

TERMS AND CONDITIONS

- 1. SPECIAL INDIVIDUAL LOAN.** Loan extended to members who are not employed but are receiving regular monthly income from monthly PENSIONS, ALLOTMENT from family members INVESTMENTS or PRACTICE of PROFESSION.
- 2. TYPES.** The types of Special Individual loans are:
 - a. Pension Loan
 - b. Allotment Loan
 - c. Professional Loan
- 3. AMOUNT OF LOAN.** The loanable amount shall not go beyond the maximum limit set by the COOP for the installment period after taking into consideration the payment of principal, interest, LRI and hospital care premiums.
- 4. PERIOD OF AVAILMENT.** The Special Individual Loan can be availed of by the member any time in a given year.
- 5. INSTALLMENT PERIOD.** The loan installment period of the respective Special Loans are as follows:
 - a. Pension Loan – minimum of 12 and maximum of 24 months
 - b. Allotment Loan – maximum of 12 months
 - c. Professional Loan – maximum of 24 months
- 6. INTEREST.** Interest on the loan shall be 12% straight line per annum.
- 7. ADVANCE PAYMENT.** Any payment made in excess of the required monthly amortization shall be first applied to the interest due for the next amortization period before application to the principal. If the borrower opts to advance payment of principal of the succeeding month, he/she pays the principal amount plus the interest for the said succeeding amortization period.
- 8. SERVICE FEES.** Loans are subject to the required Service Fees computed from a certain percentage of the approved loan. Service Fee for Agency Salary Loan shall be 1.5%.
- 9. DEDUCTIONS.** The proceeds of the loan is subject to deductions for payment of service fees, bank charge, computer fee, LRF, overdue amortizations, outstanding loan balances and whole balance of Mutual Medical Assistance Fund.
- 10. RENEWAL.** Loans can be renewed at any time, provided, however, that it will result in positive zero or in a net balance after allowing for the above deductions.
- 11. PRE-TERMINATION.** If the Borrower is NOT IN DEFAULT at the time of full settlement, the Borrower shall settle the Loan by paying: (i) the outstanding principal balance; (ii) interest accrued up to the date of settlement; (iii) penalties, if any; (iv) other applicable charges; and (v) fifty percent (50%) of the interest that would otherwise be payable for the remaining unexpired term of the Loan.

If the Borrower is IN DEFAULT at the time of full settlement, the Borrower shall not be entitled to the fifty percent (50%) interest discount and shall pay one hundred percent (100%) of the interest that would otherwise be payable for the remaining unexpired term of the Loan, in addition to the amounts set forth above.

- 12. DELAY.** Amortizations shall be considered Delayed and Overdue if no payment is received within 30 days from their due date. Delayed and overdue amortizations will incur penalties at the rate of 1% a month compounded monthly. Any payment in excess of the monthly amortization shall be applied first to penalties, then accrued interest, and thereafter to principal
- 13. DEFAULT.** The loan shall be in default if no payment is received for three (3) consecutive months without need of notice or demand to the borrower. The entire outstanding principal, interest computed up to the end of the loan term, penalties, and other charges, if any, at the time of default shall immediately become due and demandable. The newly computed balance will incur 1% penalty.

If the borrower wishes to update his account status into active, the borrower shall pay all the outstanding principal due, accrued interest, and penalties up to date of payment, plus two (2) months advance amortization, subject to an undertaking required by the Cooperative. The borrower may only update his account once.

- 14. CONSEQUENCIES OF DEFAULT.** Loans in default will result in the following:
 - a. Borrower will cease to be a bona fide member and will be disqualified from availing of any loan facility with the COOP, including the privilege of receiving patronage refund and dividends.
 - b. His share capital will be attached in payment of his loan and any amount due to the borrower from the COOP in any form such as deposits, interests, patronage refund, dividends and the like will be applied as payment, inclusive of interests and penalties.
 - c. The loan in default will be a lien over his bank deposits or to any compensation he is entitled to receive from his employer whether as salary or the commutation of his leave benefits.
 - d. The member's name will be forwarded to the Credit Information Corporation, a government corporation established pursuant to law so that his name and his loan in default will be registered in its computerized registry for information and guidance by participating banks and other financial and lending institutions.
 - e. The member will face a civil action for collection before the courts.
- 15. NOTICES.** Notices regarding the salary loan applied for will be sufficient and binding notice if they are sent to the member through his cellphone number or social account, or postal address in his application.