

**BAGUIO-BENQUET COMMUNITY CREDIT COOPERATIVE
REAL ESTATE LOAN**

I. OBJECTIVE/S

In response to the needs of our membership, BBCCC is providing a special loan window to be known as “REAL ESTATE LOAN” to serve our members who wished to acquire real estate property and build their own house.

The new Real Estate loan will have following categories:

1. Residential Lot Acquisition / House and Lot Acquisition
2. House Construction on a residential lot
3. Residential Lot Acquisition and House Construction
4. Purchase of condominium unit/townhouse
5. Re-financing of existing real estate loan from other financial institutions

II. BORROWER’S ELIGIBILITY

1. Member must be in good standing for three (3) consecutive years prior to the filling of the loan.
2. The member must have contributed at least a share capital of PhP50,000.00.
3. All loans promo shall be paid first or outstanding balance shall be automatically deducted from the proceeds of the Real Estate Loan.
4. A member may authorize through a Special Power of Attorney (SPA) to contract a loan. The amount of the loan is reflected in the Special Power of Attorney.
5. The member must not be 65 years old upon loan maturity, subject to existing policy.
6. Additional three (3) co-makers.

III. Requirements

A. Source of income

A.1. Employed

1. Recent certificate of employment and compensation/Service record
2. Photocopy of latest three (3) months’ pay slips
3. Photocopy of the latest income tax return
4. Other records, if there are other source of income

B.2. Self-Employed

1. Photocopy of the updated business permit
2. Photocopy of the audited financial statement
3. Photocopy of the latest income tax return
4. Proof of deposits from other bank /cooperatives

C.3. Practice of profession

1. Photocopy of PRC ID
2. Recent certificate of employment and compensation/Service record (if applicable)
3. Photocopy of business permit (if applicable)

4. Bank statement for the last six (6) months

A.4. Rental of properties

1. Photocopy of lease contract
2. Photocopy of the latest income tax return
3. Bank statement for the last six (6) months
4. Photocopy of business permit (if applicable)

A.5. Overseas Filipino Workers (OFW)

1. Photocopy of passport
2. Job contract authenticated by POEA w/ English translation, if no job contract, a consularized certificate of employment and compensation is acceptable.
3. Proof of remittances from the bank for the past three (3) months.
4. A consularized Special Power of Attorney.

B. Requirement for submission

B.1. Residential Lot Acquisition / House and Lot Acquisition Loan

1. Original certified true copy of the Title
2. Certified true copy of the tax declaration of the lot and structure
3. Updated real estate tax payment / tax clearance
4. Lot plan with location / vicinity map certified by licensed engineer
5. Auto Cad Map
6. Building plans occupancy permit (if applicable)
7. Deed of absolute sale or contract to sell

B.2. House Construction

1. Building plans duly signed by a civil engineer
2. Building permit with schedules of construction until completion
3. Bills of materials/ cost estimates duly signed by a Civil Engineer
4. Scope of work if renovation

B.3 Residential Lot Acquisition and House Construction

1. Original certified true copy of the Title
2. Certified true copy of the tax declaration of the lot and structure
3. Updated real estate tax payment / tax clearance
4. Lot plan with location / vicinity map certified by licensed engineer
5. Auto Cad Map
6. Building plans occupancy permit (if applicable)
7. Deed of absolute sale or contract to sell
8. Building plans duly signed by a civil engineer
9. Building permit with schedules of construction until completion
10. Bills of materials/ cost estimates duly signed by a Civil Engineer

C. Other requirements

1. Properly filled-out loan form
2. Filled-out mortgage form, promissory note, disclosure statement, etc.
3. Submission of photocopied government issued ID of member/borrower and spouse

4. Proof of billing address
5. Special Power of Attorney (if applicable)
6. Certificate of tenancy (if renting) and must have stayed at current residential address for the past six (6) months.
7. Letter of guarantee to seller (if applicable)

IV. LOAN AMOUNT

The loanable amount starts from PhP500,000.00 to PhP3,000,000.00

V. LOAN TERM / TERM OF PAYMENT

The maximum loan term is fifteen (15) years.

VI. INTEREST RATES

1. The interest rate is 10% per annum. To reprice as the need arises due to economic condition.
2. Interest rate is added on the principal amount using the diminishing balance computation. *No interest rebates after full payment.*

VII. OTHER FESS AND CHARGES

Fees and charges upon application and to be deducted from the principal amount includes:

1. Service fee of 2% on the principal amount
2. Filling fee of PhP100.00
3. The initial appraisal fee is PhP10,500.00. The succeeding appraisal fee shall be collected depending on the appraiser's charge.

