



Republic of the Philippines
PROVINCE OF LEYTE
Provincial Capitol
Tacloban City

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PROVINCIAL LEGAL OFFICE

Item No.: 31

Date: 11 2025 MAR

Province of Leyte
Legal Office

2nd INDORSEMENT

February 24, 2025

Respectfully returned to the Sangguniang Panlalawigan of Leyte, through SP Secretary, the attached Ordinance No. 110-25 of the Sangguniang Bayan of Leyte, Leyte.

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

- Ordinance No. 110-25 entitled: **"An Ordinance approving and ratifying the Loan Agreement between the Land Bank of the Philippines, etc."**

REVIEW/RECOMMENDATION/LEGAL OPINION:

This office is of the opinion that the subject Ordinance is generally in accordance with its power under Section 297(a)¹ of the Local Government Code of 1991 (R.A 7160). Hence, we recommend for the declaration of its validity.

We hope to have assisted you with this request. Please note that the opinion rendered by this Office are based on 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

¹ (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.

Item No.: 31
Date: 11 2025 MAR


Republic of the Philippines
PROVINCE OF LEYTE
Palo, Leyte
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OFFICE OF THE SANGGUNIAN PANLALAWIGAN

1ST INDORSEMENT
06 February 2025

Office of Leyte
Office
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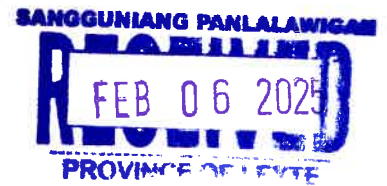
The Provincial Legal Office is respectfully requested to review and submit recommendations on the herein enclosed **Municipal Ordinance No. 110-25** of the **Municipality of Leyte, Leyte**, entitled: **An Ordinance approving and approving the Loan Agreement between the Land Bank of the Philippines and the Municipal Government of Leyte involving an amount of Ninety-Five Million Pesos (P95,000,000.00) to fund for the priority projects of the Municipality of Leyte under the ten year development program.**


FLORINDA JILL SYUYVICO
Secretary to the Sanggunian



Republic of the Philippines
MUNICIPALITY OF LEYTE
LEYTE
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Office of the Sangguniang Bayan



1st ENDORSEMENT
February 5, 2025

Respectfully forwarded to the Honorable Sangguniang Panlalawigan in session, through the Sangguniang Panlalawigan Secretary, Province of Leyte, Palo, Leyte, the herein **Municipal Ordinance No. 110-25 Entitled "AN ORDINANCE APPROVING AND RATIFYING THE LOAN AGREEMENT BETWEEN THE LAND BANK F THE PHILIPPINES AND THE MUNICIPAL GOVERNMENT OF LEYTE INVOLVING AN AMOUNT OF NINETY FIVE MILLION PESOS (PHP95,000,000.00) TO FUND FOR THE PRIORITY PROJECTS OF THE MUNICIPALITY OF LEYTE UNDER THE TEN YEAR DEVELOPMENT PROGRAM**

Attached herewith are the following :

1. Municipal Ordinance No.110-25
2. Loan Agreement
3. Certificate of Net Debt Service Ceiling & Borrowing Capacity
4. Certificate of Posting


VILMA D. COMBATE
SB Secretary



Republic of the Philippines
MUNICIPALITY OF LEYTE
LEYTE
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Office of the Sangguniang Bayan

EXCERPT FROM THE MINUTES OF THE REGULAR SESSION BY THE SANGGUNIANG BAYAN HELD ON JANUARY 13, 2025 AT THE SB SESSION HALL, MUNICIPAL BUILDING, LEYTE, LEYTE

Present:

Hon. Armando M. Ysidoro,	-----	Mun. Vice Mayor
Hon. Paquito D. Pelipel, Jr.	-----	SB Member
Hon. Lileth I. Gatchalian,	-----	-do-
Hon. Edward Jay A. Durante,	-----	-do-
Hon. Rowil G. Batan,	-----	-do-
Hon. Aida A. Delantar,	-----	-do-
Hon. Alex A. Dagandan,	-----	-do-
Hon. Eulogio E. Capacio,	-----	-do-
Hon. Gualberto G. Meracap,	-----	-do-
Hon. Jerry G. Apacible,	-----	Liga ng Mga Barangay President

Absent:

Hon. Nellie Grace D. Dandan,	-----	SK Fed. President (On leave of Absence)
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MUNICIPAL ORDINANCE NO 110-25

