



SUBIC BAY METROPOLITAN AUTHORITY  
EMPLOYEES WELFARE COOPERATIVE  
**TERMS AND CONDITION**



**1. Eligibility Requirements**

The applicant must:

- a. Have completed the Pre-Membership Seminar (PMES)
- b. Be in active service and a member for at least thirty (30) days
- c. Have paid the required minimum shares deposits and membership fee.

**2. Loanable Amount:**

Mini Loan - Php 5,000.00 - 20,000.00  
Emergency Loan - Up to 100,000.00  
Calamity Loan - Up to 80,000.00  
Secured Loan - Up to Total Share Deposit  
Salary Loan - Up to 50,000.00  
Educational Loan - Up to 100,000.00  
Consol Loan - Up to 300,000.00

**Interest Payment:**

1% Per Month for Mini Loan;  
4% Per Annum for Emergency Loan;  
5% Per Annum for Calamity Loan;  
6% Per Annum for Secured Loan;  
8% Per Annum for Other Loans

**3. Due Date of First Weekly/Bi-weekly/Monthly and Succeeding Weekly/Bi-weekly/Monthly Amortizations**

If the loan is granted on or a week before payroll period, the first and succeeding weekly/bi-weekly/monthly amortizations shall be due on the following payroll period and every week/bi-week/month thereafter until the loan is fully paid.

**4. Service Fee**

A service fee of 2% of the gross loan shall be deducted from the proceeds of the loan.

**5. Members Benefit Fund**

The approved loan shall at all times, during its term, be automatically covered by a **Members Benefit Fund**, the corresponding premium of P1.00 for every thousand per month shall be deducted from the loan proceeds. Should the borrower die or become permanently and totally disabled while this loan is still outstanding, the theoretical balance of the loan (the balance of the loan if the borrower consistently pays the weekly/bi-weekly/monthly installment on or before the due dates) as of the date of death or disability of the borrower shall be deemed paid.

**6. Maturity of the Loan**

This loan automatically matures upon retirement and/or separation; (a) the borrower's outstanding loan shall become due and demandable; (b) the borrower hereby agrees to **deduct any outstanding obligation from the final pay and in case the final pay is not sufficient, the borrower shall pay directly the remaining balance to the cooperative or the co-maker shall be charged accordingly.**

**7. Renewal of Loan**

The borrower shall have paid at least 50% of the original principal amount of previous loan in order to qualify for a new loan. Unpaid balance of the previous loan shall be deducted from the new loan.

**8. Loan Pre-termination**

The borrower may pre-terminate the loan during its term subject to the full payment of outstanding balance of the principal amount and other charges, if any.

**9. Loan Cancellation**

Once the loan is approved and the loan proceeds have been released through check, the borrower has no more option to cancel the loan but only to pre-terminate it by paying the full amount of the outstanding balance including accrued interest, if any, without any right to demand for reimbursement of service fee and such other fees that might have been collected under such loan.

**10. Surcharges and Penalties**

Surcharge of one percent (1%) shall be imposed on every unpaid installment on the loan, or any portion thereof, for every month of delay until the same is fully paid. A penalty of two percent (2%) per month shall be charged for past due amortizations.

**11. Co-Maker**

In the event the Co-maker is terminated/separated from the service, the member/borrower shall submit to the Cooperative a qualified and acceptable replacement of the Co-maker for the loan as determined by the Cooperative within ten (10) days from the termination/separation of the Co-maker from the service of his/her employer. Failure to do so shall constitute an event of default hereunder.

**12. Events of Default**

The following shall be considered events of default:

- a. Failure of the borrower to pay three (3) monthly amortizations, which may not necessarily be consecutive.
- b. Material misrepresentation in this loan application committed by the borrower.
- c. Failure of the borrower to comply, perform or observe any other provision, term, condition under this loan agreement.
- d. Dismissal from service with forfeiture of benefits.

**13. Consequences of Default**

If an event of Default occurs and continues to occur, the SBMA-EWMPCC may, at its option declare the entire principal amount of this loan including all interest and other charges, to be due and payable without need of demand or further notice, all of which the borrower expressly waives. Further, all loan privileges of the member/borrower shall also be suspended, except when the proceeds of the new loan shall be used to settle the arrearages thereon.

**14. Attorney's Fees**

Should the SBMA-EWMPCC be compelled to refer the loan or any portion thereof to an Attorney-at-Law for collection or to enforce any right hereunder against the borrower or avail of any remedy under the law or this agreement, the borrower shall pay an amount equivalent to twenty-five (25%) (to ask Atty. Chof for possible lowering of percentage) percent of all amounts outstanding and unpaid as attorney's fees and litigation expenses.

**15. Venue**

Any legal action, suit, or proceeding arising out or relating to this agreement, shall be brought or instituted in the appropriate courts in the City of Olongapo to the exclusion of all other courts.

**16. Transfer/Change of Office**

If the member/borrower transferred or seconded to any government office/agency, he/she shall pay in full the unpaid balance directly to the Cooperative.

**17. Notices**