



Republic of the Philippines
 Province of Ilocos Sur
MUNICIPALITY OF NARVACAN

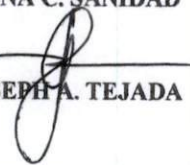
OFFICE OF THE SANGGUNIANG BAYAN 2019-2022

Vice Mayor/Presiding Officer:

HON. PABLITO V. SANIDAD, SR.


Sangguniang Bayan Members:


HON. EDNA C. SANIDAD


HON. JOSEPH A. TEJADA



HON. JOVENNIANO B. AMPO, JR.


HON. CHARITO C. VILORIA


HON. BERNADETTE C. LIM

HON. LORETO C. CABALLES


HON. EMILIANO C. CLARIN


HON. REINA ALEXA V. ANTOLIN

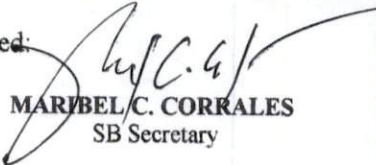
ABC President:


HON. ROMULO C. REA

SK Federated President:

HON. JOEMAR GREY A. CABICO

Attested:


MARIBEL C. CORRALES
 SB Secretary

Approved:


HON. LUIS "CHAVIT" C. SINGSON
 Municipal Mayor

EXCERPTS FROM THE MINUTES OF THE SIXTH REGULAR SESSION OF THE SANGGUNIANG BAYAN OF NARVACAN, ILOCOS SUR HELD ON AUGUST 19, 2019 AT THE MUNICIPAL SESSION HALL

RESOLUTION NO. 18-SS
 Series of 2019

RESOLUTION AUTHORIZING THE MUNICIPAL MAYOR LUIS C. SINGSON OR THE MUNICIPAL ADMINISTRATOR TO ENTER INTO A MEMORANDUM OF AGREEMENT WITH THE LAND BANK OF THE PHILIPPINES IN CONNECTION WITH THE GRANT AND IMPLEMENTATION OF THE BANK'S LIVELIHOOD (SALARY) LOAN PROGRAM TO QUALIFIED PERMANENT EMPLOYEES AND ELECTED OFFICIALS OF THE MUNICIPALITY

WHEREAS, from time to time, there arises the need for cash of the permanent employees and elected officials of the Local Government Unit of Narvacan to meet the emergency requirement for business, education, hospitalization and such other purposes and this is often accessible only from sources at very high interest rates;

WHEREAS, the Land Bank of the Philippines offers Livelihood (Salary) Loan available to qualified permanent employees and elected officials of the Municipality of Narvacan, Ilocos sur;

WHEREAS, the loan shall be paid in equal monthly amortizations via debit against employee-borrower's ATM payroll account;

WHEREAS, automatic debit from borrower's Landbank ATM payroll deposit account shall commence on the payroll date immediately succeeding the month the loan was released;

WHEREAS, the implementation of the Land Bank of the Philippines' Livelihood (Salary) loan shall redound to the benefit and welfare of the permanent employees and elected officials of the municipal government;

NOW THEREFORE, BE IT RESOLVED AS IT IS HEREBY RESOLVED to authorize the **Municipal Mayor Luis C. Singson** or the **Municipal Administrator** to enter into a Memorandum of Agreement with the Land Bank of the Philippines in connection with the grant and implementation of the bank's Livelihood (Salary) Loan Program to qualified permanent employees and elected officials of the municipality;



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Attested:


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SB Secretary

Approved:


HON. LUIS "CHAVIT" C. SINGSON
Municipal Mayor

- page 2 -
Resolution No. 18-SS, Series of 2019

RESOLVED FURTHER to authorize the **Municipal Mayor Luis C. Singson** or the **Municipal Administrator** to endorse and sign all necessary supporting documents to be submitted by the employee-borrower and to cause the automatic deduction of amortizations to the Land Bank of the Philippines;

RESOLVED FINALLY that a copy of this Resolution be forwarded to the Land Bank of the Philippines to comply with their requirements for accreditation, information and record.

PASSED AND APPROVED.

