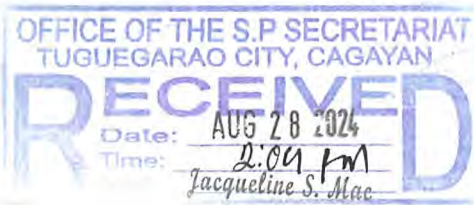


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Republic of the Philippines
Province of Cagayan
Tuguegarao City
BARANGAY SAN GABRIEL

OFFICE OF THE PUNONG BARANGAY

August 28, 2024

MR. JOEL JOSEPH EGIPTO, Ph.D

City Council Secretary
City Hall
Carig Sur, Tuguegarao City
Province of Cagayan

Sir:

Greetings of Good Governance!!!

The undersigned is pleased to submit to you the herein attached copy of the **Sangguniang Barangay Ordinance No. 044, Series of 2024** of Barangay San Gabriel otherwise known as: ***“AN ORDINANCE APPROVING AND RATIFYING THE TERMS AND CONDITIONS OF THE APPROVED LOAN OF BARANGAY SAN GABRIEL, TUGUEGARAO CITY IN THE AMOUNT OF UP TO PESOS: SIX MILLION FIVE HUNDRED THOUSAND (P6,500,000.00)”***. (Please see attached copy of document/s)

For your information and appropriate action.

Thank you!

Very truly yours,


JOSEPH PETRICIO P. SALAGAN
Punong Barangay
0936-379-1390

OFFICE OF THE PUNONG BARANGAY
Banaue street., San Gabriel Village, Tuguegarao City, Cagayan
Tel #: 844-1254/ 0936-379-1390



BAGONG PILIPINAS
 Republic of the Philippines
 Province of Cagayan
 Tuguegarao City

BARANGAY SAN GABRIEL

ORDINANCE NO. 2024-044
 Series of 2024

AN ORDINANCE APPROVING AND RATIFYING THE TERMS AND CONDITIONS OF THE APPROVED LOAN OF BARANGAY SAN GABRIEL, TUGUEGARAO CITY IN THE AMOUNT OF UP TO PESOS: SIX MILLION FIVE HUNDRED THOUSAND (P6,500,000.00)

AS CONTAINED IN THE TERM LOAN AGREEMENT, DEED OF ASSIGNMENT AND OTHER DOCUMENTS RELATED THERETO SIGNED AND EXECUTED BETWEEN BARANGAY SAN GABRIEL AND THE DEVELOPMENT BANK OF THE PHILIPPINES.

BE IT ENACTED, as it is hereby ENACTED, by the Sangguniang Barangay of San Gabriel, in session assembled that:

SECTION 1. The Punong Barangay Hon. Joseph Petricio P. Salagan, in representation of Barangay San Gabriel, Tuguegarao City, hereinafter referred to as the "Barangay", is hereby authorized to enter into Term Loan with DEVELOPMENT BANK OF THE PHILIPPINES in accordance with Section 297 of Republic Act No. 7160 or the Local Government Code, in the amount of SIX MILLION FIVE HUNDRED THOUSAND (P6,500,000.00) under the terms and conditions herein set forth and such other terms and conditions as may be agreed upon with any person, corporation or entity for the purpose of funding priority project/s, and subject to the requirements under Section 123 of Republic Act No. 7653 as implemented by the Bangko Sentral ng Pilipinas Circular No. 402. In this connection, the Punong Barangay shall have full power and authority to represent the Barangay in negotiating the terms and conditions for the said borrowing and in signing, executing and delivering such agreements, contracts, deeds, papers, and documents as may be necessary and proper for the full and total implementation of the authority herein granted;

SECTION 2. The said priority project herein specified as PURCHASE OF LOT is hereby certified to be a local infrastructure and/or other socio-economic development projects in accordance with the approved local development plan and public investment program for the period ____ or for the current year 2024 of Barangay San Gabriel, Tuguegarao City.

SECTION 3. Consistent with the covering loan contract, deeds and assignment, mortgage contracts, and such other agreements as maybe entered into by the Barangay in connection with the borrowing, the features, terms and conditions shall be as follows and are hereby approved:

3.1 Project Name: Term Loan to finance the purchase of lot per LGU Resolution No. 8 Series of 2024.

- Borrower : Barangay San Gabriel, Tuguegarao City
- Amount : Up to Six Million Five Hundred Thousand Pesos (Php 6,500,000.00) or one hundred percent (100%) of the winning bid price, whichever is lower.
- Purpose : To finance the purchase of lot up to P6.5M or 100% of the Contract Sale/Deed of Sale or LGU Appraisal Valuation, whichever is the lowest, and shall include the transfer fee and registration fee, for the extension of the barangay's multi-purpose building.
- Tenor : Eight (8) years with one (1) year grace period, payable in eighty-four (84) equal monthly amortizations on principal to commence at the end of the 13th month from date of initial drawdown..
- Interest : Fixed for one (1) year at 7.5% p.a. payable monthly commencing at the

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end of the 1st month from date of initial drawdown.

