

Documentary Requirements

1. Coconut Farmer Enterprises

- DBP Loan Application Forms
- Proof of NCFRS enlistment
- Photocopy of Certificate of Registration from the DTI/SEC
- Certificate of Accreditation from PCA
- Audited Financial Statement for the last year; or latest interim financial statement for start-ups
- Business Plan, if applicable
- Current year Business Permit
- Training certificate from an accredited provider (e.g., TESDA, DA-ATI) on financial literacy and on projects related to the coconut value chain

2. Coconut Farmers Cooperatives and Organizations

- DBP Loan application forms
- Photocopy of Certificate of Registration from CDA/SEC
- Certificate of Accreditation from PCA
- Certificate of Compliance from CDA, if applicable
- Certificate of Tax Exemption, if applicable
- Copies of Articles of Incorporation/Cooperation and By-Laws
- Biodata of incumbent Officers and Board of Directors with photocopy of valid government-issued ID
- Board Resolution authorizing the Cooperative/Organization to borrow and designating the authorized signatories
- Audited Financial Statement for the last year; or latest interim financial statement for start-ups;
- Business Plan, if applicable
- Current year Business Permit
- Training certificate of the cooperative and its key officers from an accredited provider (e.g., TESDA, DA-ATI) on financial literacy and on projects related to the coconut value chain

For more information, please contact:

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DBP Lending Center:



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CFID

COCONUT FARMERS AND
INDUSTRY DEVELOPMENT
(CFID) CREDIT PROGRAM –
CFITF FUNDED LOANS

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We Build Possibilities.®

The DBP **Coconut Farmers and Industry Development (CFID) Credit Program – CFITF Funded Loans** aims to increase the productivity and income of Filipino coconut farmers. This program supports the development of the Philippine coconut industry through enterprise diversification and financing of projects related to the coconut value chain.

Eligible Borrowers

1. Coconut Farmer Enterprises

- Duly registered with the Securities and Exchange Commission (SEC) or Department of Trade and Industry (DTI)
- No adverse findings on the borrower
- Principal Owner/s must be listed in the National Coconut Farmers Registry System (NCFRS) of the Philippine Coconut Authority (PCA)
- Underwent training related to the project to be financed
- Project should be for scaling up of the enterprise and should have assured source of repayment

2. Coconut Farmers Cooperatives and Organizations (CFCO)

- Duly registered with the Cooperative Development Authority (CDA)/SEC
- Accredited by the PCA
- No adverse findings on the organization and its principals
- Should have strong back-office support with defined Operational Structure
- Must exhibit profitable operations and sound financial condition
- For CFCOs into lending activities, Past Due Loan Ratio should not exceed 25%
- Certificate of Compliance from CDA, if applicable
- Underwent training on financial literacy and technical training on any aspect of the coconut value chain
- Audited Financial Statements of the preceding year, and latest interim financial statement, if available

- Lending to start-ups may be allowed, provided that there is a defined source of repayment (i.e., market agreement, purchase orders), and officers of the organization must have relevant management experience on the project

Eligible Projects

- Projects related to the coconut value chain
- Establishment of intercroops and/or poultry/livestock integration in coconut farms

Eligible Loan Purposes

1. Coconut Farmer Enterprises

- Working capital requirements
- Acquisition of machinery and equipment



- Establishment of facilities for production and post-production, processing, and trading, including but not limited to facilities for poultry and livestock integration

2. Coconut Farmers Cooperatives and Organizations

- Working Capital requirements
- Acquisition of machineries and equipment
- Establishment of facilities for production and post-production, processing and trading, including but not limited to facilities for poultry and livestock integration
- Relending and rediscounting to NCFRS-listed coconut farmers for the same abovementioned purposes and projects

Types of Facility

- Short-Term Loan
- Term-Loan

Minimum Loanable Amount

Minimum loan amount is PhP15-Million.

- For project financing: up to 90% of the total project cost
- For relending: up to 90% of the total project cost
- For rediscounting: up to 90% of the face value of the sub-PN or its outstanding balance in current status, whichever is lower

Term

- Short-Term Loan: Within 360 days payable monthly, quarterly, or semi-annually depending on cash conversion cycle
- Term Loan
 - For acquisition of fixed asset/s: Shall be up to seven (7) years, inclusive of up to two (2) years grace period on the principal repayment, based

on the projected cash flow but no longer than the useful economic life of the fixed asset/s

- For establishment of facility/ies: Shall be up to 10 years, inclusive of up to three (3) years grace period on the principal repayment, based on the projected cash flow of the project
- For relending/rediscounting: Based on the earliest maturity of the sub-borrowers' PNs submitted per batch

Interest Rate

- Direct lending – Two percent (2%) per annum
- On-lending – Two percent (2%) per annum. Effective pass-on rate to end users shall not exceed six percent (6%) per annum

Loan Security/Collaterals

1. For Direct Lending

- Mortgage on project assets, if applicable
- Assignment of crop insurance proceeds, if applicable
- Deed of Assignment of Receivables at 125% cover
- Other collaterals/security acceptable to the Bank under existing policies

2. For On-Lending

- Assignment of sub-borrowers' Promissory Notes, and underlying collaterals, if any
- Assignment of insurance proceeds, if applicable
- Assignment of proceeds of guarantee claims, if applicable

Additional security arrangements may be required subject to DBP's loan evaluation.