| **Reasons for delinquency** | **Solutions** |
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| **Date** | **Agri-Input Loan** | **Agri-Support Loan** |
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| **LOAN TERMS** | | |
| **General Condition** | Provision of agricultural inputs on credit | Provision of credit for other farm production expenses, apart from agricultural inputs |
| Target Clients | * Low-income farmers (tenants and land owners) * Farmer-members of lead ARBOs * Farmer-members of other ARBOs in the ARC * Other farmers within the ARC | |
| Target Area | Within the ARC | |
| **Eligibility Requirements** | * Low-income farmers * Borrower must be willing to be covered by crop insurance (PCIC) * Prioritization (in terms of worth of agri-inputs)   + Lead ARBO Member: 3 has.   + Member of other ARBOs: 2 has.   + Farmer, non-member of ARBO: 1 ha. * Repeat borrowers should not have past due loans * Regularly contibutes to saavings and share capital * Agree to sign crop production assignment agreement * No past due payments * Good reputation in the community * SWEPP mmbership or its equivalent | |
| Marital Status | Any | |
| Business | * Farm Production * Diversified crops planted, a plus * Vegetable farming, a pus | |
| Years in Business | Operating the farm for at least two (2) years | |
| Business Location | Farm should be located within the ARC | |
| Residency | Must be a resident of the ARC for at least three (3) years | |
| Age | Minimum age is 18 and maximum age is 75 years old | |
| Identification documents / IDs | Voter’s ID, land ownership (if owner), proof of tenancy (if tenant), barangay clearance, barangay certification, certification of membership (if member of an ARBO) | |
| Intangible Criteria | * Repeat borrowers should not have past due loans * Should have maintain savings balance * Borrower must be willing to pay crop insurance premium | |
| Other Pre-requisites | * Must be an active member | |
| Ineligible Clients | * Non-ARC member | |
| **Purpose** | Agricultura production for rice, corn, coconut, banana, vegetables, etc. | |
| **Loan Use** | Agricultural inputs – seeds, fertilizers, pesticides, non-production inputs | * Finance labor, working capital or acquisition of new tools and equipment for the agricultural production of farmers and ARBs * First loan of new borrowers should be for labor and working capital only * Only repeat borrowers are allowed to use loan to acquire fixed assets |
| **Minimum Loan Amount** | PhP3,000.00 | |
| **Maximum Loan Amount** | * PhP150,000.00 * Maximum of PhP25,000.00 for first-time borrowers | |
| **Increase in Loan Amount** | * Maximum increase in loan amount is 30% per cycle based on repayment behavior * Avoid automatic loan amount increase * Review repayment behavior before approving larger loan amount | |
| **Loan Term** | * Three (3) to twelve (12) months depending on the project of the client and loan analysis * Determined by crop maturity and crop productivity | * Up to 12 months depending on the project of the client and loan analysis * Determined by crop maturity and crop productivity |
| **Frequency of Payment** | Option for:   * Charge-to-crop * Amortized payment – weekly, semi-monthly, monthly, and maximum of 40% lump sum payment * As the loan cycle increases, the percentage of lump sum must decrease * Pre-payment is allowed | |
| **Guarantees** | * Assignment of crop production equivalent to loan amount * Collateral substitutes include savings, household assets, co-maker, and life and crop insurance * Right to use land to recover unpaid portion of loan | |
| **Co-Maker** | * At least one ARC resident | |
| **Savings Maintaining Balance** | * At least 5% of loan amount for first loan cycle * At least 10% of loan amount for second loan cycle * At least 15% of loan amount for third and succeeding loan cycle | |
| **Interest Rate** | 15% mark-up | 24% per annum |
| **Incentive Scheme** | * Increase in loan amount for good payers * Priority access to training and other non-financial programs * Lower interest or interest rebates * Award, recognition or certificate | |
| **Other Conditions** | * Must have savings account * Subject to farm inspection and monitoring | |
| **LOAN PROCEDURE** | | |
| **Promotion** | * Word-of-mouth, flyers * Promoted during General Assemblies (GAs) * Account officers reach out to communities and visit potential clients * Barangay presentations * Personal visits to potential clients * Orientation sessions | |
| **Application** | * Account officer fills out the application form while interviewing the client | * Simple application form * Schedule house visit and conduct loan application interview |
| **Analysis** | * Emphasis on character for first-time borrowers, and repayment behavior for repeat clients * Utilize Client Rating System (CRS) * CI/BI and cash flow interview and analysis | |
| **Approval** | * Presence of approval committee composed of the ARBO President, Manager, and Account Officer | |
| **Disbursement** | * Agri input supply * Done in the ARBO office * Final reminders | * In cash * Done in the ARBO office * Final reminders |
| **Follow up and Collection** | * First visit should be within seven (7) days * Client visit one (1) month before harvest * Collection in client’s house * Strict supervision of account officers * Utilize text message or call | |
| **Information System** | * All payments will be remitted to the cashier/treasurer, with receipt and ledger * Cashier/treasurer records in daily transaction report * Cashier/treasurer remits cash to bank | |
| **Bookkeeping** | * Client folder * Subsidiary ledger * Logbook of weekly payment, portfolio and PAR reports | |
| **Repeat Borrowing** | * Good paying clients can re-loan two (2) weeks before the end of the current loan term | * Good paying clients can re-loan two (2) weeks before the end of the current loan term |
| **Length of time from application to disbursal** | * Maximum of five (5) days for first-time borrower * One (1) day for repeat borrowers | |
| **Restructuring/Refinancing** | * Applicable to calamity and disasters | |
| **PRODUCT INFORMATION** | | |
| **Total Number of Borrowers** |  |  |
| **Total Amount of Loan Portfolio** |  |  |
| **PAR Amount** |  |  |
| **PAR Ratio** |  |  |

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| **Name of ARC:** |  | |
| **Name of ARBO:** |  | |
| **Date Accomplished:** |  | |
| **Accomplished By:** | | |
| **Name** | | **Position** |
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| **Product: Agri-Input Loan** |
| Sample brand name: Agri-Input Loan |
| Proposed brand name: |
| **Product: Agri-Support Loan** |
| Sample brand name: Umaasensong magsasaka Loan (UMA) |
| Proposed brand name: |
| **Product: Savings** |
| Sample brand name: Kauban sa Savings aron Maasenso (KASAMA) |
| Proposed brand name |
| **Product: Insurance** |
| Sample brand name: Tabang og Proteksyon sa Kalisod (TPK) |
| Proposed brand name: |