AN ORDINANCE APPROVING AND RATIFYING THE LOAN AGREEMENT BETWEEN THE LAND BANK OF THE PHILIPPINES AND THE MUNICIPAL GOVERNMENT OF LEYTE INVOLVING AN AMOUNT OF NINETY FIVE MILLION PESOS (PHP 95,000,000.00) TO FUND FOR THE PRIORITY PROJECTS OF THE MUNICIPALITY OF LEYTE UNDER THE TEN YEAR DEVELOPMENT PROGRAM

Authors: Hon. Lileth I. Gatchalian
Hon. Rowil G. Batan

BE IT ENACTED, as it is hereby ENACTED, by the Sangguniang Bayan of Leyte, Leyte in session assembled that:

SECTION 1. TITLE. This ordinance shall be known as, “AN ORDINANCE APPROVING AND RATIFYING THE LOAN AGREEMENT BETWEEN THE LAND BANK OF THE PHILIPPINES AND THE MUNICIPAL GOVERNMENT OF LEYTE INVOLVING AN AMOUNT OF NINETY FIVE MILLION PESOS (PHP 95,000,000.00) TO FUND FOR THE PRIORITY PROJECTS OF THE MUNICIPALITY OF LEYTE UNDER THE TEN YEAR DEVELOPMENT PROGRAM”.

SECTION 2. RATIFICATION. The Loan Agreement, promissory note with Deed of Assignment of Internal Revenue Allotment, and other legal documents of the loan facility entered into by and between the Municipal Government of Leyte, Leyte represented by its Municipal Mayor, Hon. Arnold James M. Ysidoro and Land Bank of the Philippines, represented by DM Mary Christine L. Faelnar, Head – Southern Leyte Lending Center, are hereby ratified.

SECTION 3. IDENTIFIED PROJECTS TO BE FUNDED BY THE LOAN. Consistent with the covering contract, deeds and assignment, mortgage contracts, and such other agreements as maybe entered into by the Municipality in connection with the borrowing, the features, terms and conditions shall be as follows and are hereby approved:

Handwritten signatures and initials are present throughout the document, including a large signature on the left margin, a signature on the right margin, and several signatures at the bottom of the page.

NAME OF PROJECTS	LOCATION	PROJECT COST/ABC
1. Concreting of Barangay Ugbon to Sito Lumboy road	Barangay Ugbon, Leyte, Leyte	PHP5,000,000.00
2. Construction of Concrete Pavement that passes through Telesforo Calda National High School	Barangay Salog, Leyte, Leyte	PHP5,000,000.00
3. Rehab/Construction of Public Market	Barangay Poblacion, Leyte, Leyte	PHP5,000,000.00
4. Construction of 2-Storey Commercial Building	Barangay Poblacion, Leyte, Leyte	PHP35,000,000.00
5. Improvement of Level III Water System	Barangay Poblacion, Leyte, Leyte	PHP45,000,000.00

SECTION 4. AUTHORITY OF LANDBANK. The Land Bank is hereby authorized to deduct for set-off and/or deduct amounts from general funds (20% IRA) of the LGU with Land Bank and apply the same to the payment of the loan or any portion thereof, or interest and penalties thereon as may be deemed necessary by the bank subject to auditing rules and procedures.

SECTION 5. COLLATERAL/SECURITY. It is hereby authorized the assignment of the 20% Internal Revenue Allotment (IRA) as collateral/ security to the loan obtained, and declaring them available and not restricted by law or its other obligation.

SECTION 6. DESIGNATION AS THE LGU'S OFFICIAL DEPOSITORY BANK. The Land Bank of the Philippines is hereby designated as the LGU's official depository bank for IRA and major depository bank for its other deposits, revenue, and collections during the duration of the loan.

SECTION 7. ALLOCATION OF FUNDS IN THE ANNUAL BUDGET. The local Government Unit of Leyte shall allocate funds of the following in the annual budget, viz:

- a) Loan repayment until principal, interest, and other charges are fully paid;
- b) The required LGU's equity;
- c) The repairs and maintenance of the projects;
- d) The insurance premium payments; and
- e) Other statutory and contractual obligations

SECTION 8. MISCELLANEOUS PROVISIONS.

1. The Municipal Government of Leyte shall commit not to contract to other loans/credit facility with other creditor banks so as not to impair the LGU's paying capacity for the duration of the loan;
2. Direct the Municipal Treasurer and the Municipal Accountant to enter the loan in appropriate books of the LGU;
3. Provide a copy of this ordinance to the Department of Budget and Management or other IRA administering Office;
4. A Certificate of Net Borrowing (CNB) must be secured from the Bureau of Local Government Finance (BLGF);
5. The Municipal Government of Leyte, Leyte shall annually submit to Land Bank a certification that the sources of repayment are available and not restricted by law and its obligations are appropriated in the annual budget;
6. Submit to the Land Bank a joint certification by the BAC Chairman and the Local Chief Executive certifying that the LGU has complied with the provisions of RA 9184 as well as COA rules and regulations;
7. Waiving the confidentiality of information on investment/bank deposits.
8. Monetary Board opinion must be secured from Bangko Sentral ng Pilipinas

SECTION 9. SEPARABILITY CLAUSE. Is any part of this Ordinance is declared invalid, unconstitutional, or unlawful, such declaration shall not affect or impair the remaining provisions, sections, or parts thereof, which shall remain or continue to be in full force and effect.

