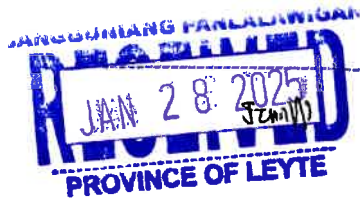




Republic of the Philippines  
**PROVINCE OF LEYTE**  
Provincial Capitol  
Tacloban City

-oOo-

Province of Leyte  
Legal Office  
Date: 1.28.25



**PROVINCIAL LEGAL OFFICE**

**2<sup>nd</sup> INDORSEMENT**

January 9, 2025

Respectfully returned to the Sangguniang Panlalawigan of Leyte, through SP Secretary, the attached Municipal Ordinance No. 174 s. 2025 of the Sangguniang Bayan of San Isidro, Leyte.

**Issues/ concerns for review/ recommendation/ legal opinion is/ are as follows:**

- Municipal Ordinance No. 174 s. 2025 entitled: **“An Ordinance Authorizing the Proposed Borrowing of the Municipality of San Isidro, Leyte, in the Amount of Sixty Million Pesos (P60,000.00) to Fund the Local Priority Development Projects in the Municipality.”**

**REVIEW/RECOMMENDATION/LEGAL OPINION:**

This office is of the opinion that the subject Ordinance is generally in accordance with its power under Section 447(a)(2)(iii)<sup>1</sup> and Section 297<sup>2</sup> of the Local Government Code of 1991 (R.A. 7160). However, this Office notes that in the title of the Ordinance the numerical figure shown is “P60,000.00” which contradicts the number specified in words which is “Six Million Pesos”. Thus, the numerical figure needs to be revised to conform with the number specified in words. Considering the foregoing, further review of said Ordinance is recommended.

We hope to have assisted you with this request. Please note that the opinion rendered by this Office are based on the facts available and may vary or change when additional facts and documents are presented or changed. This opinion is likewise without prejudice to the opinions rendered by higher and competent authorities and/or the courts.

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

<sup>1</sup> (iii) Subject to the provisions of Book II of this Code and upon the majority vote of all the members of the sangguniang bayan, authorize the municipal mayor to negotiate and contract loans and other forms of indebtedness;

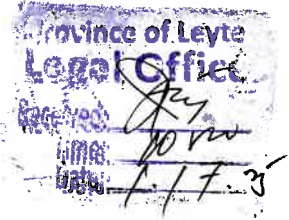
<sup>2</sup> **Section 297. Loans, Credits, and Other Forms of Indebtedness of Local Government Units. -**

(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.


Republic of the Philippines  
PROVINCE OF LEYTE  
Palo, Leyte

**OFFICE OF THE SANGGUNIANG PANLALAWIGAN**

**1<sup>ST</sup> INDORSEMENT**  
15 January 2025



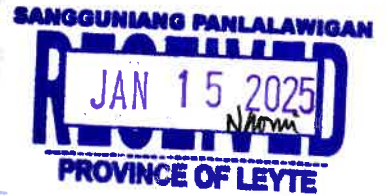
The Provincial Legal Office is respectfully requested to review and submit recommendations on the herein enclosed **MUNICIPAL ORDINANCE NO. 174**, series of 2025 of the **MUNICIPALITY of SAN ISIDRO, LEYTE**, entitled: **An Ordinance authorizing the Proposed Borrowing of the Municipality of San Isidro, Leyte in the amount of Sixty Million Pesos (P60,000.00) to fund the Local Priority Development Projects in the municipality.**

  
**FLORINDA JILL S. UYVICO**  
Secretary to the Sanggunian



Republic of the Philippines  
Region VIII  
Province of Leyte  
**MUNICIPALITY OF SAN ISIDRO**

**16<sup>th</sup> Sangguniang Bayan**



January 15, 2025

**HON. LEONARDO M. JAVIER, JR.**  
Provincial Vice Governor  
Legislative Bldg. Capitol Cmpd.  
Tacloban City

Attn: The Honorable Members of the Sangguniang Panlalawigan/  
Secretary to the Sangguniang Panlalawigan.

**Honorable Ladies and Gentlemen:**

Respectfully submitting herewith 16 copies of the **MUNICIPAL ORDINANCE NO. 174 SERIES OF 2025, "AN ORDINANCE AUTHORIZING THE PROPOSED BORROWING OF THE MUNICIPALITY OF SAN ISIDRO, LEYTE IN THE AMOUNT OF SIXTY MILLION PESOS (P60,000.000.00) TO FUND THE LOCAL PRIORITY DEVELOPMENT PROJECTS IN THE MUNICIPALITY."**, for review and appropriate action by the August Body.