**MEMORANDUM OF AGREEMENT FOR LIVELIHOOD LOAN FACILITY
(For Local Government Units)**

KNOW ALL MEN BY THESE PRESENTS:

This Memorandum of Agreement (the "Agreement") made and entered by and between:

LAND BANK OF THE PHILIPPINES, a government financial institution created and existing under and by virtue of the provision of Republic Act No. 3844, as amended, with principal office at LandBank Plaza 1598 M. H. del Pilar cor. Dr. J. Quintos Street, Malate, Manila, Philippines, represented by this Act by its President and Chief Executive Officer, **CECILIA C. BORROMEO** through his duly authorized representative, **Acting Department Head, MENALYN Q. RABAINO** hereinafter referred to as "LANDBANK",

-and-

THE MUNICIPAL GOVERNMENT OF NARVACAN, a local government unit created and existing under and by virtue of Philippine laws with principal office address at **NARVACAN, ILOCOS SUR**, represented herein by its **Honorable Mayor Luis Chavit C. Singson** hereinafter referred to as "LGU-NARVACAN".

WITNESSETH: That

WHEREAS, the **LGU-NARVACAN** requested **LANDBANK** to extend its Livelihood Loan Facility "Facility" to its qualified employees:

WHEREAS, **LANDBANK** has agreed to the **LGU-NARVACAN** request subject to such terms and conditions as may be mutually agreed upon:

NOW, THEREFORE, for and in consideration of the foregoing premises and of mutual covenants and stipulations hereafter set forth, the parties hereby mutually agree as follows:

I. The grant of a loan under the Facility to the employees of **LGU-NARVACAN** are subject to the following terms and conditions:

A. Borrower's Eligibility Criteria

1. Except for elected officials and their co-terminus appointees, the borrower must be a regular/permanent employee of the **LGU-NARVACAN** and has been in its service for at least one (1) year;
2. Must have no pending administrative/criminal case.
3. Must be eighteen (18) to sixty four (64) years of age at the time of loan application; Elected Officials and their co-terminus appointees whose age is above the maximum requirement maybe accommodated, provided there is an approved special insurance coverage which must be coursed thru Landbank Insurance Brokerage, Inc. (LIBI) and the relevant special insurance premium coverage for the whole term of the loan has been paid. **LANDBANK** may, at its own discretion, require a co-maker, as a pre-release condition.
4. Must have no pending application for retirement or not due for retirement within the term of the loan except for elected officials and co-terminus employees;

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BSO

ATTY. PABLO F. SANIDAD II

MUNICIPAL ADMINISTRATOR

HON. LUIS CHAVIT C. SINGSON

MUNICIPAL MAYOR

MENALYN Q. RABAINO

ACTING BRANCH HEAD

MARIA LYDIA A. PADILLA
BSO

5. Must be up-to-date in the payment of his/her existing loans with LANDBANK, if any;
6. Must have a minimum monthly net take-home pay (MNTHP) as may be prescribed by the General Appropriations Act which is in effect at the time of loan application.

For avoidance of doubt, MNTHP is the resulting amount after considering all deductions and amortizations of all existing loans, including the livelihood loan applied for.

7. Must have an existing LANDBANK automated teller machine (ATM) Payroll/Deposit Account with the LANDBANK Branch where proceeds of loan shall be credited and/or loan payments shall be debited, as may be applicable.

B. Loan Amount

Maximum loanable amount shall be up to eight (8) months gross pay, provided that the amount of loan shall not be less than Php20,000.00 but not more than Php1,000,000.00.

For avoidance of doubt Gross Pay shall include Basic Pay and RATA/ACA/PERA, meal allowance and other fixed allowance of the same nature

C. Manner of Release

The loan proceeds shall be net of Credit Life Insurance (CLI) premium (or special insurance coverage premium, for those applicants whose age is more than 64 at the time of application), documentary stamp tax (if applicable), interest charges from date of loan release up to the date before the start of the first loan amortization period and other charges. The same shall be credited to borrower's existing LANDBANK ATM Payroll/ Deposit Account maintained with the LANDBANK Branch.

D. Repayment Terms

1. The loan shall have a minimum term of six (6) months and maximum of thirty six (36) months with monthly term divisor. For elected officials, the term should not exceed three (3) months prior to the remaining term of office of the Borrower/LGU Officials.

2. The loan shall be paid in equal monthly amortization thru :

Option 1: Debit by LANDBANK from employee-borrower's LANDBANK ATM Payroll Account (thru Debit Memo Valuation "DMVAL" Facility) on the scheduled remittance date.

Option 2: Salary/Payroll deduction from employee-borrower by the **LGU-NARVACAN** which must be remitted to LANDBANK over the counter (OTC) not later than five (5) banking days after the scheduled remittance date.