SECTION 10. EFFECTIVITY. This Ordinance shall take effect immediately upon approval and copies hereof have been posted in three conspicuous places in the municipality, and shall remain in full force and effect until the loan has been fully paid.

Enacted this 13th day of January 2025, at Leyte, Leyte Philippines.


PAQUITO D. PELIPEL, JR.
SB Member


LILETH I. GATCHALIAN
SB Member


EDWARD JAY A. DURANTE
SB Member

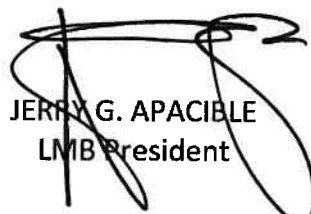

ROWIL G. BATAN
SB Member


AIDA A. DELANTAR
SB Member


ALEX A. DAGANDAN
SB Member


EULOGIO E. CAPACIO
SB Member


GUALBERTO G. MERACAP
SB Member


JERRY G. APACIBLE
LMB President

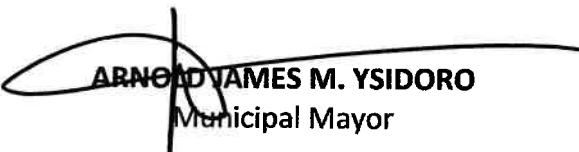
Certified Correct:

Attested:


ARMANDO M. YSIDORO
Municipal Vice Mayor
Presiding Officer


VILMA D. COMBATE
Secretary to the Sanggunian

Approved:


ARNOLD JAMES M. YSIDORO
Municipal Mayor

LOAN AGREEMENT

This Loan Agreement is made and executed by and between **LAND BANK OF THE PHILIPPINES**, a government financial institution created and existing under and by virtue of the provisions of Republic Act No. 3844, as amended, with principal office at LandBank Plaza 1598, M.H. del Pilar corner Quintos Streets, Malate, Manila (the "Lender") and the Borrower as specified in the Special Conditions.

PART I – GENERAL CONDITIONS

Article 1. DEFINITIONS

1.1 Defined Terms

"Agreement" means this Loan Agreement inclusive of the General Conditions and Special Conditions, respectively.

"Assignment" means the assignment by the Borrower of its IRA as may be delivered pursuant to Section 5.1.

"Availability Period" means the period when the Loan may be availed by the Borrower as specified in this Agreement, which begins on the date of approval of the Loan by the Lender and ending on the earliest of (i) the date the Loan is initially drawn by the Borrower, or (ii) the date the Loan is cancelled or terminated in accordance with the provisions of this Agreement.

"Banking Day" means a day, other a Saturday, Sunday or non-working legal holiday, on which banks and other financial institutions are open for business in Metro Manila.

"BIR" means the Bureau of Internal Revenue.

"COA" means the Commission on Audit.

"Event of Default" means an event specified as such in Section 8.1.

"IRA" means the internal revenue allotment of a local government unit.

"Loan" means the aggregate principal amount of the drawdowns granted by the Lender to the Borrower hereunder, or as the context may require, the amount thereof then outstanding;

"Loan Documents" means collectively its Agreement, the Notes, the Assignment and all other agreements or documents required or contemplated hereunder, as the same may be amended from time to time.

"Note" means the promissory note of the Borrower evidencing the borrowing.

"Project" means the project or object of financing to which the loan proceeds shall be used as indicated in the Special Conditions.

"Special Conditions" means the Special Conditions of Contract constituting Part II of this Agreement.

"Taxes" means any and all present and future taxes (including, but not limited to documentary stamp or value added taxes), fees or charges, of any kind and nature, imposed by the Republic of the Philippines or any political subdivision or taxing authority thereof.

1.2 Construction

Unless the context otherwise requires, the capitalized terms in this Agreement shall have the meaning ascribed to them in the General Conditions or in the Special Conditions. The headings in this Agreement are inserted for convenience of reference only and shall not limit or affect the interpretation of the provisions hereof. Unless the context otherwise requires, words denoting the singular shall include the plural and vice versa, words denoting the masculine gender shall include the feminine gender and words denoting persons shall



include individuals and juridical entities. Unless otherwise provided therein, all terms of accounting used herein shall be construed in accordance with generally accepted accounting principles in the Republic of the Philippines on the date applied. Any reference to "days" shall mean calendar days, unless the term "Banking Days" is used.