I hope you find everything in order.

Thank you.

Respectfully yours,

**MARIA CARINE R. VILLARINO**  
Secretary to the Sanggunian

Attachment:

- 16 copies M.O. no.174 s. 2025
- LBP Approval
- DF-BLGF-NDSC BC Approval



Republic of the Philippines  
Region VIII  
Province of Leyte  
**MUNICIPALITY OF SAN ISIDRO**

**16th Sangguniang Bayan**

**MUNICIPAL ORDINANCE NO. 174  
Series of 2025**

**AN ORDINANCE AUTHORIZING THE PROPOSED BORROWING OF THE MUNICIPALITY OF SAN ISIDRO, LEYTE IN THE AMOUNT OF SIXTY MILLION PESOS (P 60,000.00) TO FUND THE LOCAL PRIORITY DEVELOPMENT PROJECTS IN THE MUNICIPALITY.**

*Sponsored by: Hon. Hospicio B. Apacible  
Chairperson, Committee on Finance, Budget and Appropriations  
Co-Sponsored by: Hon. Rolando C. Piamonte, Hon. Carmichael L. Villarino  
Hon. Ailene L. Basilan, Hon. Rem Beryl Y. Veloso, Hon. Jerold T. Lumapak,  
Hon. Courtney I. Viola, Hon. Dante R. Rodaje, Hon. Cecilia L. Cabahug and  
Hon. Wildegardo S. Enriquez*

**BE IT ENACTED** by the Sangguniang Bayan of San Isidro, Leyte in session assembled that:

**Section 1. Title.** — The Municipal Mayor, in representation of the Municipality of San Isidro herein after referred to as the "Municipality", is hereby authorized to enter into Term Loan Facility (TL 10) amounting to Ten Million Pesos (P10,000,000.00), Term Loan Facility (TL 11) amounting to Ten Million Pesos (P10,000,000.00), and Term Loan Facility (TL 12) amounting to Forty Million Pesos (P 40,000,000.00) with the Land Bank of Philippines in accordance with Section 297 of Republic Act No. 7160 a.k.a. the Local Government Code of 1991, in the total amount of Sixty Million Pesos (P 60,000,000.00) 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 projects, 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 Municipal Mayor shall have full power and authority to represent the Municipality of San Isidro, Leyte 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

*(Handwritten signatures in blue ink)*

necessary and proper for the full and total implementation of the authority herein granted.

**SECTION 2.** The said local priority development projects herein specified as the following: a.) Water Source Development of the Municipality; b.) Construction of Access Road along Danao Elementary School; and c.) Improvement of Municipal Park (Lagoon) are 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 2024 and for the current year 2025 of the Municipality of San Isidro, Leyte and is supported by a final feasibility study prepared by the Municipal Planning and Development Coordinator which is also hereby approved by the Sangguniang Bayan Resolution No. 2024-218 dated December 16, 2024.

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

**I. Term Loan 10**

Name of Account: Municipal Government of San Isidro, Leyte  
Project: To finance the Water Source Development of the municipality.  
Principal: 10,000,000.00  
Interest: At LANDBANK's prevailing rate at the time of availment, subject to quarterly repricing.  
Term: Fifteen (15) years reckoned from the date of initial drawdown, inclusive of two (2) years grace period on principal repayment.  
Mode of Payment: Principal shall be payable in fifty-two (52) equal quarterly amortizations to start at the end of the 9<sup>th</sup> quarter from date of initial loan release.  
Interest shall be payable quarterly in arrears to start at the end of the first quarter from date of initial loan release.

**II. Term Loan 11**

Name of Account: Municipal Government of San Isidro, Leyte  
Project: To finance the Construction of Access Road along Danao Elementary School.  
Principal: 10,000,000.00  
Interest: At LANDBANK's prevailing rate at the time of availment, subject to quarterly repricing.  
Term: Fifteen (15) years reckoned from the date of initial drawdown, inclusive of two (2) years grace period on principal repayment.  
Mode of Payment: Principal shall be payable in fifty-two (52) equal quarterly amortizations to start at the end of the 9<sup>th</sup> quarter from date of initial loan release.  
Interest shall be payable quarterly in arrears to start at the end of the first quarter from date of initial loan release.