The first amortization of loan shall be based on the approval date of the loan, as follows:

If the remittance date of the **LGU-NARVACAN** is on the 1st quincena of the month

- Loans approved and released within the 1st to 15th day of the month, the first amortization date shall be due on the 1st quincena of the following month

ATTY. PABLO F. SANIDAD II
MUNICIPAL ADMINISTRATOR

HON. LUIS-CHRYST C. SINGSON
MUNICIPAL MAYOR

MENALYN Q. RABAINO
ACTING BRANCH HEAD

Ex. Loan Approval Date: July 1-15, 2019
First Amortization Due: August 15, 2019

- Loans approved and released within the 16th to 31st day of the month, the first amortization date shall be due on the 1st quincena of the month succeeding the following month (on date of approval)

Ex. Loan Approval Date: July 16-31, 2019
First Amortization Due: September 15, 2019

- If the remittance date of the **LGU-NARVACAN** is on the 2nd quincena of the month, loans approved and released within the month shall be due on the 2nd quincena of the following month

Ex. Loan Approval Date: July 1-31, 2019
First Amortization Due: August 31, 2019

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E. Loan Renewal

Loan renewal shall only be allowed (a) after payment of six (6) monthly amortizations (b) status should be current, and (c) the co-maker/surety is in place (if required).

F. Interest Rates, Fees, and Other Charges

1. The Interest rate on the loan under the Facility shall be fixed at ten percent (10%)
2. Service Fee - minimum of Php200.00 or ½ of 1% of loan amount but not to exceed Php2,500.00.
3. Interest shall be computed based on diminishing balance and shall be payable monthly in arrears (except interest charges mentioned in item C. Manner of Release of Part I, which shall be paid in advance from the proceeds of the loan).
4. The borrower shall be required to obtain a CLI for the entire term of the loan. Accordingly, payment for premiums thereon that may be charged within the term of the loan shall be deducted by LANDBANK from the loan proceeds.

In case of loan renewal, unexpired insurance premium shall be applied/deducted from the computed CLI premium due of the new loan and to be added to the loan proceeds

5. Documentary stamp taxes as may be imposed under existing tax laws and regulations shall be for the account of the employee-borrower.
6. All fees and other charges that may be due under the loan may be adjusted at any time during the term of the loan, on account of a regulation of the Monetary Board of the Bangko Sentral ng Pilipinas an increase in LANDBANK's cost of funding and/or maintaining the loan, or other factors including, but not limited to, any special reserve requirements, exchange rate fluctuations and changes in the financial market. LANDBANK shall notify the **LGU-NARVACAN** and the Borrower of such adjustment, which shall take effect on the next succeeding amortization period following such notice.

G. Collaterals/Securities

The livelihood loan shall be secured by the borrower's assignment of his salaries, allowances, bonuses, retirement benefits, separation/gratuity pay, monetary value

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HON. LUIS GUAYT C. SINGSON
MUNICIPAL MAYOR

MENALYN Q. RABAINO
ACTING BRANCH HEAD

of accumulated leave credits and other monetary receivables from the **LGU-NARVACAN** and ATM Payroll/Deposit Account in favor of LANDBANK.

H. Past Due Account

1. An account shall be considered past due if the borrower fails to pay his/her amortization on due date, and such failure to pay is not remedied within five (5) banking days from due date thereof.
2. A penalty fee equivalent to three percent (3%) per month shall be imposed on the unpaid principal amount to commence on the day immediately after the due date of the loan up to the date of actual payment.
3. The granting of loan to the employees of **LGU-NARVACAN** shall be temporarily suspended when past due reaches 10% of the total outstanding loan balance.

The loan releases shall resume when the **LGU-NARVACAN** past due are reduced to below 10% of the total outstanding balance.

