



**Countryside Financial Institutions
Enhancement Program (CFIEP)**
A Joint Program of BSP, LANDBANK, and PDIC



COUNTRYSIDE FINANCIAL INSTITUTIONS ENHANCEMENT PROGRAM (CFIEP)- 2020 CALAMITY ASSISTANCE PROGRAM (CAP)

Assisting Countryside Financial Institutions adversely affected by natural and man-made calamities/disasters, pests and diseases, viral infections/outbreaks



CFIEP- 2020 CAP

CFIEP-2020 CAP is a lending program under the auspices of the Countryside Financial Institutions Enhancement Program jointly implemented by the Bangko Sentral ng Pilipinas, Land Bank of the Philippines, and Philippine Deposit Insurance Corporation. It primarily aims to assist eligible CFIs adversely affected by natural calamities and man-made disasters, pests and diseases, viral infections/outbreak; and enhance and sustain their long-term viability.



Program Duration:
15 May 2020 to 15 May 2025



Program Partners:





CFIEP- 2020 CAP

CFIEP- 2020 CAP Features

Eligible Borrowers Cooperative Banks (CB), Rural Banks (RB) and Thrift Banks (TB) that have been affected by natural and man-made calamities/disasters, pests and diseases and viral infections/outbreaks as declared by the Office of the President (OP), the National Disaster Risk Reduction and Management Council (NDRRMC), the Local Government Units (LGUs) of the affected areas or any other appropriate government agencies

Perils Covered

- **Natural calamities** such as typhoons, earthquakes, volcanic eruption and other calamities as declared by the OP, the NDRRMC or the LGU;
- **Man-made disasters** such as war or other armed-conflict, acts of terrorism; and
- **Epidemic or pandemic outbreak** of human and/or animal disease or plant infestation as declared by the Department of Health, Department of Agriculture or other appropriate government agencies or instrumentalities.

Eligibility Criteria The CFI must meet the following risk-asset acceptance/eligibility criteria:

Acceptance Parameters	Acceptance Criteria
Character	<ul style="list-style-type: none"> ✓ No adverse findings on the borrower and its principals (Directors/Key Officers)
Capacity	<ul style="list-style-type: none"> ✓ With well-defined source of repayment ✓ At least three (3)-year profitable operations based on the Audited Financial Statements ✓ With net past due ratio of not more than 15%, prior to the occurrence of calamity/ disaster/outbreak
Capital	<ul style="list-style-type: none"> ✓ Meets the minimum capitalization required by BSP ✓ Meets the BSP's prescribed capital adequacy ratio (CAR) of not less than 10%, prior to the occurrence of calamity/ disaster/outbreak ✓ With Tier 1-risk based ratio of 6% or better
Condition	<ul style="list-style-type: none"> ✓ Positive/favorable outlook of the banking industry
Others	<ul style="list-style-type: none"> ✓ With loan portfolio affected by calamities/disasters/outbreaks subject to validation by the LANDBANK Lending Center (LC)

Loan Purpose To provide additional working capital to eligible CFIs for on-lending to small farmers and fishers (SFFs), cooperatives and farmers and fishers organizations, micro, small and medium enterprises (MSMEs) and other borrowers, such as large agri-business enterprises and salaried employees



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Amount of Loan	Equivalent to 90% of the affected existing portfolio of the CFI, or Ten Million Pesos (Php10.00M), whichever is lower, provided the loan amount does not exceed the CFI's borrowing capacity (based on LANDBANK policy)
Credit Facility	Term Loan
Loan Tenor/ Repayment Term	Maximum of five (5) years, payable in equal quarterly or semi-annual amortizations, for the principal and interest. The loan amortizations shall be covered by post-dated checks. A grace period of up to one (1) year on principal and interest may be granted based on the projected cash flow
Interest Rate	4.5 % per annum, fixed for one (1) year, subject to annual repricing thereafter, based on one (1)-year BVAL rate plus 0.75% spread, but not lower than 4.5% per annum
Pass-on Rate	<ul style="list-style-type: none">• For SFF – Maximum of 12% per annum, inclusive of other charges• Other than SFF but for agricultural purposes – Maximum of 12% per annum• For non-agricultural purposes – 15% per annum
Penalty for Loan Default	Twenty-four percent (24%) per annum, with sixty (60) days grace period
Availability Period	<ul style="list-style-type: none">• Two (2) years from the official date of declaration of state of calamity/disaster of the area, or declaration of disease/viral outbreak or infestation• For those affected by COVID-19, up to 30 June 2021• For armed conflict/war-devastated areas, two (2) years from declaration that the said area is safe for rehabilitation/reconstruction
Other Fees and Charges	Standard fees and charges shall apply except for application, credit investigation/ background investigation (CI/BI), commitment and pre-termination fees which shall be waived.



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Documentary Requirements

1. Certified true copy of the certificate of registration with the Securities and Exchange Commission;
2. Certified true copy of the Articles of Incorporation/Cooperation and By-laws;
3. Board Resolution authorizing the CFI to borrow and designating at least two (2) officers to negotiate a loan with LANDBANK and sign loan documents with their specimen signatures and photos of authorized signatories;
4. Audited Financial Statements (FS) for the last three (3) years plus latest interim FS prior to the calamity/disaster/outbreak;
5. Latest report on CAR submitted to BSP; and
6. Masterlist of sub-borrowers whose loan portfolio is affected by calamity/disaster/outbreak.

Other Terms

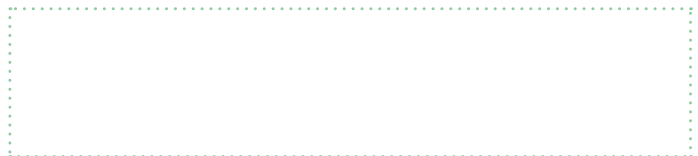
- Restructuring of existing loan account with or without additional loan, extended repayment period, or via other means (or combination of means) may be granted if the default is due to calamity/disaster/outbreak and other justifiable reasons caused by event beyond the control of the CFIs, to enable them to rehabilitate and restore operational cash flow.
- Any misrepresentation on the part of the applicant-CFI shall cause the denial/disapproval of the loan release.

For more information, contact:

Programs Management Department I

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Visit the nearest LANDBANK Lending Center:



*Regulated by the Bangko Sentral ng Pilipinas
(+632) 8708-7087; consumeraffairs@bsp.gov.ph*

*Deposits are insured by PDIC
up to P500,000 per depositor*