealership contract
- Letter of Endorsement from mother company/supplier

Credit Line

- Bank Statement for at least three (3) months
- Projected Cash Flow
- Projected Income Statement

Purchase Order (PO) / Letter of Credit (LC) Financing

- Projected Cash Flow
- Projected Income Statement
- Copy of Irrevocable LC/PO

Trainings and Knowledge-Sharing Sessions Facilitated and/or Delivered by ADB TA 7257: PPP in Health

1. Capacity building training on social marketing and knowledge management for PPPH - Northern Samar (April 1-5 and May 28-30, 2012)
2. Capacity building training on social marketing and knowledge management for PPPH - Sarangani (July 4-7, 2012)
3. Capacity building training on social marketing and knowledge management for PPPH - PHIC (July 16-17; September 3-5; November 9-10, 2012)
4. TA7257 sharing and turn-over workshop for PPP in Health partner agencies (DOH, PHIC, DBP, and NEDA PPP Center) (November 13-14, 2012)
5. Social Marketing Roundtable Discussion with Communication Experts (March 23, 2012)
6. Brown Bag Seminars
 - i. Sharing of PPPH Initiatives by DoH Usec. Herbosa and DBP SVP Brillo Reynes (March 15, 2012)
 - ii. Public Hospitals under PPP Regime: Types, Costs, and Benefits (16 May 2012)
 - iii. PPP in Health – the Northern Samar Experience by Governor Paul R. Daza and the Legal Aspect of PPPH by Atty. Bayani H. Agabin (July 9, 2012)

The TA7257 Team participated in the following fora to share expert inputs on PPP in Health:

1. Participation in the Health Summit for LGUs (March 9, 2012)
2. Participation in the MDG5 Summit with LGUs and DOH (March 26, 2012)
3. Participation in the Zuellig Foundation Forum (April 20, 2012)
4. Participation in the Eastern Visayas Regional Governors Forum (October 10-11, 2012)