

- **Credit Line** – two (2) years loan line available via 180 days PN (roll-over may be allowed)
- **Relending/Rediscounting** – based on the maturity of sub-borrowers' PN (In case of varied maturities of sub-PNs, the due date of the Borrower's PN shall be the earliest due date of sub-PNs per batch)

Interest Rates

- **Direct Lending** – 2% per annum
- **On-Lending** – 0% per annum (Effective pass-on rate to end-users shall not exceed 6% per annum)

Collateral Security

- **For production**
 - PCIC insurance proceeds on crops
- **For acquisition of fixed assets**
Any or combination of the following, if applicable/ on a case-to-case basis:
 - Chattel Mortgage on subject of financing
 - Applicable insurance cover on the chattel financed and endorsed in favor of DBP
- **For establishment of facilities**
Any or combination of the following, if applicable/ on a case-to-case basis:
 - Real Estate Mortgage
 - Applicable insurance cover on the project financed and endorsed in favor of DBP
- **For relending/rediscounting**
Any of a combination of the following, if applicable/ on a case-to-case basis:
 - Real Estate Mortgage
 - Assignment of sub-borrowers' PNs including underlying collaterals, if any
 - Assignment of proceeds from insurance/guarantee claims, i.e. PCIC, AGFP and CSF

Documentary Requirements

- **Individual Farmers**
 - Filled-out Loan Application Form
 - Photocopy of one valid government-issued ID or Barangay Certification
 - Sworn Affidavit and/or Certification of No Outstanding Loans from any lending institution/DA-ACPC for the same project
- For loans exceeding Php3-million and/or operating for more than three (3) years, DBP may require the following additional documents:
- A copy of the latest Income Tax Return (ITR) of the borrower and his co-maker, if applicable, duly stamped as received by the Bureau of Internal Revenue (BIR)
 - A copy of the borrower's latest financial statements as submitted for taxation purposes to the BIR

- **Cooperatives**
 - Accomplished Loan Application Form
 - Certificate of Accreditation from DA
 - Photocopy of Certificate of Registration from the CDA
 - Copies of Articles of Incorporation and By-Laws
 - Bio-data of incumbent officers and Board of Directors with photocopy of valid government-issued ID for each
 - Board Resolution authorizing the Cooperative to borrow and designating authorized signatories
 - Audited Financial Statement for the last year (for start-ups, latest interim financial statement)
 - Business Plan/Consolidated Farm Plan and Budget, if applicable
 - Current year Business Permit

For more information, please contact:

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ERCA- RCEF



Expanded Rice Credit Assistance under Rice Competitiveness Enhancement Fund



We Build **Possibilities.**

The **DBP Expanded Rice Credit Assistance under Rice Competitiveness Enhancement Fund (ERCA-RCEF)** is a credit facility that supports rice farmers and their cooperatives. It aims to improve the productivity of local rice farmers and increase their income amidst the liberalization, importation and exportation of rice in the Philippines.

Eligible Borrowers

- Individual rice farmers who are listed in the Registry System for Basic Sectors in Agriculture (RSBSA)
- Department of Agriculture (DA)-accredited cooperatives with rice farmers as its members

Eligible Loan Purposes

- **Individual Farmers/Member-Borrowers**
 - Purchase of farm inputs (materials and labor)
 - Acquisition of farm equipment for production and post-production phases, including mechanical dryers
- **Cooperatives**
 - Purchase of farm inputs (materials and labor)
 - Working capital
 - Acquisition of machinery and equipment, including mechanical dryers
 - Establishment of facilities for production and post-production phases, processing, and trading
 - Relending to small rice farmers listed in the RSBSA for palay production
 - Rediscounting of existing loans of small rice farmers listed in the RSBSA for palay production
- **Wholesale Sub-Borrowers (Relending/Rediscounting)**
 - Purchase of farm inputs (materials and labor)
 - Purchase of farm equipment for production and post-production phases, and processing

Eligibility Criteria

- **Individual Farmers**
 - Registered in the RSBSA
 - No outstanding loan from formal lending institutions and DA-ACPC credit conduits for the project being applied for
 - No adverse findings
 - Has undergone technical training on palay-related projects
- **Cooperatives**
 - Duly registered with the Cooperative Development Authority (CDA)/Securities and Exchange Commission (SEC)
 - Accredited by DA

- No adverse findings on the cooperative and its principals
- Should have strong back office support with a defined operational structure
- Must exhibit profitable operations and sound financial condition (if start-up, must be able to demonstrate profitable operations based on the financial projections of the proposed project for financing)
- Past Due Loan Ratio not exceeding 25%
- With Certificate of Compliance from CDA, if applicable
- Meets the capital requirement of CDA or not less than P30,000
- With proven track record or familiarity on the proposed project
- Has undergone technical training on rice-related projects
- **Eligibility of Member-Borrowers**
 - Registered with RSBSA
 - Account has no history of default with the Cooperative for three (3) consecutive months
 - Account for rediscounting is not yet fully paid
 - Has undergone technical training on palay-related projects

Loanable Amount

- **Individual Farmers**
 - Loan amount shall be up to 90% of the Total Project Cost (TPC)

Cooperatives

- For Relending, up to 90% of the TPC
- For Rediscounting, up to 90% of face value of the sub-Promissory Note (PN) or their outstanding balance in current status, whichever is lower
- For Project Financing, up to 90% of the TPC

Loan Tenor

- Two (2) years loan line available via 180 days PN, roll-over allowed
- For acquisition of fixed asset/s, the term of the loan shall depend on the projected cash flow but shall not be longer than the economic useful life of fixed asset/s to be acquired
- For relending/rediscounting, based on the maturity of sub-borrowers' PN

Mode of Release

Lump sum or staggered

Repayment Terms

- **Term Loan** – shall be based on the projected cycle and projected cash flow, but not to exceed ten (10) years or the economic useful life of the fixed asset/s, whichever is shorter