**II. Term Loan 12**

Name of Account: Municipal Government of San Isidro, Leyte  
Project: To finance the Improvement of the Municipal Park(Lagoon)  
Principal: 40,000,000.00  
Interest: At LANDBANK's prevailing rate at the time of availment, subject to quarterly repricing.  
Term: Fifteen (15) years reckoned from the date of initial drawdown, inclusive of two (2) years grace period on principal repayment.  
Mode of Payment: Principal shall be payable in fifty-two (52) equal quarterly amortizations to start at the end of the 9<sup>th</sup> quarter from date of initial loan release.  
Interest shall be payable quarterly in arrears to start at the end of the first quarter from date of initial loan release.

**SECTION 4.** The Municipality hereby appropriates the entire proceeds of the borrowing exclusively to finance LGU-Local Development Project: Water Source Development of the Municipality, Construction of Access Road along Danao Elementary School and Improvement of the Municipal Park (Lagoon).

**SECTION 5.** Any Ordinance or parts thereof, inconsistent with this enactment is hereby repealed or amended accordingly.

**SECTION 6.** 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 Bayan members, on all pages of this Ordinance.

**ENACTED** this, 13th day of January 2025.

ENACTED BY:




**CECILIO C. ECALLA**  
Municipal Vice Mayor  
Presiding Officer

CONFORMED BY:



**CECILIA L. CABAUG**  
SB Member



**JEROLD T. LUMAPAK**  
SB Member





**ROLANDO C. PIAMONTE SR.**  
SB Member



**AILENE L. BASILAN**  
SB Member



**CARMICHAEL L. VILLARINO**  
SB Member

**DANTE R. RODAJE**  
SB Member(absent)



**HOSPICIO B. APACIBLE**  
SB Member



**WILDEGARDO S. ENRIQUEZ**  
SB Member



**COURTNEY I. VIOLA**  
SK Fed. President (absent)

**REM BERYL Y. VELOSO**  
LnB President

I hereby certify to the correctness of the foregoing Municipal Ordinance No. 174 s. of 2025 which was duly enacted by the Sangguniang Bayan of San Isidro, Leyte on its 123rd Regular Session held on January 13, 2025.



**MARIA CARINE R. VILLARINO**  
Secretary to the Sanggunian

APPROVED BY:



**REMEDIÓ B. VELOSO**  
Municipal Mayor

Date approved: 1-14-2025





Republic of the Philippines  
Region VIII  
Province of Leyte  
**MUNICIPALITY OF SAN ISIDRO**

**16<sup>th</sup> Sangguniang Bayan**

## **CERTIFICATION OF POSTING**

### **TO WHOM IT MAY CONCERN:**

THIS IS TO CERTIFY THAT, **MUNICIPAL ORDINANCE NO. 174 SERIES OF 2025, "AN ORDINANCE AUTHORIZING THE PROPOSED BORROWING OF THE MUNICIPALITY OF SAN ISIDRO, LEYTE IN THE AMOUNT OF SIXTY MILLION PESOS (P60,000.000.00) TO FUND THE LOCAL PRIORITY DEVELOPMENT PROJECTS IN THE MUNICIPALITY."**, has been posted in three (3) conspicuous places of the Municipality on January 14, 2025 and shall remain posted within three consecutive week, in compliance to Art.114 of the Rules and Regulations Implementing the Local Government Code of 1991.

Issued this 15<sup>th</sup> day of January 2025 at San Isidro, Leyte.

**MARIA CARINE R. VILLARINO**  
Secretary to the Sanggunian

Noted by:

**HON. CECILIO C. ECALLA**  
Municipal Vice Mayor

cc:file  
mcrv





December 19, 2024

**HON. REMEDIO B. VELOSO**  
Municipal Mayor  
Municipal Government of San Isidro, Leyte  
Municipal Hall, Brgy. Bawod, San Isidro, Leyte

Dear Mayor Veloso:

We are pleased to inform you that Land Bank of the Philippines has approved your request for the establishments of **Term Loan Facility (TL 10)** amounting to **PESOS: TEN MILLION ONLY (P10,000,000.00)**, **Term Loan Facility (TL 11)** amounting to **PESOS: TEN MILLION ONLY (P10,000,000.00)**, and **Term Loan Facility (TL 12)** amounting to **PESOS: FORTY MILLION ONLY (P40,000,000.00)**. The loan is subject to the Bank's standard terms and conditions and to the following specific terms and conditions:

I. Term Loan 10	
Amount	▪ P10,000,000.00 or actual contract price, whichever is lower, but shall not be more than the Net Borrowing Capacity of the LGU per BLGF certification.
Purpose	▪ To finance the Water Source Development of the municipality.
Availability	▪ One (1) year from the date of Term Loan Agreement signing.
Interest rate	▪ At LANDBANK's prevailing rate at the time of availment, subject to quarterly repricing.
Loan Tenor	▪ Fifteen (15) years reckoned from the date of initial drawdown, inclusive of two (2) years grace period on principal repayment.
Repayment	▪ Principal shall be payable in fifty two (52) equal quarterly amortizations to start at the end of the 9th quarter from date of initial loan release. ▪ Interest shall be payable quarterly in arrears to start at the end of the first quarter from date of initial loan release.

II. Term Loan 11	
Amount	▪ P10,000,000.00 or actual contract price, whichever is lower, but shall not be more than the Net Borrowing Capacity of the LGU per BLGF certification.
Purpose	▪ To finance the Construction of Access Road along Danao Elementary School.
Availability	▪ One (1) year from the date of Term Loan Agreement signing.
Interest rate	▪ At LANDBANK's prevailing rate at the time of availment, subject to quarterly repricing.
Loan Tenor	▪ Fifteen (15) years reckoned from the date of initial drawdown, inclusive of two (2) years grace period on principal repayment.
Repayment	▪ Principal shall be payable in fifty two (52) equal quarterly amortizations to start at the end of the 9th quarter from date of initial loan release. ▪ Interest shall be payable quarterly in arrears to start at the end of the first quarter from date of initial loan release.

III. Term Loan 12	
Amount	▪ P40,000,000.00 or actual contract price, whichever is lower, but shall not be more than the Net Borrowing Capacity of the LGU per BLGF certification.
Purpose	▪ To finance the Improvement of the Municipal Park (Lagoon).
Availability	▪ One (1) year from the date of Term Loan Agreement signing.
Interest rate	▪ At LANDBANK's prevailing rate at the time of availment, subject to quarterly repricing.
Loan Tenor	▪ Fifteen (15) years reckoned from the date of initial drawdown, inclusive of two (2) years grace period on principal repayment.
Repayment	▪ Principal shall be payable in fifty two (52) equal quarterly amortizations to start at the end of the 9th quarter from date of initial loan release. ▪ Interest shall be payable quarterly in arrears to start at the end of the first quarter from date of initial loan release.

(632) 8522-0000 | 8551-2200 | 8450-7001  
www.landbank.com

LANDBANK Plaza, 1598 M.H. Del Pilar corner  
Dr. J. Quintos Sts., Malate, Manila, Philippines 1004



*[Handwritten signatures]*



**Other Terms and Conditions:**

**1. Mode of Release**

Loan releases for construction projects shall be on staggered basis, as follows:

First Release – 15% of the approved amount or contract price, whichever is lower.

Succeeding Releases – in tranches via progress billing duly supported by LGU's Accomplishment Report as approved by Local Chief Executive (LCE).

Final Release – minimum of 10% subject to submission of the following:

- a. Certificate of Acceptance by the LCE; and
- b. PVSD/FSSC Inspection/Appraisal Report showing 100% completion.

2. Handling and commitment fees shall be waived. Prepayment shall be allowed and the pre-payment penalty of two percent (2%) shall be waived unless taken-out by other financial institution/banks.

3. Penalty rate of twenty four percent (24%) per annum, in case of non-payment, shall be charged, to start on the day after due date of loan amortization/credit accommodation up to the date of settlement.

4. LANDBANK shall be authorized to debit from the LGUs deposit account with the Bank the amount of amortization due, insurance premium and other charges.

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

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

- a. A case filed against the LGU or its officials involving the projects to be financed.
- b. Adverse findings on the project or object of financing, or
- c. Withdrawal of the Sanggunian on the authority of the Local Chief Executive (LCE) to contract this loan.

7. LANDBANK shall be the LGU's official depository bank of its NTA and major depository bank for its deposits, revenue and collections which designation shall not be revoked while the loan obligation remains outstanding and directing the LGU Secretary to provide a copy of the Resolution to DBM or other NTA administering office.

8. The Borrower shall give its consent to LANDBANK to disclose credit information about the Borrower to other Banks, Financial Institutions, the Banker's Association of Philippines-Credit Bureau and other Credit Bureaus or Institutions.