ARTICLE 2. LOAN AMOUNT AND TERMS

2.1 Loan Amount

The Lender agrees to grant the Loan to the Borrower in the aggregate principal amount as specified in the Special Conditions.

2.2 Availability

The Loan shall be available for drawdown by the Borrower within the Availability Period. The obligation of the Lender to allow drawdown shall terminate upon expiration of the Availability Period without any drawdown being made.

2.3 Use of Proceeds

The Borrower agrees that the proceeds of the Loan shall be used exclusively for the purpose of financing the Project as specified in the Special Conditions.

2.4 Release of Proceeds

The Loan shall be released in the manner prescribed in the Special Conditions.

2.5 Notes

Each drawdown shall be evidenced by a Note which, once executed, shall be complemented by the terms and conditions of this Agreement.

2.6 Term; Repayment

- (a) The Borrower shall repay the Loan over a term and under such number and frequency of instalments as specified in the Special Conditions.
- (b) If any payment hereunder or under the Notes would otherwise be due on a day that is not a Banking Day, such payment shall be made on the next immediately succeeding day that is a Banking Day.

2.7 Voluntary Prepayment

The Borrower may, at its option, prepay, in whole or in part the Loan, together with accrued interest thereon to the date of prepayment; provided, that:

- (a) Prepayment shall be made on a date required for the payment of the interest;
- (b) In case of partial prepayments, the amount prepaid shall be applied in the inverse order of maturity;
- (c) Any amount prepaid may not be reborrowed hereunder;
- (d) Where the prepayment is a result of the loan being taken out by another bank, the Borrower shall pay to the Lender a prepayment penalty of two percent (2.0%) based on the amount of the principal prepaid.

2.8 Interest

- (a) The Borrower shall pay interest on the outstanding principal amount of the Loan in arrears on the last day of each Interest Period at the rate as specified in the Special Conditions.



- (b) The determination by the Lender of the amount of interest due and payable hereunder shall be conclusive and binding on the Borrower in the absence of manifest error and bad faith in the computation thereof.
- (c) The interest shall be subject to upward or downward adjustment if, during the term of the Loan, any law, rule or regulation is issued which has the effect of increasing or decreasing the Lender's cost of funds or intermediation cost, including reserve requirements, taxes, salaries or wages. Such adjustment in interest rate shall be effective upon a thirty (30)-day written notice to the Borrower and each advice shall form part of this Agreement by reference.

2.9 Automatic Debit Authorization

The Borrower authorizes the Lender to debit, without need of notice, from any deposit account being maintained with it for all such amounts that may be due the Lender under this Agreement, including those that may result from acceleration.

2.10 Application of Payments

Any payment made to the Lender shall be applied first against any advances made by the Lender, then against penalty, then against fees and other charges, then against interest due on the Loan, then against the Loan due and payable.

2.11 No Counterclaim; Taxes

All payments due to the Lender shall be made by the Borrower without any deduction, including those for set-off, counterclaim or Tax.

ARTICLE 3. FEES AND CHARGES

3.1 Payment of Fees

The Borrower shall pay to the Lender the following fees and charges:

- (a) A commitment fee computed at the rate of one-half (1/2) of one percent (1.0%) per annum of the undrawn amount of the Loan. The commitment fee shall be applicable from the approval of the Loan by the Lender until the expiration of the Availability Period, in each case calculated on the daily undrawn balance of the Loan on the basis of the actual number of days elapsed.
- (b) All others fees and charges as may be provided in the Special Conditions.

3.2 Expenses

Within thirty (30) Banking Days from date of receipt by the Borrower of the statement of account submitted by the Lender, the Borrower shall pay to the Lender the costs and expenses in connection with the preparation, negotiation, execution, delivery and administration of the Loan Documents, as well as costs and expenses, if any, in connection with the notarization thereof, or its amendment, and the issuance of any consents or waivers in connection therewith, and any and all fees, stamps and other taxes. The Borrower shall hold the Lender free from any liability with respect to or resulting from any delay or omission to pay any such cost, expenses, fees or Taxes which may be payable or determined to be payable in connection with the execution and delivery of the Loan Documents.

