

BENEFITS OF PARTICIPATING IN THE PROGRAM TO THE ECS

- Feasibility Study preparation assistance of up to 82% of cost
- Provision of consultants to prepare the Feasibility Study or Business plan, and to assist in completing documentary requirements and filing for ERC, loan and guarantee approval
- Capacity building for EC key officers and qualified technical personnel such as training on Business Plan preparation, Competency Training and Certification Program in Electric Power Distribution System Engineering conducted by the University of the Philippines, and IMC Contract monitoring
- Assistance in negotiating for the most suitable credit terms and conditions with lenders
- Assistance in dealing with lenders until full liquidation of the loan

FOR INQUIRIES PLEASE CONTACT

The Program Manager

Telephone Numbers:

844-28-52

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E-mail Address:

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LGUGC
LGU GUARANTEE CORPORATION

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GUARANTEE APPLICATION AND APPROVAL

Process Flow- Partial Credit Guarantee Program



Documentary Requirements for Guarantee Approval

- Guarantee Application form with Lender's Credit Approval Memo
- Feasibility Study
- Ownership documents and organizational structure of borrower
- Borrower's Board Resolution to borrow and list of authorized signatory/ies
- ERC and NEA clearances
- Three-year audited financial statements
- Latest interim financial statements
- Business plan including investment plan and financial projections of EC
- List and status of EC's past and existing loan accounts
- List and status of offered collateral
- Lender's and/or LGUGC's accredited appraisal company's report on offered collateral

Documentary Requirements after Loan Release

- Signed Loan and Collateral Documents
 - * Signed Guarantee Agreement
 - * Signed Loan Agreement with Amortization Schedule/Promissory Note(s)
 - * Mortgage Sharing Agreement, if applicable
 - * Real Estate and/or Chattel Mortgage
 - * Deed of Assignment on Receivables, Power Purchase Agreement, etc.
- Other Documents
 - * Insurance Policies
 - * Borrower's Board Resolution ratifying the loan and collateral documents
 - * DENR - ECC or its equivalent
 - * Other pertinent documents that may be required

GUARANTEE CALL

Process Flow- Call on the Guarantee



Call on the guarantee may be made upon occurrence of default defined as the non-payment by the borrower of any principal and/or interest amortization beyond 30 calendar days after a given due date.

Two options available to the AFIs within 120 days from default:

- Call on the Guarantee, or
- Restructure the Loan Account

Documentary Requirements to Call on the Guarantee

- Call on Guarantee Form
- Original Loan Agreement and Deed of Assignment on collateral
- Special Power of Attorney executed by the AFI authorizing LGUGC to pursue extra-judicial and judicial cases for the AFI's share
- Original Promissory Note with Amortization Schedule
- Certified True Copy of the AFI's subsidiary loan ledgers on the borrower
- Statement of Account
- Other documents specific to the project as may be required such as, but not limited to, AFI's proof of collection efforts including final demand letter to borrower and copy of the latest appraisal report on the mortgaged property

LIST OF ACCREDITED FINANCIAL INSTITUTIONS

As of September 30, 2000

- | | |
|------------------------------|-----------------------------|
| • Allied Banking Corporation | • Maybank Philippines, Inc. |
| • Banco de Oro | • Philippine National Bank |
| • Bank of Commerce | • Philippine Veterans Bank |
| • Equitable PCIBank | • Security Bank Corporation |
| • First Metro Investment | • UCPB Savings Bank |

ELECTRIC COOPERATIVE SYSTEM LOSS REDUCTION PROJECT

PARTIAL CREDIT GUARANTEE PROGRAM



Your Access to Credit for Power Distribution Efficiency Projects

