

Guarantee Cover

- ⊕ For bonds, 100% of principal and interest subject to LGUGC interest rate cap
- ⊕ For loans, up to 85% of the debt service, with interest subject to the LGUGC interest rate cap; guarantee coverage will be determined based on borrowers risk rating.

Guarantee Fee

- ⊕ Generally based on the borrower credit rating or risk classification, transaction size and cost, and security, project risk and term risk, and applied on the principal and interest coverage; estimated to range from 0.25% to 2.00% p.a.

Processing Fee

- ⊕ 1/8 of 1% of guaranteed amount; negotiable

Program Management

- ⊕ LGUGC also offers program management services. Currently, LGUGC is managing the following:

1. Electric Cooperative System Loss Reduction Project-Partial Credit Guarantee (EC-PCG) program for electric cooperatives
2. Department of Energy-Loan Guarantee Fund (DOE-LGF) for renewable energy technology providers

Documentary Requirements

- ⊕ Guarantee application form
- ⊕ Registration papers (SEC/DTI)
- ⊕ Board Resolution to borrow and list of authorized signatories
- ⊕ Company profile which includes ownership structure, list of clients, suppliers and projects (completed and on-going)
- ⊕ Project feasibility study, market and/or engineering studies
- ⊕ Audited financial statements (Balance Sheet, Cash Flow and Income Statements) for the latest five (5) years
- ⊕ Statement of Indebtedness signed by the accountant indicating the creditor, amount of loan, repayment schedule, and terms and conditions

Eligible Projects

- ⊕ Agri-business and food production projects
- ⊕ Development of industrial estates
- ⊕ Hospitals and health care centers
- ⊕ Power plant and distribution systems
- ⊕ Public market
- ⊕ Public transportation facilities and government housing development
- ⊕ Renewable energy technology projects
- ⊕ School and day care centers
- ⊕ Slaughterhouse
- ⊕ Solid waste management
- ⊕ Telephone and communication systems
- ⊕ Toll roads and bridges
- ⊕ Tourism promotion and development projects
- ⊕ Water source development, supply, treatment, septage and sanitation systems
- ⊕ Other projects acceptable to the LGUGC Board



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LGU GUARANTEE CORPORATION

"Your link to progress"



For further information and/or assistance, please contact:

LGU Guarantee Corporation

Unit 2801, 28F Antel Corporate Centre,
121 Valero Street, Salcedo Village
Makati City, Philippines 1227
Tel: (02) 751-8764 to 68
Fax: (02) 888-4217
Website: www.lgugc.com





LGUGC

LGU GUARANTEE CORPORATION

Incorporated on March 2, 1998, LGU Guarantee Corporation (LGUGC) is a private financial guarantee institution owned by the Bankers Association of the Philippines (BAP) and the Development Bank of the Philippines (DBP).

Its primary goal is to use its credit enhancement to make private financial resources available to local government Units (LGUs), water districts (WDs), electric cooperatives (ECs) and renewable energy technology providers (RETPs).

LGUGC's guarantee also facilitates the entry of its core market with big infrastructure development projects and substantial funding requirements in the capital market.

THE GUARANTEE SYSTEM

