

SILAGO MULTI-PURPOSE COOPERATIVE (SMPC)
Pob. Dist. 2 Silago, Southern Leyte

LOAN AGREEMENT

This Agreement made and executed on this ____ day of _____ 20__ in the Municipality of Silago, Province of Southern Leyte, Philippines, by and between:

SILAGO MULTI-PURPOSE COOPERATIVE (SMPC), with principal office and postal address at Pob. District II, Silago, Southern Leyte represented by its Manager **ZACARIAS M. MATE**, hereinafter called as the “**LENDER**”.

and

_____, of legal age, () married () single () separated, Filipino citizen with residence and postal address at _____ hereinafter referred to as the “**BORROWER**”.

witnesseth: that -

WHEREAS, the **BORROWER** has applied with the **LENDER** a _____ Loan in the principal amount of Pesos _____ (P _____), Philippines Currency, and the **LENDER** is agreeable to grant the said **LOAN** under the terms and conditions, all of which are acceptable to the **BORROWER**.

NOW THEREFORE, in consideration of the foregoing mutual covenants the parties hereto have agreed to enter into this Loan Agreement subject to the following terms and conditions:

Section I. **Amount** - The **LENDER** hereby grants, under the terms set forth in this **Agreement** and the other documents, contract, instrument and papers which are incorporated by reference and made as integral part thereof, a _____
Loan in the principal amount _____ Pesos:
_____(P _____), Philippines currency as the
“**LOAN**” to the borrower.

Section II. **Term** - _____ (____) month/s.

Section III. **Interest Rate** - at _____ (____%) per month applied on a () standard diminishing balance
() modified diminishing balance, () straight monthly.

Section IV. **Repayment** –
() **Amortized** - The loan shall be payable in equal () daily () weekly () semi-monthly () monthly () quarterly amortization of (P _____) on due dates. Principal and interest payment shall follow the amortization schedule that form as integral part of this agreement.
() **Single or Lump sum** - Payment of the principal amount upon loan maturity with interest payment amortized on a monthly basis. Interest payment shall follow the amortization schedule that form as integral part of this agreement. The borrower has the option to pay the principal balance during the term of the loan or renew the loan balance on or before maturity subject to the following terms and condition:
a. At least 25% of the principal amount must be paid or have been paid;
b. No arrears in the payment of monthly interest;
c. Service fee of 2% on the amount of loan renewed.

Section V. **Fees** - The **Loan** shall be subject to a _____ (____%) Service Fee applied on the amount **Loan**.

Section VI. **Other Terms and Conditions**.

1. The amount of loan proceeds shall be net of any outstanding interest and principal balance/s and other surcharges.
2. The **BORROWER** shall place a regular capital build-up on Share Capital in the amount of at least (P _____) per month.
3. **SMPC** reserves the right of any and all future loan to be availed at its discretion.
4. **SMPC** is held free and harmless from any and all consequences as a result of inability to make fund available.
5. The **LENDER** shall have the authority to debit any amount from its savings deposit, time deposit, dividends and patronage refund and apply the debited amount as loan payments.
6. The **BORROWER** hereby covenants that under the Mortgage contract, the ownership of the property /ies given as security or guaranty of payment of the **Loan**, will automatically be vested and passed to the lender if the principal obligation is not fulfilled or not paid within the term without further formality, such as foreclosure proceeding and auction sale and the **Borrower** gives power to the **Lender** to expropriate the property/ies given as security.
7. The **BORROWER** assign his/her salaries, allowances, bonuses and other emolument due from his/her employer as first lien against any obligation with the **Lender**, as provided by **Republic Act No. 6938 - The Cooperative Code of the Philippines**.

8.

The **Loan** shall become due and demandable even prior to its maturity should the **Borrower** be in default of equivalent to three (3) monthly amortization or one quarterly amortization of both principal and interest.
9.

This Agreement is made under the pertinent provision of the Trust and Receipt Law, Presidential Decree No. 115 as well as its amendments.
10.

_____ agrees and signs as **Co-maker** and hereby obliges to the repayment of the **Loan**.

Section VII. **Pre-release requirement** - The **Borrower** shall register the mortgage and pledge as security for the **Loan** with appropriate agencies prior to any release. The property/ies offered as collateral shall be free from any lien and encumbrances prior to annotation of mortgage with the **LENDER**.

Section VIII. **Penalties** - The **Borrower** shall pay a penalty fee of two (2%) in case the principal, interest or any other charges remains unpaid after due dates.

Section IX. **Place of Payment** – All payment to be made by the **Borrower** under this **Agreement** or **Promissory Notes** shall be made to the **Lender** at its main office in Silago, Southern Leyte or any of its branch office. An amount equivalent to ten (10%) of the total amount due shall be charged to the **Borrower** in case legal action is resorted to as a way of collection.

