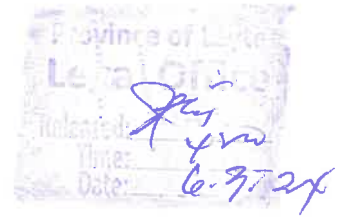


Item No.: 07
Date: 04 2024 JUN

Republic of the Philippines
PROVINCE OF LEYTE
Palo, Leyte


PROVINCIAL LEGAL OFFICE

2nd INDORSEMENT
May 30, 2024



Respectfully returned to the Sangguniang Panlalawigan of Leyte, through the SP Secretary, the attached Ordinance No. 24-07 of the Sangguniang Bayan of Burauen, Leyte, recommending for the declaration of its validity, pursuant to its power under Section 56 (C) of R.A. 7160, to the opinion of the Provincial Legal Office (PLO), an exercise of the power authorized under Section 297(a)¹ of the Local Government Code, provided that the requisites provided by the same is followed.

Furthermore, the opinions rendered herein are without prejudice to opinions rendered by higher authorities.


ATTY. JOSE RAYMUND A. ACOL
Asst. Provincial Legal Officer

¹ **Section 297. Loans, Credits, and Other Forms of Indebtedness of Local Government Units.** -

(a) A local government unit may contract loans, credits, and other forms of indebtedness with any government or domestic private bank and other lending institutions to finance the construction, installation, improvement, expansion, operation, or maintenance of public facilities, infrastructure facilities, housing projects, the acquisition of real property, and the implementation of other capital investment projects, subject to such terms and conditions as may be agreed upon by the local government unit and the lender. The proceeds from such transactions shall accrue directly to the local government unit concerned.

P20

Republic of the Philippines
PROVINCE OF LEYTE
Palo, Leyte

OFFICE OF THE SANGGUNIANG PANLALAWIGAN

Province of Leyte
Legal Office
Received: *Ju*
Date: *5.22.24*

1ST INDORSEMENT
22 May 2024

The Provincial Legal Office is respectfully requested to review and submit recommendations on the herein enclosed **MUNICIPAL ORDINANCE NO. 24-07**, of the **MUNICIPALITY OF BURAUEN, LEYTE**, entitled: **An Ordinance Authorizing the Borrowing of the Municipality of Burauen from the Land Bank of the Philippines for a Term in the Amount of Forty-Eight Million Seven Hundred Thousand Pesos (P48,700,000.00), and Hereby Authorizing the Local Chief Executive, Hon. Juanito E. Renomeron, to Enter Into the Loan Agreement with the Said Bank and to Sign Other Documents Needed for this Purpose.**



FLORINDA JUL S. UYVICO
Secretary to the Sanggunian



Republic of the Philippines
PROVINCE OF LEYTE
MUNICIPALITY OF BURAUEN

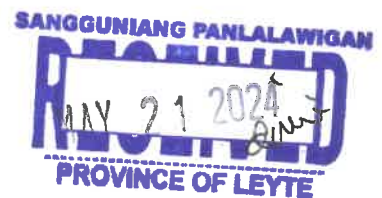


OFFICE OF THE SANGGUNIANG BAYAN

May 21, 2024

THE HONORABLE MEMBERS
Sangguniang Panlalawigan
Province of Leyte

ATTENTION: FLORINDA JILL S. UYVICO
Secretary to the Sanggunian
Province of Leyte
Palo, Leyte



Ladies/Gentlemen:

We transmit herewith 15 copies of **Municipal Ordinance No. 24-07**, of the Sangguniang Bayan of Burauen, Leyte, entitled “**An Ordinance Authorizing the Borrowing of the Municipality of Burauen from the Land Bank of the Philippines for a term in the amount of Forty-eight Million Seven Hundred Thousand Pesos (₱ 48,700,000.00), and Hereby Authorizing the Local Chief Executive, Hon. Juanito E. Renomeron, to Enter into the Loan Agreement with the Said Bank and to Sign Other Documents Needed for this Purpose**”, for review and approval of the body.