9. Post-release requirements: The LGU shall submit annually a certification that the proposed source of repayment are available and not restricted by law and its obligations and are appropriated in their respective budget.

10. The BORROWER hereby waives his/her/its rights under applicable laws on bank secrecy and information security existing or may hereafter be enacted, such as Republic Act (R.A.) No. 1405 (The Law on Secrecy of Bank Deposits), R.A. 6426 (Foreign Currency Deposit Act), R.A. 8791 (The General Banking Law), R.A. 10173 (Data Privacy Act), and authorizes the LENDER: (a) pursuant to BSP Circular No. 472 Series of 2005, as amended, and as implemented by BIR Revenue Regulation RR 4-2005, to verify with the Bureau of Internal Revenue (BIR) (or such other taxing authority that may substitute it) in order to establish authenticity of the annual income tax returns and accompanying financial statements and documents or information submitted by the BORROWER, (b) to inquire into any of the deposit accounts or properties maintained by the BORROWER with the LENDER, its parent, subsidiaries or affiliates for the purpose of implementing the Automatic Debit Authorization or set-off provisions, and (c) obtain from or disclose to its parent, subsidiaries, affiliates, or credit bureau any information regarding the BORROWER, the Loan/Line or this Agreement, as the LENDER may deem necessary to exercise its rights under this Agreement or as may be allowed or required by applicable laws, rules and regulations. The BORROWER also hereby authorizes the LENDER to request information on the status of any court case to which he/she/it is a party. Pursuant to R.A. 9510 (Credit Information System Act), the BORROWER finally authorizes the submission of basic credit data in connection with any credit availment from the LENDER to the Credit Information Corporation (or its successor entity) and authorize the latter to provide the same information to the BSP.

(632) 8522-0000 | 8551-2200 | 8450-7001  
www.landbank.com

LANDBANK Plinzo, 1598 M.H. Del Pilar corner  
Dr. J. Quintos Sts., Malate, Manila, Philippines 1004



*[Handwritten signatures]*



**Pre-release Requirements:**

1. A Certificate of the Secretary to the Sangguniang Bayan certifying the Ordinance of the LGU's Sanggunian approving the terms and conditions of the loan and specifically providing for the following:
  - a. Authorizing the LCE to negotiate and enter into a Loan Agreement with LANDBANK, and to execute and deliver any and all promissory notes, deeds of assignments and other necessary documents;
  - b. Directing the LGU Treasurer and Accountant to enter the loan in the appropriate books of the LGU;
  - c. Authorizing the assignment by the LGU of its NTA, or any other specified collateral, as security of the loan;
  - d. Appropriating the amount for the payment of the loan, interest and other charges in the annual budget of the LGU until full payment thereof; and
  - e. Authorizing LANDBANK to set-off or deduct amounts from any deposits or funds of the LGU with LANDBANK and apply the same to the payment of loan, interest and other amounts due thereon.
2. BLGF Certificate of NBC
3. The Borrower shall submit a Monetary Board Opinion of the Bangko Sentral ng Pilipinas (BSP) pursuant to Section 123 of the New Central Bank Act.
4. Provincial validation of the municipality's Ordinance
5. Certification by the Budget, Accountant and Treasurer, as the case may be, of the LGU noted by the LCE that:
  - a. The LGU's equity, amount for repairs and maintenance of the project, insurance premium and the principal and interest payments of the loan, to the extent that these are due for the present year, have been fully appropriated and that full provision has been made by the LGUs for all other obligations;
  - b. That the proposed sources of payments are available and not restricted by law or its other obligations; and
  - c. That the loan shall be entered or has been entered, as the case may be, in the LGU's book of account.
6. Joint Certification by the Bids and Awards Committee Chair and the LCE that the LGU has complied with Republic Act (RA) No. 9184 or 12009 otherwise known as "The New Government Procurement Act", and their respective Implementing Rules and Regulations (IRR), whichever is applicable, as well as COA rules and regulations.
7. Certification from DPWH and DA that the object of financing is not included in their budget.
8. All applicable government regulations and requirements such as the Environmental Compliance Certificate (ECC) should be complied with prior to loan release, whenever applicable.
9. Promissory Note with Deed of Assignment of the NTA and/or regular/recurring revenues of the LGU, as applicable.