Section X. **Venue in case of Litigation** - The parties herby agrees that the venue of any legal action that may arise in connection with the **Agreement** and any other contract, document, instrument either executed or transacted pursuant thereto shall be in the proper court of the Province of Southern Leyte, Philippines.

IN WITNESS WHEREOF, the parties hereto have signed there presents at the place and the date first above written.

SILAGO MULTI-PURPOSE COOPERATIVE (SMPC)

Lender

By: ZACARIAS M. MATE

General Manager

Borrower

(Signature over printed name)

Valid I.D. : _____

No. : _____

Date Issued : _____

Place Issued : _____

Spouse

(Signature over printed name)

Valid I. D. : _____

No. : _____

Date Issued : _____

Place Issued : _____

Co-Maker

(Signature over printed name)

Valid I. D. : _____

No. : _____

Date Issued : _____

Place Issued : _____

Witnessess:

Signature over Printed Name

Signature over Printed Name

SILAGO MULTI-PURPOSE COOPERATIVE (SMPC)
Pob. Dist. 2 Silago, Southern Leyte

PROMISSORY NOTE

PN NO. _____ Name of Borrower : _____
Loan Amount : _____
Maturity Date : _____
PN Date : _____

_____ (_____) after date, for value received, I/We, jointly and severally, promise to pay to the order of SILAGO MULTI-PURPOSE COOPERATIVE (SMPC), hereinafter known as the “LENDER”, at its office in A. Lucero St. cor. V.P. Tomol St., Pob. Dist. II, Silago, Southern Leyte, the sum of Philippines Pesos: _____ (P_____) together with interest thereon for the current interest period at rate of _____ percent (____%) per annum, interest period shall mean the period commencing on the date hereof and having duration not exceeding _____ (_____) months and each similar period thereafter commencing immediately upon expiry of preceding interest period. The rate of interest shall be set at the start of every interest period. For this purpose, I/We agree that the rate of interest herein stipulated may be increased or decreased for the subsequent interest periods, with prior notice to the Borrower. In the event of changes in interest rate prescribed by law, or in the LENDER’S overall cost of funds, I/we hereby agree that in the event I/We are not agreeable to the interest rate fixed for any interest period, I/We shall have the option to repay the loan or credit facility without penalty within ten (10) calendar days from the interest Setting Date.

Payment of this note shall be as follows:

Without the need of notice or demand, failure to pay this note or any installment thereon, when due, shall constitute default and in such cases or in case of garnishment, receivership or bankruptcy or suit of any kind filed against me/us by the cooperative, the outstanding principal plus the unpaid interest of this note, at the option of the LENDER and without prior notice or demand, shall immediately become due and payable and shall be subject to penalty charge of _____ (____%) per annum, based on the defaulted principal amount plus the unpaid interest. I/we hereby authorized the LENDER at its option and without notice, to apply to the payment of this note any and all moneys, securities and things of value which may be in its hand on deposit or otherwise belonging to me/us for this purpose. I/We hereby, jointly and severally, irrevocably constitute and appoint the LENDER to be my/our Attorney-in-fact with full power and authority for me/us and to my/our name and behalf and without prior notice, to negotiate, sell and transfer any moneys, securities and things of value which it may hold, by public or private sale and apply the proceeds thereof to the payment of this note.

Should it become necessary to collect this note through the services of a counsel, I/We hereby agree to pay the LENDER, jointly and severally, attorney’s fees in an amount equal to ten (10%) of the total amount due, whether or not the LENDER institute a suit for purposes of collection, which shall in no case be less than One Thousand (P1,000.00) Pesos exclusive of all costs of litigation in the event the LENDER is constrained to institute a court suit to enforce collection of amount due hereunder.

The LENDER may accept partial payments and grant renewals of extension of payment without losing its right of recourse against the accommodation of co-maker and each and all endorsers hereof.

In case of judicial execution of this obligation or any part of it, I/We hereby waive all my/our rights under the provisions of Rule 30, Sec. 12 of the Revised Rules of Court.

Any suit of litigation that arises between the parties herein or under this note shall be filed exclusively in the court of proper jurisdiction in the Municipality of Silago, Province of Southern Leyte, Philippines.

This note shall be governed further by the terms and conditions of the Loan Agreement dated _____ acknowledged before Notary Public _____ as Doc. No. _____, Page No. _____, Book No. _____, Series of _____

(Signature of Borrower over Printed Name) (Signature of Spouse over Printed Name)

(Signature of Co-maker over Printed Name)

SIGNED IN THE PRESENCE OF:

(Signature over Printed Name) (Signature over Printed Name)