Thank you and please acknowledge receipt hereof.

Very truly yours,


ATTY. RUDEJANE S. TAN
Secretary to the Sanggunian



OFFICE OF THE SANGGUNIANG BAYAN

SANGGUNIANG PANLALAWIGAN
MAY 21 2024
PROVINCE OF LEYTE

MUNICIPAL ORDINANCE NO. 24-07

“AN ORDINANCE AUTHORIZING THE BORROWING OF THE MUNICIPALITY OF BURAUEN FROM THE LAND BANK OF THE PHILIPPINES FOR A TERM IN THE AMOUNT OF FORTY-EIGHT MILLION SEVEN HUNDRED THOUSAND PESOS (P48,700,000.00), AND HEREBY AUTHORIZING THE LOCAL CHIEF EXECUTIVE, HON. JUANITO E. RENOMERON, TO ENTER INTO THE LOAN AGREEMENT WITH THE SAID BANK AND TO SIGN OTHER DOCUMENTS NEEDED FOR THIS PURPOSE.”

WHEREAS, the Local Chief Executive, Hon. Juanito E. Renomeron, has requested the enactment of an ordinance regarding the Local Government Unit's approved loan of P48,700,000.00 from the Land Bank of the Philippines;

WHEREAS, the Health and Wellness Center is planned to be a vital resource in providing accessible and quality healthcare services to the residents of the municipality;

WHEREAS, the Health and Wellness Center nears completion and requires essential medical equipment to fulfill its mission of providing comprehensive healthcare services;

WHEREAS, the acquisition of hemodialysis machines and laboratory equipment is imperative to ensure the Health and Wellness Center operates at its full capacity and effectively meets the healthcare needs of our residents; and

WHEREAS, it is imperative to provide the necessary legal framework for the execution of the loan agreement, the allocation of funds for repayment, and the establishment of collateral arrangements in compliance with existing laws and regulations;

NOW, THEREFORE, be it ordained by the Sangguniang Bayan of Burauen, Leyte, in regular session assembled that:

Section 1. AUTHORIZATION FOR LOAN AGREEMENT: The Local Chief Executive (LCE), Hon. Juanito E. Renomeron, is hereby authorized to enter into a LOAN AGREEMENT with the LAND BANK OF THE PHILIPPINES (LBP), in accordance with Section 297 of Republic Act No. 7160 or the Local Government Code of 1991, for a term loan in the amount of FORTY-EIGHT MILLION SEVEN HUNDRED THOUSAND PESOS (P48,700,000.00) under the terms and conditions herein set forth and such other terms and conditions as may be agreed upon with LBP to finance the acquisition of hemodialysis machines and other laboratory equipment. In this regard, the Local Chief Executive shall have full power and authority to represent the Municipality of Burauen 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. TERMS AND CONDITIONS OF THE LOAN:

- A. Borrower: Municipality Government of Burauen
- B. Lender: Land Bank of the Philippines (LBP)
- C. Term Loan Amount: FORTY-EIGHT MILLION SEVEN HUNDRED THOUSAND PESOS (₱48,700,000.00)
- D. Purpose: To finance the acquisition of hemodialysis machines and other laboratory equipment.
- E. Interest Rate: At 6.5% per annum fixed for three (3) years provided the ADB on Deposit is equivalent to 1.1x of the LGU's ADB Loans and cost of fund is 0.05%, and subject to quarterly reprising thereafter (Reference: Applicable previous day's 3M BVAL rate plus a minimum spread of 0.5% or 6.5% per annum, whichever is higher)
- F. Tenor: Seven (7) years inclusive of one (1) year grace period on principal.
- G. Repayment: Principal shall be payable in twenty-four (24) equal quarterly amortizations to start at the end of the 5th quarter from date of initial release. Interest shall be payable quarterly in arrears.
- H. Mode of Release: Loan Release/s for the acquisition of fixed assets shall be in lump-sum or in staggered amount/s per submitted Purchase Order/s, and shall be credited to the account of the LGU with Land Bank.
- I. Other Terms and Conditions:

1. Fees and Charges:

- i. Prepayment fee is waived, except when taken out by other banks in which case a prepayment fee of 2.00% based on outstanding loan balance is charged.
- ii. Handling fee shall be 1/16 of 1%, based on the availed amount.
- iii. Commitment fee shall be ₱150,000.00.
- iv. Other fees and charges shall be based on standard rate.