Interest rate shall be reviewable annually based on 1Y BVAL rate plus applicable credit spread of 1.0%. but shall not be lower than 7.5%.

GRT for the account of the Borrower.

Availability : Within one (1) year from date of loan signing of the loan agreement subject to the bank's existing policies and guidelines on revalidation.

Fees :

- Front-end fee is waived.
- Commitment fee is waived.
- Extension fee is waived.
- Default charge – 24% p.a
- Prepayment penalty – 3% of the amount to be prepaid

SECURITY : Continuing Assignment to DBP of the LGU's National Tax Allotment (NTA) with hold-out provision equivalent to three (3) months amortization (to include additional loans) until the loans are fully paid.

GENERAL LOAN CONDITIONS:

1. Any Cost overrun shall be for the account of the LGU.
2. The loan amount shall not go beyond the amount indicated in the Debt-Service and Borrowing Capacity as certified by the BLGF-DOF and as indicated in the MB Opinion.
3. The LGU shall open an account with DBP and maintain a deposit balance equivalent to at least 15% of the total loan amount throughout the term of the loan with hold-out on deposit equivalent to three (3) monthly amortizations and shall be covered by an authority to automatically deduct/debit the amortization for the period against said deposit in the event that the LGU borrower fails to pay the dues on time.
4. The LGU shall include the appropriation for debt servicing of the proposed loan in its annual budget in accordance with the Local Government Code until the loan is fully paid.
5. The LGU to observe compliance to RA 9184 otherwise known as the Government Procurement Reform Act.
6. The proposed project must be included in the LGU's Comprehensive Development Plan/Annual Investment Plan, whichever is available.
7. Subject to the Operating Guidelines as enumerated below:

GENERAL OPERATING GUIDELINES:

- I. DOCUMENTS TO BE SUBMITTED TO LEGAL:
 1. Executed loan and security documents.
 2. Certificate of Borrowing Capacity and Net Debt-Service Ceiling issued by the DOF-BLGF.
 3. Copy of latest DILG Seal of Good Financial Housekeeping (SGFH).
 4. Favorable Monetary Board Opinion.

(Vertical signatures on the left margin)



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5. Letter of Waiver of Confidentiality of investments and deposits, whether in peso or foreign currency.
6. Submission of Borrowing Resolution which includes authorized signatories of the loan, purpose, amount and project scope.
7. The Borrowing resolution should capture the authority to provide and obtain credit information to/from credit bureaus and other banks /creditors as required under RA 9510 and RA 10173, or Data Privacy Act of 2021.
8. Deed of Assignment of deposits with hold-out equivalent to three (3) monthly amortizations and covered by an authority to debit the maturing amortizations and any unpaid obligations.
9. Validated Municipal Ordinance expressly authorizing the following:
 - a) The Punong Barangay to negotiate and enter into a contract of the loan applied for and to assign or otherwise enter into a collateral agreement to secure the payment of the loan applied for.
 - b) Waiver on the confidentiality of investment and bank deposits, whether in peso or foreign currency.
 - c) Ratification of the approved terms and conditions of DBP lending entered into by the Punong Barangay which shall contain a provision that such ratification includes any and all subsequent requests by the LGU for modification/revision and/or amendment to be made on the project as well as on its approved terms and conditions, and which makes the loan a statutory obligation of the LGU, including the following:
 - The LGU to execute the Loan Agreement, Promissory Notes, and other documents relating thereto, and specifically stating that the obligations of the LGU thereunder, as well as the terms and conditions thereof, shall be valid and binding on the LGU and shall not be subject to recall by the SB for the whole term of the loan, regardless of any change in its composition.
 - The continuing assignment of the applicable portion of the LGU's NTA in favor of DBP until the loan is fully paid.
 - The DBP to automatically debit on due date from the LGU's CASA deposit account with DBP to an amount equivalent to the maturing loan amortization until the loan is fully paid.
 - The inclusion of appropriation for debt-servicing in the LGU's annual budget in accordance with the Local Government Code until the loan is fully paid.
 - The undertaking that the LGU will not incur additional obligation/indebtedness without DBP's prior consent.
10. Certification to be issued by the Treasurer or Budget Officer noted by the Punong Barangay stating that:
 - a) All loans of the LGU have been entered into its book of accounts.
 - b) The projects to be financed are included in the LGU's approved local development plan and annual investment plan.
 - c) The source of repayment for the proposed loan with DBP is available and not restricted, and that all related obligations including principal, interest and Gross Receipts Tax payments are duly appropriated for and full provision has been made by the LGU.
 - d) The annual amortization of existing loans or indebtedness are being paid regularly in accordance with the approved amortization schedule and that the total amortizations for all credits inclusive of the DBP loan shall not exceed 20% of the LGU's total annual regular income.
11. Other documents that may be required by law and rules and regulations issued by the competent authority or those required by the approving authorities upon the approval of the loan or those that are determined to be necessary by the Legal Services Group (LSG) Lawyer in order to protect the interest of the Bank.