VIII. GUIDELINES

1. The loanable amount is based on the appraised value of the property with the following location and percentage:

Location/Area	loan value
Baguio/La Trinidad Area	70% of the appraised value
Itogon, Sablan, Tuba and Tublay	50% of the appraised value
La Union – Agoo and San Fernando	50% of the appraised value
Metro Manila	70% of the appraised value

2. BBCCC will engage into an accredited appraiser to assess and evaluate the collateral. An appraisal report will be submitted and attached to the loan of the member.

3. Upon approval of the loan, BBCCC will issue a letter of guarantee to the seller indicating that payment will be made in the specific amount, subject to the following requirements:
 - a. To transfer the property title to the buyer/member with annotation of the cooperative's mortgage lien.
 - b. The released amount is based on the loan value only.
 - * The buyer accepts the guarantee of the seller through signature indicating their willingness to transfer the property title and execute the deed of sale in favor of the buyer, notwithstanding the fact that the payment for the transaction has not been made yet.
4. The following expenses will be shouldered by the member/borrower
 - a. Annotation of the collateral
 - Encumbrances and other expenses will be paid by the member/borrower
 - b. Insurance (Credit Life and/or Fire Insurance)
 - Insurance should cover the duration of the loan.
 - c. When a member applies for house construction/renovation, the collateral is the lot where the construction is located.
 - d. When the member issues a Special Power of Attorney on his/her behalf, the following guidelines is included:
 - a. If the attorney-in-fact is not a member, a proof of identity /submits government issued ID as attachment to the loan.
 - b. The acquired property should be in the name of the borrower/member.
 - c. Interview with the principal borrower is necessary to verify signature, identification and consent. It is also necessary in order to establish understanding on the loan terms and conditions.
 - d. Attorney-in-fact should be up to third degree of consanguinity or affinity.
5. Releasing schedule of loans on residential lot acquisition and house construction is as follows:

Release schedule	Amount to be release using percentage
1 st release	70% based on appraised value on the lot
2 nd release	30% (30% completion of the structure)
3 rd release	30% (60% completion of the structure)
4 th release	30% (90% completion of the structure)
5 th release	10% (100% completion of the structure)

8. The construction shall be undertaken within a maximum period of one year reckoned from the date of the first release. Subsequent releases within the one-year period shall only be subject to interest. All loan releases shall have a similar maturity date coinciding the maturity date of the first release, thereafter all loan

- releases after the one-year period shall be consolidated and will mature 10 years thereafter with the principal in a monthly amortize.
9. The billing and collection section is in charge of monitoring and overseeing the account of the member. The staff is responsible for notification and collection of the loan, which includes communications through phone or visitation to their house.

The member can pay the loan through the following scheme:

- a. Issue a post-dated check.
 - b. Auto debited to their savings deposit account. A maintaining balance of at least two (2) months amortization is required, in which the member cannot withdraw the amount.
 - c. Payroll deductions for SLU and BBCCC employees and officers.
 - d. Over the counter payment
 - e. Other existing payment facilities.
10. Upon full payment, BBCCC will hand over the title and tax declaration including the cancellation of mortgage form.

IX. PROCEDURES

1. Loan application
2. Evaluation and validation of the account and collateral
3. Schedule accredit investigation and collateral appraisal
4. Submission of CI report and appraisal report
5. Loan proposal
6. Presentation for approval (loans of 1,000,001.00 and above)
7. Issuance and acceptance of letter of guarantee to the seller
8. Signing of mortgage forms, promissory note and disclosure statement
9. Transfer of title and tax declaration
10. Mortgage annotation on the title and tax declaration
11. Submission of the annotated title and tax declaration
12. Procurement of Insurance (credit life and/or fire insurance)
13. Review and certification of the loans officer
14. Check preparation/CDV vouching
15. Loan release

X. LOANS APPROVAL

Loan approval follows the scheme below

Amount for approval	Approving body
PhP1,000,000.00 and below	The manager will approve the loan as long as the document is complete and in order. If requires deviation from policy, it will be forwarded to the BOD for approval.
PhP1,000,001.00 and above	Board Enbanc

The Board of Directors will approve the loan during their loans, proposals and communication (LPC) meeting. The Board may require the borrowing member and his/her spouse for a personal appearance and interview as the need arises.

XI. DEFAULT IN PAYMENT

A fines and penalty of 18% per annum is levied on the amortized amount and/or past due interest. Unpaid amortization for three (3) months, shall render the account due and demandable. The account shall be endorsed for legal action.