2. Cost of overruns shall be for the account of the borrower.

3. For legal purposes, it is required that the LGU shall execute an authorization for Land Bank to debit its deposit amount to cover any loan payment as they fall due.

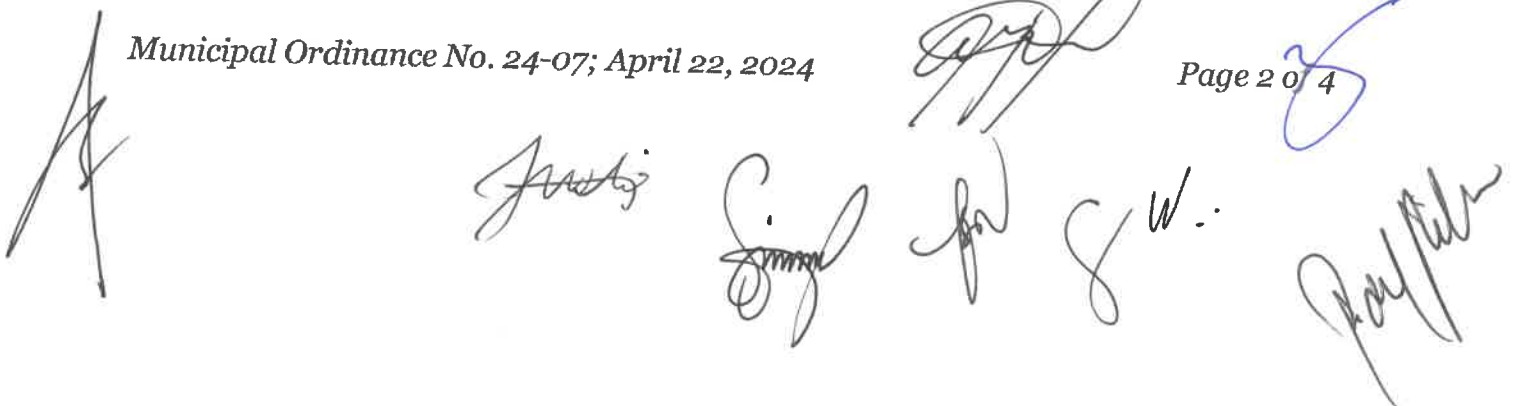
4. All applicable government regulations and requirements (such as the Environmental Compliance Certificate) should be complied with prior to loan release, whenever applicable.

5. The Bank reserves the right to withhold loan releases should there be:

- i. A case filed against the LGU or its officials involving the projects to be financed;
- ii. Adverse findings on the project or object of financing; or
- iii. Withdrawal of the Sanggunian on the authority of the Local Chief Executive to contract this loan.

Municipal Ordinance No. 24-07; April 22, 2024

Page 2 of 4



6. The Borrower shall give consent to Land Bank to disclose credit information about the Borrower to other financial institutions, the Banker's Association of the Philippines-Credit Bureau (BAP-CB) and other credit bureau or institutions.
7. Availability Period: One (1) year from date of loan signing.
8. The Borrower shall designate Land Bank as the LGU's official depository bank for NTA and major depository bank for its other deposits, revenue and collections which designation shall not be revoked while the loan obligations remain outstanding and directing the LGU Secretary to provide a copy of this Resolution to DBM or other NTA administering office.
9. Penalty of 24% per annum, in case of non-payment, to commence on the day immediately following the due date of the loan amortization up to the date of actual settlement.
10. Advance payment on the principal shall be applied in the order of maturity without prepayment fee.
11. The LGU shall be exempt from the endorsement and submission of insurance contracts to Land Bank.