3.3 Non-Reimbursable Nature

The obligation of the Borrower to pay fees and charges is absolute and unconditional. The fees, expenses and other amounts payable by the Borrower under this Section shall be payable, and, if already paid, shall not be reimbursable by the Lender, notwithstanding the failure by the Borrower to make any drawdown under this Agreement or any other failure of the transactions contemplated herein. However, if the Lender fails to allow drawdowns after the conditions for borrowing under Article 4 have been complied with, the Borrower shall no longer be liable to the Lender for the fees, expenses and other amounts payable under Section 3.1,

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and any such fees, expenses and other amounts already paid by the Borrower to such Lender shall be reimbursable by the latter.

ARTICLE 4. CONDITIONS FOR BORROWING

4.1 Conditions for First Drawdown

The obligation of the Lender to allow the release of the initial drawdown shall be subject to the prior fulfillment of the following conditions in addition to those that may be provided in the Special Conditions:

- (a) Unless otherwise already existing as of this Agreement, the Borrower shall have established a deposit account with a branch office of the Lender through which the proceeds of drawdown shall be credited;
- (b) The Lender shall have received the following documents each in form and substance satisfactory to the Lender at least three (3) Banking Days (or such shorter period as may be acceptable to the Lender) prior to the intended date of initial drawdown:
 - (i) Certificate of the Secretary to the Sanggunian certifying to the ordinance of the Borrower's Sanggunian approving the terms and conditions of the Loan and specifically providing for the following:
 1. Authorizing the local chief executive to negotiate and enter into this Agreement with the Lender, and to execute and deliver any and all promissory notes, deed of assignment and other necessary documents;
 2. Directing the Borrower's Treasurer and Accountant to enter the Loan in the appropriate books of the Borrower;
 3. Authorizing the assignment by the Borrower of its IRA, or any other specified collateral, as security for the Loan;
 4. Appropriating the amounts for the repayment of the Loan, interests and other charges in the annual budget of the Borrower, until full payment thereof; and
 5. Authorizing the Lender to set off or deduct amounts from any deposits or funds of the Borrower with the Lender and apply the same to the payment of the Loan, interests and other amounts due thereon.
 - (ii) Certification by the Budget Officer, Accountant and Treasurer, as the case may be, of the Borrower, noted by its local chief executive, that:
 1. The Borrower's equity, amount for repairs and maintenance of the Project, insurance premium and the principal and interest payments on the loan have been fully appropriated and that full provision has been made by the Borrower's for all its obligations;
 2. The amount required for the Borrower's equity, the repair and maintenance of the Project, insurance premium, the repayment of the principal, interest and other charges will be fully appropriated;
 3. That the proposed sources of repayment are available and not restricted by law or its other obligations; and
 4. That the Loan shall be entered or has been entered, as the case may be, in the Borrower's books of account.
 - (iii) Certificate of the Bureau of Local Government Finance showing favorable borrowing and debt servicing capacities for the Borrower.
 - (iv) Opinion of the Monetary Board of the Bangko Sentral issued pursuant to Section 123 of Republic Act 7653, otherwise known as The New Central Bank Act.

4.2 Conditions for All Drawdowns

The obligation of the Lender to allow the release of the proceeds of all drawdowns shall be subject to the prior fulfillment of the following conditions in addition to those that may be provided in the Special Conditions:

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- (a) The Borrower shall be in compliance with all terms and conditions set forth herein on its part to be observed or performed, and no Event of Default or any event which, with due notice or lapse of time or both, would become an Event of Default shall have occurred and be continuing;
- (b) The representations and warranties contained in Section 6.1 shall be true and correct on the date of drawdown as if made on and as of such date;
- (c) The Lender shall have received the Note and the Disclosure Statement duly executed and signed by the Borrower at least three (3) Banking Days (or such shorter period as may be acceptable to the Lender) prior to the intended date of initial drawdown; and
- (d) The Borrower shall have paid the fees and charges specified in Article 3 hereof.

4.3 Right of Lender to Refuse Drawdowns

Without prejudice to the Lender's remedies as provided in Section 8.2 in case of an Event of Default, the Lender reserves the right to refuse drawdowns, and for which the Lender is held free and harmless from any and all consequences as a result of its inability to make funds available, in any of the following cases:

- (a) A case is filed against the Borrower or any of its officials involving the Project;
- (b) Any adverse finding on the Project; and
- (c) Withdrawal by the Borrower's Sanggunian of the authority given to its local chief executive to contract the Loan.

ARTICLE 5. ASSIGNMENT OF INTERNAL REVENUE ALLOTMENT

5.1 Assignment

As a source of repayment and by way of security, the payment of the Loan, interest, advances, fees, penalties and other charges thereon, including those may be due to the amendment, extension or restructuring of the Loan, shall be secured by the Borrower's assignment of its internal revenue allotment.