II. Covenants of the Parties

A. The **LGU-NARVACAN** shall:

1. Have an existing agreement on ATM Payroll Facility with LANDBANK, as may be applicable.
2. Maintain any of the following reciprocal business with LANDBANK to warrant availment of the Livelihood Loan Facility:
 - a. Maintain Peso or Dollar Deposit (Current, Savings or Time)
 - b. ATM Payroll Tie-up
 - c. Availment of Loan Products
 - d. Other identified reciprocal business
3. Certify through its Personnel Department that the borrower and his co-borrower/surety (if required) are qualified to avail of the loan.
4. If applicable, require the employee/borrower and co-maker, if any, to authorize LANDBANK to collect or cause the collection of the installments/amortizations due on his/her loan through automatic debit against borrower's ATM Payroll/Deposit Account using the DMVAL Facility until full settlement of the loan.
5. If applicable, collect or cause the collection of the installments/amortizations due on the loans of its employee-borrower and/or co-maker, if any, through automatic salary deductions and remit to LANDBANK not later than five (5) banking days after the scheduled remittance date until full settlement of the loan.
6. In case of transfer/reassignment of employee-borrower to another unit/department within **LGU-NARVACAN**, the outstanding loan balance shall be transferred to the new servicing branch. In case of reassignment of a borrower to another government agency or termination/separation from service of a borrower, the loan shall become due and demandable. For this reason, the **LGU-NARVACAN** shall require the employee-borrower to secure prior clearance from LANDBANK to ensure settlement of his/her obligation.
7. Ensure adherence of its employees-borrowers/co-makers to the Livelihood Loan Program guidelines.

MARIA LYDIA A. PADILLA

BSO

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MUNICIPAL ADMINISTRATOR

HON. LUIS C. SINGSONG

MUNICIPAL MAYOR

MENALYN Q. RABAINO

ACTING BRANCH HEAD

8. Submit its duly signed Sangguniang Resolution authorizing the execution of this Agreement and designating its authorized signatory/ies hereto.

B. LANDBANK shall:

1. Provide livelihood loans to the qualified employees LGU-NARVACAN subject to LANDBANK's guidelines;
2. If applicable, provide the LGU-NARVACAN a copy of the documents signed by the employee/borrower authorizing LANDBANK to deduct from his/her ATM Payroll/Deposit Account the monthly amortizations.
3. Provide the Personnel Department of LGU-NARVACAN the list of approved loan applications under the Facility, including the loan amount, date of release and amortization schedule.

III. Miscellaneous Provisions

- A. Authority to Execute - Each Party represents and warrants that it has taken all appropriate and necessary corporate actions to authorize the execution and delivery of this Agreement, and to perform and be bound by the terms and conditions hereof.
- B. Venue of Action - The Parties shall endeavor in good faith to settle any claim, dispute or controversy through compromise or amicable settlement. However, in the event that the Parties fail to reach any settlement within a reasonable period, all claims, disputes and controversies arising from or relating to this Agreement shall be brought before the proper courts of the City of Manila to the exclusion of all other court.
- C. Confidentiality - Each Party agrees to hold in strict confidence any Confidential Information disclosed to or obtained by it and shall use such Confidential Information only in connection with the purposes of this Agreement.

For purposes of this provision, *Confidential Information* means any and all information disclosed by a Party (*Disclosing Party*) to, or obtained by, the other Party (*Receiving Party*) in any manner, that, as a result of, or in connection with this Agreement, by its nature, is considered proprietary and confidential, regardless of whether such information is specifically labeled or described as such including, but not limited to, proprietary information, personal data, financial data, business plans or proposals, agreements of the Disclosing Party with third parties, and any representation by any officer, employee or representative of the Disclosing Party. *Provided, however, that Confidential Information shall not include the following:*

- (1) Information that is generally available to the public other than as a result of disclosure in violation of this Agreement;
- (2) Information available to the Receiving Party on non-confidential basis without an express restriction on disclosure;
- (3) Information which is required to be disclosed by any court, tribunal or regulatory authority or by any requirement of law, legal process or regulation; or
- (4) Information that the Disclosing Party expressly agrees in writing may be disclosed by the receiving Party to third parties."

The Receiving Party agrees that Confidential Information shall not be disclosed to third parties without the prior written consent of the Disclosing Party, and that each Party shall exercise the same degree of care as it applies to protect its own confidential information of similar nature that it does not desire to publish, disclose, or disseminate. This obligation of confidentiality shall continue in full force and effect notwithstanding the termination of this Agreement.