Section 3. ENTRY IN LGU'S BOOKS: The LGU Treasurer and Accountant are directed to enter the loan in the appropriate books of the LGU upon its approval.

Section 4. COLLATERAL AUTHORIZATION: The LGU is hereby authorized to assign its Non-Tax Revenue Allotment (NTA), or any other specified collateral, as security for the loan obtained from Land Bank of the Philippines.

Section 5. APPROPRIATION FOR REPAYMENTS: The necessary amounts for the repayments of the loan, interests, and other charges shall be appropriated in the annual budget of the LGU until full payment thereof.

Section 6. AUTHORIZATION FOR SET-OFF OR DEDUCTION: Land Bank of the Philippines is hereby authorized to set-off or deduct amounts from any deposit or funds of the LGU with Land Bank and apply the same to the payment of the loan, interest, and other amounts due thereon.

Section 7. REPEALING CLAUSE. — All ordinances, resolutions, and rules and regulations or parts thereof which are inconsistent or in conflict with any provision of this Ordinance are hereby deemed repealed or modified accordingly.

Section 8. SEPARABILITY CLAUSE. — If, for any reason, any section or provision of this Ordinance is held unconstitutional or invalid, other sections or provisions hereof which are not affected shall continue to be in full force and effect.

Section 9. EFFECTIVITY: This ordinance shall take effect immediately upon its approval and publication.

ENACTED, this 22nd day of April 2024.

APPROVED UNANIMOUSLY.

Municipal Ordinance No. 24-07; April 22, 2024

Page 3 of 4

CERTIFIED CORRECT:


ATTY. RUDEJANE S. TAN
Secretary to the Sanggunian

ATTESTED:


HON. NOELL P. ALPINO
Vice Mayor/ Presiding Officer


HON. VINCENT G. ENERLAN
Sangguniang Bayan Member


HON. CIPRIANO R. RELATORRES, JR.
Sangguniang Bayan Member

(absent)
HON. HERMENIA C. CAMASIN
Sangguniang Bayan Member


HON. BRYAN R. CINCO
Sangguniang Bayan Member



HON. DEXTER R. SENO
Sangguniang Bayan Member


HON. ROBERT G. DEL PILAR
Sangguniang Bayan Member


HON. EVALE A. CORAL
Sangguniang Bayan Member


HON. OSCAR A. CAGARA
Sangguniang Bayan Member


HON. FE S. RENOMERON
LnB President/ Ex-Officio SB Member


HON. JUSTIN MERP G. ANDRADE
SK Federation President/ Ex-Officio Member

APPROVED:


HON. JUANITO E. RENOMERON
Municipal Mayor



Republic of the Philippines
PROVINCE OF LEYTE
MUNICIPALITY OF BURAUEN



**

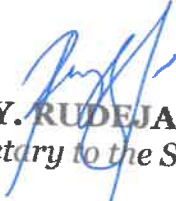
OFFICE OF THE SANGGUNIANG BAYAN

CERTIFICATE OF POSTING

TO WHOM IT MAY CONCERN:

THIS IS TO CERTIFY that **Municipal Ordinance No. 24-07**, of the Sangguniang Bayan of Burauen, Leyte, entitled, **“An Ordinance Authorizing the Borrowing of the Municipality of Burauen from the Land Bank of the Philippines for a term in the amount of Forty-eight Million Seven Hundred Thousand Pesos (₱ 48,700,000.00), and Hereby Authorizing the Local Chief Executive, Hon. Juanito E. Renomeron, to Enter into the Loan Agreement with the Said Bank and to Sign Other Documents Needed for this Purpose”**, was enacted on April 22, 2024, approved on even date, and has been posted in two (2) conspicuous and publicly accessible places of the municipality from *April 24, 2024 to May 3, 2024*, in compliance with Section 59, paragraph (b) of Republic Act No. 7160, otherwise known as the “Local Government Code of 1991”.

Burauen, Leyte, May 15, 2024.


ATTY. RUDEJANE S. TAN
Secretary to the Sanggunian