ARTICLE 6. REPRESENTATIONS AND WARRANTIES

6.1 Representations and Warranties

Except as otherwise disclosed to the Lender, the Borrower represents and warrants to the Lender that:

- (a) This Agreement will constitute its legal, valid and binding obligation, enforceable in accordance with their respective terms; there is no judgment, decree or order of any court or agency applicable to it which would be contravened by the execution and delivery of this Agreement, or by the performance of any provision of this Agreement.
- (b) The Project is within a duly approved local development plan or public investment program of the Borrower.
- (c) All procurements relevant to the Project have been made in accordance with applicable laws.
- (d) The audited financial statements of the Borrower as of its immediately preceding fiscal year covering and all other data furnished by it to the Lender are complete and correct, in all material respects, and such financial statements, have been prepared in accordance with government accounting and auditing standards. Since such date, there has been no change in its financial condition or results of operations sufficient to impair its ability to perform its obligations under this Agreement in accordance with the terms thereof. Except as disclosed to the Lender in writing, the Borrower has no contingent obligations, liabilities for Taxes, or other outstanding financial obligations which are material in the aggregate.

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[Signature]

[Signature]

[Signature]

- (e) There is no litigation, arbitration proceeding or dispute pending, or to its knowledge threatened against or affecting it or its properties, the adverse determination of which might have a material and adverse effect on its capacity to perform its obligations in this Agreement.
- (f) No event has occurred and is continuing, or would result from the making of this Agreement, which constitutes an Event of Default or which, upon the lapse of time or notice or both, would become such an Event of Default.

6.2 Survival of Representations and Warranties

The representations and warranties contained herein are true and correct as of the date of this Agreement and shall remain true and correct as long as the Loan is outstanding.

ARTICLE 7. COVENANTS

7.1 Affirmative Covenants

The Borrower covenants and agrees that during the term of the Loan and until payment in full of all amounts due hereunder, unless the Lender shall otherwise consent in writing, which consent shall not be unreasonably withheld, the Borrower shall:

- (a) Use the proceeds from the Loan exclusively for the purpose as specified in the Special Conditions;
- (b) Keep its properties and business in good working condition, insured to their full insurable value with the Government Service Insurance System or such insurer as may be allowed by law against loss or damage in such manner and to the same extent as are required under existing rules and regulations applicable to local government units;
- (d) Within thirty (30) days after the COA's issuance of its report, furnish the Lender with a copy of its audited financial statements duly certified by the treasurer or equivalent officer of the Borrower as having been prepared in accordance with generally accepted accounting principles in the Philippines and the relevant regulations of the COA, including therein a balance sheet of the Borrower as of the end of such fiscal year and statements of income and retained earnings and cash flows of the Borrower for such fiscal year.
- (e) Regularly appropriate in its annual budget full provision for the payment of the Loan or any portion thereof as they become due and all other statutory and contractual obligations of the Borrower and for its required equity, including the cost for overruns that may arise on the Project; duly pay and discharge all Taxes, assessments and governmental charges or levies imposed upon it or against it or against its properties and business prior to the date on which penalties are assessed thereto, unless and to the extent only that the same shall be contested in good faith and by proper proceedings diligently conducted, and take such steps as may be necessary in order to prevent its properties or any part thereof from being subjected to the possibilities of loss, forfeiture or sale;
- (f) Promptly, and in no case more than five (5) Banking Days after the occurrence of an Event of Default, give written notice to the Lender of any Event of Default or other event which, upon a lapse of time or giving of notice or both, would become an Event of Default, specifying the details thereof and the steps which the Borrower is taking or proposes to take for the purpose of curing the occurrence or preventing the occurrence of such an Event of Default; and
- (g) Execute and deliver such instruments, documents and reports as the Lender may reasonably request to give full force and effect to this Agreement.

7.2 Negative Covenant

The Borrower covenants and agrees that during the term of the Loan and until payment in full of all amounts due hereunder, unless the Lender shall otherwise consent in writing, which consent shall not be unreasonably withheld, the Borrower shall not permit its appropriations for debt servicing to exceed twenty percent (20%) of its annual regular income.