**Collateral:**

1. Deed of Assignment of 20% of the LGU's National Tax Allotment.

Should you be agreeable to the above terms & conditions, please indicate your conformity hereof and return this notice immediately to the Bank.

Thank you very much.

*Mary Christine L. Faelnar*  
**DM MARY CHRISTINE L. FAELNAR**  
Head, Southern Leyte Lending Center

Conformè: Municipal Government of San Isidro, Leyte

By:

**HON. REMEDIO B. VELOSO**  
Municipal Mayor

Date: \_\_\_\_\_

(632) 8522-0000 | 8551-2200 | 8450 7001  
www.landbank.com

LANDBANK Plaza, 1598 M.H. Del Pilar corner  
Dr. J. Quintos Sts., Malabon, Manila, Philippines 1004



# Approved Certification of Net Debt Service Ceiling (NDSC) and Borrowing Capacity (BC) of Municipality of San Isidro, Leyte

BLGF Central Records (records@blgf.gov.ph)  
gu.sanisidroleyte@yahoo.com; victorcasas650@yahoo.com  
oedrecords@blgf.gov.ph; gg.delatorre@blgf.gov.ph; southernleytelc@landbank.com;  
mbopinion\_der@bsp.gov.ph; drieza@dof.gov.ph; rl.bobis@blgf.gov.ph; dc.santos@blgf.gov.ph  
Thursday, January 9, 2025 at 04:50 PM GMT+8

Mr Mayor VELOSO:

Good day!  
It is to officially transmit the herein attached Letter, Certification, and Memorandum signed by the BLGF Executive Director, relative to the loan application of the Municipality of San Isidro, Leyte.  
We respectfully request you, together with the Local Treasurer and the designated LGU representative/s, as well as the concerned Bank Officer/s, who are copied in this email, to accomplish the BLGF Customer Satisfaction Survey, via [blgf.gov.ph/cssl](mailto:blgf.gov.ph/cssl), so we can continuously improve our service delivery.  
Please acknowledge receipt hereof. Thank you.

### BLGF CENTRAL RECORDS

Bureau of Local Government Finance  
8F EDPC Bldg., BSP Complex, Roxas Blvd., Manila

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BLGF - NDSC BC - Municipality of San Isidro, Leyte - 2 Jan 2025 - Approved.pdf  
247.5kB



Republic of the Philippines  
DEPARTMENT OF FINANCE  
**BUREAU OF LOCAL GOVERNMENT FINANCE**  
8F EDPC Bldg., Bangko Sentral ng Pilipinas Complex, Roxas Blvd. cor. P. Ocampo Sr. St., 1004, Manila  
[blgf.gov.ph](http://blgf.gov.ph) | [records@blgf.gov.ph](mailto:records@blgf.gov.ph)



January 2, 2025

**HON. REMEDIO B. VELOSO**  
Municipal Mayor  
San Isidro, Leyte  
via [lgu.sanisidroleyte@yahoo.com](mailto:lgu.sanisidroleyte@yahoo.com)

**Subject : Certification of Net Debt Service Ceiling (NDSC) and Borrowing Capacity (BC)**

Dear Mayor Veloso:

We transmit herewith the **Certification of NDSC and BC** of the **Municipality of San Isidro, Leyte**, relative to its loan application with the Land Bank of the Philippines (LBP).

Please take note that that Municipality through its Municipal Treasurer should regularly report to this Bureau the status of its loan application/s, releases, and payments.

Further, it is advised that the priority projects thereof to be funded by the loan being applied for, and the final amortization schedule to be adopted thereon, should be in accordance with the statutory limitations under Section 324(b) of the Local Government Code of 1991, to avoid committing any breach during the repayment period.

Finally, for us to continuously enhance our services, we appreciate the accomplishment of the BLGF Citizen/Client Satisfaction Survey, via [blgf.gov.ph/css/](http://blgf.gov.ph/css/), which can be accessed directly by scanning the QR Code provided herein.



Thank you.