MARIA LYDIA A. PADILLA
BSO

ATTY. PABLO F. SANIDAD II
MUNICIPAL ADMINISTRATOR

HON. LUIS C. SINGSONG
MUNICIPAL MAYOR

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MUNICIPAL MAYOR

MENALYN Q. RABAINO
ACTING BRANCH HEAD

- D. Data Privacy - Each Party shall, in accordance with the Data Privacy Act, ensure that appropriate organizational, physical, and technical measures are in place to maintain the confidentiality, integrity and security of all personal data that may come to its knowledge or possession by reason of any provision of this Agreement and that its employees, agents, representatives, or any person acting under its authority shall hold personal information under strict confidentiality at all times.
- E. Force Majeure - No Party shall be deemed to have defaulted or breached this Agreement for any delay or failure to fulfill any obligation by reason of force majeure or fortuitous event, including, but not limited to, strikes, accidents, acts of war or terrorism, civil or military disturbances, natural calamities or acts of God, loss or malfunction of utilities, communications or computer software or hardware; *Provided, however,* that the Parties shall resume performance of their respective obligations as soon as reasonably practicable under the circumstances.
- F. Waiver - An effective waiver under this Agreement must be in writing signed by the Party waiving its right. A waiver by either of the Parties of any instance of the other's non-compliance with any obligation or responsibility under this Agreement shall not be deemed a waiver and shall not affect its right to enforce any provision of this Agreement at a subsequent time. All rights and remedies existing under this Agreement are cumulative, and not exclusive of, any rights or remedies otherwise available.
- G. No Liability - The Parties shall hold each other free from any damage or liability that may arise from or occasioned by the exercise of their rights and obligations under this Agreement except when such damage or liability is attributable to the gross negligence or willful misconduct of a Party or any of its officers, representatives or employees.
 - The Local Government Unit of Narvacan, does not act as a guarantor, warrantor, insurer, or surety of the loans or debts of any employee, whether regular/permanent of the Local Government of Narvacan, Ilocos Sur.
- H. Indemnity - The **LGU-NARVACAN** shall defend, indemnify, and hold LANDBANK, its officers, representatives and employees, free and harmless from and against all claims, damages, liabilities and costs of every kind and character resulting from or relating to the inaccuracy, nonfulfillment or breach of any representation, warranty, covenant or obligation of the **LGU-NARVACAN**
- I. Governing Law - This Agreement shall be governed by, and construed in accordance with, the laws of the Republic of the Philippines.
- J. Periodic Review - This Agreement shall be reviewed by the Parties at least once a year to determine the need for any amendment, supplement or modification.
- K. Amendments - No amendment, supplement or modification of this Agreement shall be deemed effective unless made in writing and signed by the Parties.
- L. Further Assistance - Subject to the terms and conditions herein provided, each of the Parties shall use its best efforts to take such action and execute and deliver such additional documents and instruments as may be reasonably requested or necessary to carry out the intents and purposes of this Agreement.
- M. Separability - If any provision of this Agreement shall be held invalid, illegal or unenforceable, the other provisions not affected thereby shall continue in full force and effect.
- N. Term and Termination - This Agreement shall take effect upon its execution by the Parties and shall remain in effect until terminated by either Party subject to a thirty (30) days prior written notice to the other Party; *Provided, however,* that the termination of this Agreement shall be without prejudice to the rights, claims, or remedies of either Party with respect to any loans, interests, penalties, charges, fees, loss, damages, and other obligations incurred prior to such termination.

IN WITNESS WHEREOF, the parties through their respective authorized representatives have hereunto signed this ____ day of the _____, at _____.

MUNICIPALITY OF NARVACAN


LAND BANK OF THE PHILIPPINES



By: **LUIS CHAVIT C. SINGSON**
MUNICIPAL MAYOR

By: **MENALYN Q. RABAINO**
ACTING BRANCH HEAD

SIGNED IN THE PRESENCE OF:



ATTY. **PABLO F. SANIDAD II**
MUNICIPAL ADMINISTRATOR

MARIA LYDIA A. PADILLA
BSO

ACKNOWLEDGMENT

REPUBLIC OF THE PHILIPPINES)
NARVACAN, ILOCOS SUR) S.S.

At the above stated place, on the _____ day of _____ before me personally appeared:

MARIA LYDIA A. PADILLA
BSO

NAME **Government-Issued ID/No.** **Expiry**

LUIS CHAVIT C. SINGSON
MENALYN Q. RABAINO LBPID# 6772

ATTY. PABLO F. SANIDAD II
MUNICIPAL ADMINISTRATOR

known to me the same persons who executed the foregoing instrument and acknowledged the same to be their free and voluntary acts and deed as well as those of the corporation and instrumentality of the Government herein represented

Said instrument refers to a **MEMORANDUM OF AGREEMENT** consisting of eight (8) pages including this page whereon the Acknowledgment is written, signed by the parties and their witnesses on the signature page hereof, and initiated on the other pages and sealed with the notaries seal.

HON. LUIS CHAVIT C. SINGSON
MUNICIPAL MAYOR

NOTARY PUBLIC

MENALYN Q. RABAINO
ACTING BRANCH HEAD

Doc. No. _____
Page No. _____
Book No. _____
Series of _____