ARTICLE 8. EVENTS OF DEFAULT

8.1 Events of Default

Each of the following events shall constitute an Event of Default under this Agreement:

- (a) The Borrower defaults in the payment of any of the principal, interest or any other sum payable under this Agreement, as the same becomes due and payable, whether at maturity, by acceleration or otherwise.
- (b) Any representation or warranty in this Agreement, the loan application or in any writing at any time furnished the Lender in connection with this Agreement becomes false or misleading in any material respect.
- (c) The Borrower fails to perform or observe any covenant or other provision of this Agreement or in any other document delivered to the Lender in connection with this Agreement, or if any such document shall terminate or become void or unenforceable without the written consent of the Lender.
- (d) The Borrower defaults in the payment of any of the principal, interest or other amount due with respect to any other indebtedness for borrowed money with the Lender or a third party, whether executed prior to or after this Agreement.
- (e) The Assignment or any portion thereof shall become ineffective or ceases to be in full force and effect.
- (f) A material change in the financial circumstances or condition of the Borrower occurs which, in the reasonable opinion of the Lender, would materially and adversely affect the ability of the Borrower to perform its obligations under this Agreement.
- (g) A judgment against the Borrower or any attachment or execution against the Borrower in any litigation the contingent or accrued liability of which would materially and adversely affect the Borrower's financial conditions or the Borrower's ability to perform its obligations under this Agreement is issued.

8.2 Consequences of Default

- (a) If an Event of Default has occurred and is continuing pursuant to this Agreement, the Lender may, by written notice to the Borrower, declare all or part of the Loan, together with interest accrued and unpaid thereon, and all other unpaid sums be forthwith due and payable, whereupon the same shall become immediately due and payable, without need of demand which is hereby expressly waived by the Borrower.
- (b) A declaration of default under this Section shall further result into the following consequences:
 - (i) As to any undrawn portion of the Loan, the Lender's obligation to allow drawdowns shall forthwith terminate;
 - (ii) The Lender shall have the right to exercise and enforce all rights and remedies now or hereafter available to it under the Loan Documents.

8.3 Default Interest

- (a) Without prejudice to the provisions of Section 8.2, if the Borrower fails to make payment when due of any sum payable hereunder (whether at stated maturity, by acceleration or otherwise and whether for principal, interest or otherwise), the Borrower shall pay penalty fees equivalent to twenty-four percent (24%) *per annum* computed from due date up to full payment, based on the total amount due.
- (b) The Borrower shall likewise indemnify the Lender against any actual, reasonable and documented loss or expense which it may sustain or incur as a direct consequence of the default by the Borrower in payment of the principal amount of the Loan held by the Lender or interest thereon.

[Signature]

[Signature]

[Signature]

[Signature]

ARTICLE 9. MISCELLANEOUS PROVISIONS

9.1 Waiver; Cumulative Rights

No failure or delay on the part of any party in exercising any right or remedy under its Agreement and no course of dealing between them shall operate as a waiver thereof, nor shall any single or partial exercise of any right or remedy preclude the exercise of any other right under this Agreement. The rights and remedies expressly provided are cumulative.

9.2 Governing Law; Submission to Jurisdiction

- (a) This Agreement shall be governed by, and construed in accordance with, the laws of the Republic of the Philippines.
- (b) The Borrower irrevocably agrees that any legal action, suit or proceeding arising out of or relating to the Loan Documents shall be instituted in any competent court of the city or municipality where the concerned lending center or department, as the case may be, of the Lender as provided in the Special Conditions is located, to the exclusion of all other courts.
- (c) If any legal action or other proceeding is brought in connection with any provision of the Loan Documents, the prevailing party shall be entitled to recover reasonable attorney's fees and other costs incurred in such action or proceedings.

9.3 Severability of Provisions

If any one or more of the provisions contained in the Loan Documents or any document executed in connection therewith shall be declared by any court of competent jurisdiction as invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions contained therein or such document executed in connection therewith shall not in any way be affected or impaired.

9.4 Entire Agreement

This Agreement and the documents referred to herein constitute the entire agreement of the parties with respect to the subject matter in this Agreement and shall supersede any prior expressions of intent or understanding with respect to this transaction.

9.5 Amendments and Waivers

The written consent of the parties shall be required for an amendment or any waiver of any of the provisions of this Agreement.

9.6 Successors and Assigns

- (a) This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns.
- (b) The Borrower may not assign its rights or obligations hereunder without the prior written consent of the Lender.

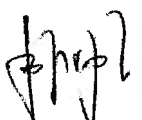
9.7 Notices

- (a) All communications and notices provided for herein shall be in writing and shall be personally delivered or transmitted by postage prepaid registered mail or facsimile transmission addressed to the other party at the addresses set forth below in the Special Conditions (or such other address, contact details or contact person as shall be designated by a party in a notice to the other party in accordance herewith):
- (b) Except as otherwise specified herein, all notices shall be deemed duly given (i) on the date of receipt, if personally delivered, (ii) seven (7) days after posting, if by registered mail, or (iii) upon receipt of









the written confirmation of the facsimile, if by facsimile transmission. Any party hereto may change its address for purposes hereof by written notice to the other party.

