



Bangko Sentral ng Pilipinas

MAYNILA, PILIPINAS

**DEPARTMENT OF LOANS AND CREDIT
Monetary Operations Sub-Sector**

MEMORANDUM NO. M - 2009 - 029

To : All Concerned Banks

Subject : Guidelines on the Rediscounting of Medium and Long Term Loans

In order to provide banks assistance in the rediscounting of medium and long term loans, the following guidelines are hereby issued:

1. Banks with existing rediscounting lines with the Bangko Sentral ng Pilipinas (BSP) may rediscount the eligible medium and long term loans of their end-user borrowers doing business in the Philippines regardless of asset size. Eligible projects include, but are not limited to, loans for capital assets expenditure (CAPEX) used in trade or business, permanent working capital requirements, housing and agricultural projects with long gestation period.
 - a. CAPEX refers to purchase, construction, expansion, or improvement of long term assets used in trade or business: e.g., factory, warehouse, or office building; machinery and equipment; and transportation equipment.
 - b. Permanent working capital refers to the core level in trading assets (accounts receivable and inventory) brought about by long term or rapid sales growth or increased production capacity.
 - c. Agricultural projects with long gestation period are long term projects that become economically productive and generate revenue only after a period of three years. These include the following:

Agricultural Project	Gestation (No. of Years)
Abaca	4-6
Black pepper	3-4
Cacao	4-6
Calamansi	4-6
Cashew	5
Coconut	7-8
Coffee	3-4
Durian	5-7
Lanzones	6-8
Mango	5-7
Mangosteen	6-7
Pomelo	5-7

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Agricultural Project	Gestation (No. of Years)
Rambutan	4-6
Rubber	6-8
Palm Oil	5-7
Pili	7
Jackfruit	5-7

- d. Housing loans refer to the construction or acquisition of a house, house and lot, townhouse, or condominium by the homeowner borrower and the construction of residential houses and condominiums by the property developer. Loans to property developer shall not include the purchase of raw land and development cost, i.e., construction of roads, drainage, park, water system, etc.
2. Rediscounted medium and long term loans shall have a maximum maturity of 360 days;
3. Upon maturity or full payment of the BSP loan, banks shall have the option to reapply the loans; provided, that the promissory notes of the end-user borrowers remain current and outstanding, and that no adverse findings resulted from the loan monitoring and verification conducted by the Department of Loans and Credit (DLC);
4. The loan value of the eligible papers shall be equivalent to 90% of the outstanding principal balance of the end-user borrowers' promissory notes; and
5. Banks shall submit to the DLC on the 30th day of the month following the end of every quarter, monitoring reports on medium and long term loans rediscounted with the BSP. Attached is the prescribed format for the said report.

For information and guidance.


 ROSALINDA S. DUMALIANG
 Director

14 August 2009

NAME OF BANK:
 Quarterly Monitoring Report for Medium and Long Term Loans
 As of

Name of Borrower	BSP LOAN				BORROWER'S PROMISSORY NOTE				INSURANCE COVERAGE		AMORTIZATION				Loan Status	Aging of Past Due	Project Status	
	Application No.	Loan Amount	Date Granted	Date Due	PN No.	Original Amount	Date Granted	Date Due	Outstanding Balance	ON IMPROVEMENT		Mode of Payment	Amount	Date Paid				Date Remitted To BSP
										Amount	Expiry Date							
1. Juan dela Cruz	2009003371	P 800,000.00	20090328	20150325	124-1255	P 1,000,000.00	20090325	20150325	P 900,000.00	P 1,000,000.00	20100331	Monthly/ Quarterly/ Semi-Annual/ Annually	P 50,000.00	20090328	20080328	Current/ Past Due	< 30 days/ > 30 days > 90 days > 180 days < 1 year > 1 year	Operational/ Non-operations

Note: Deadline of submission to DLC-BSP - Every 30th day of the month following the end of every quarter

Authorized Signatory
 (Borrowing Bank)