II. Pre-release conditions:

1. Docs chopped Credit Proposal



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2. Original copy of Notice of Borrowing/Availment or Borrowing Certificate, whichever is applicable;
3. Original copy of the duly executed Promissory Note and Disclosure Statement;
4. Applicable bidding documents. Certification from local BAC that procurement is in accordance with RA 9184 and applicable COA regulations.
5. Payment of DST and other applicable charges.
6. Copy of LGU Appraisal Committee Valuation Report
7. Copy of Notarized Contract to Sell or Deed of Conditional Sale between the LGU and the Seller
8. Road right of way
9. Deed of Undertaking to transfer ownership of property/ies to be acquired under the name of the LGU

III. Specific Release Conditions:

1. One-time release of the loan amount up to P6.5M or 100% of the Contract to Sell or Deed of Conditional Sale between the LGU and the Seller or LGU Appraisal Committee Valuation Report, whichever is lowest, including transfer fee and registration fee.
2. Loan releases shall be credited to the deposit account of the borrower.

IV. Post Release Requirements:

1. Submission of copy of the Transfer Certificate of Title under the name of the LGU, within 180 days after release.
2. Post-borrowing report to BSP within 30 days from final disbursement, copy furnished DBP.
3. *Submission by the AO of the Project Completion report within 60 days from final disbursement.*

SECTION 4. The Barangay hereby appropriates the entire proceeds of the borrowing exclusively to finance PURCHASE OF LOT.

SECTION 5. The Barangay hereby grants its Punong Barangay authority to execute a letter waiving our rights to confidentiality of information by authorizing DBP, our trustee bank and all banks or financial institutions with which we have transactions to disclose to the Bangko Sentral ng Pilipinas (BSP) all information pertaining to the deposits, investments, loans, or other transactions including the history or status of our dealings with said banks or financial institutions and for the BSP to make all inquiries as may be necessary regarding the same.

Furthermore, the BSP is likewise authorized to disclose and share any such information furnished or obtained from said banks or financial institutions to the Department of Finance in relation to the performance by said Department of its functions.

SECTION 6. Any Ordinance or parts thereof, inconsistent with this enactment is hereby repealed or amended accordingly.

SECTION 7. This Ordinance shall take effect upon its publication and compliance with all procedures required under Republic Act No. 7160 of an ordinance for its validity, including the affixation of signatures of the Sanggunian Barangay members, in concurrence thereto, composing at least a majority thereof, out of the total of 8 members, on all the pages of this Ordinance.¹

SO ORDAINED / ENACTED.

RESOLVED FURTHER, that copies of this Ordinance be furnished the Honorable Punong Barangay, the Barangay Accountant, and the Barangay Auditor, all of this Barangay San Gabriel, the **DEVELOPMENT**

¹ In particular, but not limited to, Sections 54-56, 58-59. This includes the chairman's/ mayor's/governor's/local chief executive's signature on all pages.



BAGONG PILIPINAS
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 Province of Cagayan
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BARANGAY SAN GABRIEL

BANK OF THE PHILIPPINES and the Bangko Sentral ng Pilipinas for their information and appropriate action.

ADOPTED this 7TH day of MAY, 2024.

SAN GABRIEL SANGGUNIANG MEMBERS

[Signature]
 Hon. MARCELO C. NARAG
[Signature]
 Hon. DOMINADOR B. TAMAYAO
[Signature]
 Hon. RONALD Q. DAYAG
[Signature]
 Hon. ALBERTO C. BAGUISI

[Signature]
 Hon. EVELYN M. VENTURA
[Signature]
 Hon. REINHARD P. CALLO
[Signature]
 Hon. BENJAMIN A. ASUNCION
[Signature]
 Hon. LANCE AMEER R. MADRID

CERTIFIED TRUE AND CORRECT:

[Signature]
MOHAMMAD AL-NAISSER AL-MAMAUAG
 Barangay Secretary

APPROVED:

Date Approved: MAY 7, 2024

[Signature]
JOSEPH PETRILIO P. SALAGAN
 Punong Barangay

VALIDATED AS CONSISTENT WITH LAW:

JOEL JOSEPH L. EGIPTO, Ph.D.
 Sangguniang Panlungsod Secretary

MAILA ROSARIO TING-QUE Date Validated: _____
 City Mayor