Very truly yours,



*Consolacion Q. Agcaoli*  
**CONSOLACION Q. AGCAOLI**  
Executive Director

CERTIFICATE NO. 08-2024-11-399

**CERTIFICATION**

In accordance with existing rules and regulations, and based on the financial statements submitted and representations made, the **NET DEBT SERVICE CEILING (NDSC)** and the **BORROWING CAPACITY (BC)** for **FISCAL YEAR 2024** of the **MUNICIPALITY OF SAN ISIDRO, LEYTE**, are hereby **CERTIFIED\***, as follows:

<b>NDSC</b>	<b>Nineteen Million Seven Hundred Forty-Eight Thousand Pesos</b>	<b>Php19.748 M</b>
<b>BC</b>	<b>One Hundred Sixty-Nine Million Eight Hundred Thirty-Three Thousand Pesos</b>	<b>Php169.833 M</b>

**Details of Loan Application**

<b>Lending Institution</b>	Land Bank of the Philippines
<b>Repayment Period</b>	Fifteen (15) years
<b>Grace Period</b>	Two (2) years
<b>Interest Rate</b>	6.50% per annum
<b>Loan Purpose</b>	1. Improvement of Municipal Park (Lagoon), Municipal Baywalk, in Barangay Bawod; 2. Construction of a local access road along Danao Elementary School in Sitio Danao, Barangay Basud; and 3. Water sourced development (Level III) in Barangay Linao
<b>Loan Requirement</b>	Php60.000 M

This Certificate shall be effective for one (1) year after issuance, unless otherwise sooner revoked due to the change of terms and conditions, financing institution, or inclusion of additional project/s, and such other circumstances that may alter the content or integrity of the details provided herein.

The Municipality shall obtain all necessary approvals and authorizations, including the Sangguniang Bayan Resolution, expressly authorizing the Municipal Mayor to negotiate and enter into a contract for the purposes of securing the loan and the duly approved Annual Investment Plan for the current year covering the projects to be funded by the loan, and shall ensure compliance with the procurement law, rules, and regulations.

Issued on January 2, 2025, in the City of Manila.



*Consolacion Q. Agcaoili*  
**CONSOLACION Q. AGCAOILI**  
Executive Director

**\*Remarks:**

1. Computed per Section 324b of the Local Government Code and DOF Department Order No. 054.2016.
2. Upon verification with the concerned lending institution/Sanggunian Resolution of the LGU.
3. This Certification is not to be construed as an approval by this Office of the LGU project/s and its loan application with any financing institution.
4. This Certification is not to be construed as an approval for the LGU to open and maintain an account in banks other than the authorized government depository banks, which is covered by Department Circular No. 003.2022 amending Section 5.2 of DC 002-2022. Otherwise, the LGU shall seek prior approval from the BLGF to open and maintain depository accounts in banks other than those listed in the said DOF policy.
5. This Certification is free of charge. This Bureau has not authorized anyone, directly or indirectly, to collect or receive any amount or consideration for the purpose of this certification or related activities.

- NOT VALID WITHOUT CERTIFICATE NUMBER OR IF THERE ARE ALTERATIONS -

CNDSCBCO

**NET DEBT SERVICE CEILING AND BORROWING CAPACITY**  
**FY 2024**  
**Municipality of San Isidro, Leyte (5th Class)**  
(In Thousand Pesos)

Year	Average Locally Sourced Income	Average Other Shares from National Tax Coll.	National Tax Allotment (NTA)	Annual Regular Income (ARI)	Maximum Debt Service Capacity	Annual Amortization of Existing Loans (Principal + Interest)	Net Debt Service Ceiling	Borrowing Capacity
(1)	(2)	(3)	(4)	(2) + (3) + (4) (5)	(5) x 20% (6)	(7)	(6) - (7) (8)	(8) x 8.6 (9)
2024	13,534	-	150,725	164,259	32,852	13,104	19,748	169,833

- Note:
- 1) **Maximum Debt Service Capacity** is computed in accordance with Sec. 324b of the LGC, which is 20% of the Annual Regular Income (ARI).
  - 2) **Annual Regular Income for FY 2024** is determined based on the Average Locally Sourced Income and Other Shares from National Tax Collection for the past 3 years plus FY 2024 Final NTA DBM computation.
  - 3) **Annual Amortization of Existing Loans** were based on the availed loans with the Land Bank of the Philippines as certified by Mr. Victor Q. Casas Jr., Municipal Treasurer.
  - 4) **Borrowing Capacity** is computed based on the annuity factor of 8.600 (13 years @ 6.50%).

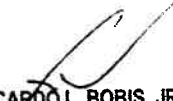
Prepared by:

  
**ROSANNA E. SALVADOR**  
Statistician III

Reviewed and Certified Correct by:

  
**DANIEL C. SANTOS**  
OIC Chief, LI/MED

Noted by:

  
**RICARDO L. BOBIS, JR.**  
Director II, LFPS