

Cooperatives

1. Accomplished standard Loan Application Form with Sworn Statement of no outstanding loan from LANDBANK and any lending institution for the same project
2. Certificate of Accreditation from DA
3. Photocopy of Certificate of Registration
4. Compliance from CDA, if applicable
5. Bio-data of incumbent Officers and Board of Directors with ID
6. Board Resolution authorizing the cooperative to borrow, and designating authorized signatories of the loan
7. Audited Financial Statement (F/S) for the last year; or, latest interim F/S; and/or projected F/S for start-ups
8. Business Plan/Consolidated Farm Plan and Budget
9. Bill of Materials for construction of post-harvest facilities
10. Supplier's quotation on acquisition of fixed asset
11. Current year business permit, if applicable

Other Terms and Conditions

1. **Standard fees** - Waived, except for documentary stamp tax to be charged against individual rice farmers, and against the program fund for cooperatives
2. **Appraisal fee** - required (to be paid by the borrower)
3. **Penalty** - 3% p.a. to start on the 61st day after due date of loan up to the date of settlement to be credited to the program fund

For more information, contact:

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ERCA-RCEF

Expanded Rice Credit Assistance under the
Rice Competitiveness Enhancement Fund

This simplified lending program features streamlined requirements and shorter processing time. It is aimed at making financial services and literacy available to Filipinos in the agricultural and rural area through access to formal credit and at ensuring food security and improving viability, efficiency and competitiveness of the agricultural sector. At the same time, we hope to help uplift the lives of marginalized farmers.

Features

Eligible Borrowers

1. Individual rice farmer
2. DA-accredited cooperative with rice farmers as members

Eligibility Criteria

Individual Farmer

1. Registered in the RSBSA
2. Must be an actual farmer-tiller
3. No outstanding loan from formal lending institutions and DA-Agricultural Credit Policy Council (ACPC) credit conduits for the same project being applied for
4. No adverse findings
5. Has undergone relevant technical training on rice-related projects

Cooperatives

1. Duly registered with the CDA
2. Accredited by the DA
3. No adverse findings on the cooperatives and its principals
4. Should have strong back office support with defined Operational Structure
5. Must exhibit profitable operations and sound financial condition
6. Past Due Loan Ratio not exceeding 25%
7. With Certificate of Compliance from CDA, if applicable
8. Has undergone technical training on rice-related projects

Member-Borrowers (for relending/rediscounting)

1. Registered in the RSBSA
2. Has no outstanding loan with the cooperative except in cases of natural calamities
3. Has undergone relevant technical training on rice-related projects

Borrower who has received grant from PhilMech and PhilRice i.e. seed, machinery and equipment under the Rice Farm Machineries and Equipment, and Rice Seed Development, Propagation and Promotion components of RCEF, may still avail of loan to augment actual and other requirements which was not met by the RCEF grant/s.

Borrowers	Eligible Purpose	Loanable Amount
Individual Farmers	<ul style="list-style-type: none"> • Purchase of farm inputs • Acquisition of farm machineries and equipment, including mechanical dryer 	Up to 90% of the total project cost (TPC)
Cooperatives	<ul style="list-style-type: none"> • Purchase of farm inputs • Working capital • Acquisition of machineries and equipment, including mechanical dryer • Establishment of facilities 	Up to 90% of the total project cost (TPC)
	<ul style="list-style-type: none"> • Relending/ Rediscounting to small rice farmers listed in the RSBSA 	Up to 90% of the total project cost Up to 90% of face value of the sub-PN or their outstanding balance in current status, whichever is lower

Scheme, Facilities and Interest Rates

Scheme	Facilities	Rates
Direct Lending	Short Term Loan/ Term Loan	2% p.a.
On-Lending	Relending/ Rediscounting	0% p.a., provided that the pass-on rate to end-borrowers shall not be more than 6 % p.a

Loan Maturity

1. **Production (Purchase of farm inputs)** – Six (6) months or depending on gestation/ cash flow
2. **Working capital** – one (1) year
3. **Permanent working capital** – three (3) years
4. **Acquisition of fixed asset/s** – based on the projected cash flow but no longer than the economic useful life of the fixed asset/s
5. **Relending/ Rediscounting** – based on the earliest maturity of the sub-borrowers PN submitted per batch

Loan Security/Conditions

For production

1. PCIC insurance proceeds

For acquisition of equipment/machineries

1. Chattel mortgage on object of financing
2. Applicable insurance cover on the chattel financed, endorsed in favor of the Bank

For establishment of facilities

Any or combination of the following, if applicable/case-to-case basis:

1. Real Estate Mortgage (REM)
2. Insurance cover on the project financed, endorsed in favor of the Bank

For relending/rediscounting

Any or combination of the following, if applicable/case-to-case basis:

1. Assignment of sub-borrowers PNs including underlying collaterals, if any
2. Assignment of proceeds from insurance/guarantee claims, i.e. PCIC, AGFP and CSF

Basic Documentary Requirements

Individual Rice Farmers

1. Accomplished standard Loan Application Form with Sworn Statement of no outstanding loan from LANDBANK and any lending institution for the same project
2. Proof of RSBSA enlistment
3. One (1) valid government-issued ID or Barangay Certification
4. Business permit, if machineries and equipment financed under ERCARCEF is/are operated as a business