9.8 Liability for Taxes

The Borrower agrees to pay any Taxes imposed on or with regard to the execution and notarization, of this Agreement or any other document delivered pursuant to this Agreement. In the event that the Borrower fails to pay, and the Lender is required by law to pay any such Taxes, the Borrower shall, upon demand, reimburse the Lender for such Taxes paid, including penalty and other charges imposed thereon, if any.

9.9 Set-Off

The Lender shall have the right to set off and apply any credit balance on any account of the Borrower with the Lender or any of the Lender's branches, subsidiaries or affiliates, and any other indebtedness due and owing by the Lender to the Borrower, against the liabilities of the Borrower due and owing under the Loan Documents, in reduction of amounts past due thereunder.

9.9 Waiver of Confidentiality

The Borrower hereby waives its rights under applicable laws on bank secrecy and information security and issues to the Lender the following authorizations:

- (a) Pursuant to Bangko Sentral Circular No. 472, Series of 2005, and BIR Revenue Regulation No. 4-2005, as the same may be amended from time to time, to verify with the BIR in order to establish the authenticity of the tax returns and any accompanying financial statement 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 for the purpose of implementing the automatic debit authorization or the set-off provisions under this Agreement;
- (c) To inquire into any credit and financial data or information on the Borrower and the relevant documents and updates or corrections thereof, necessary and compatible with the purposes stated herein, and to transfer, disclose or submit the same, and share or communicate it with:
 - i. Any of the Lender's offices, branches, subsidiaries or affiliates;
 - ii. The Lender's agents, counsels, representatives, services providers and third parties selected by any of them;
 - iii. Program or tie-up partners;
 - iv. Any credit information bureau, banking or credit industry association, or credit information service provider and credit/loan provider, including the Credit Information Corporation (CIC) and other financial institutions;
 - v. Other lenders as authorized by CIC and credit reporting agencies duly accredited by the CIC;
 - vi. Any subrogee, assignee, or transferee of the Lender in relation to the Loan; and
 - vii. Any person or entity authorized by law or regulation to receive such data or information.
- (d) To disclose to program or tie-up partner agencies any credit and financial data or information of the Borrower for purposes of fulfilling the obligations of the Lender under such tie up, if applicable.
- (e) To disclose to credit reference agencies, and in the event of default, to debt collection agencies any credit and financial data or information of the Borrower for purposes of determining and collecting the amounts owed by the Borrower that are due and outstanding.

To the limited extent and for as long as necessary for the Lender (or its successors, subrogees, assignees, or transferees) and the data and information recipients to: (a) exercise the above rights and to discharge the functions and responsibilities of the inquiring or disclosing parties in connection with the Loan; (b) fulfill the above purposes for which these were obtained; (c) exercise or defend their respective legal rights and claims; and, (d) comply with the requirements of existing laws, rules and regulations, the Borrower hereby waives its rights under applicable laws on bank secrecy, confidentiality of data and information (such as, but not limited to, Republic Act Nos. 1405 (Law on Secrecy of Bank Deposits), 6426 (The Foreign Currency Deposit Act), 8791 (The General Banking Law of 2000), 9510 (The Credit Information System Act), and 10173 (The Data Privacy Act of 2012) and BSP Circular No. 622, series of 2008 and BSP Circular No. 855, series of 2014 and their amendatory and similar laws or regulations. For purposes of Republic Act No. 9510 and its Implementing Rules and Regulations, the Borrower acknowledges that this Agreement, when signed, serves as notice duly received by the Borrower from the Lender that the Borrower's basic credit data defined as under said laws and regulations shall be disclosed as required thereunder.

The Borrower hereby agrees to hold the Lender, its directors, officers, employees, stockholders and agents free and harmless, from any liability arising from the authority and waiver herein granted.

[This space is intentionally left blank]



PART II - SPECIAL CONDITIONS OF CONTRACT

Name of Borrower : **MUNICIPAL GOVERNMENT OF LEYTE, LEYTE**

Principal Office Address : **Municipal Hall, Brgy. Poblacion, Leyte, Leyte**

Section 2.1 (Amount)	Term Loan 16 – ₱ 5,000,000.00 Term Loan 17 – ₱ 5,000,000.00 Term Loan 18 – ₱ 5,000,000.00 Term Loan 19 – ₱ 35,000,000.00 Term Loan 20 – ₱ 45,000,000.00
Section 2.2 (Availability Period)	One (1) year from date of Term Loan Agreement signing
Section 2.3 (Project to be Financed)	Term Loan 16 – Concreting of Barangay Ugbon to Sitio Lumboy road Term Loan 17 – Construction of Concrete Pavement that passes through Telesforo Calda National High School Term Loan 18 – Rehab/Construction of Public Market Term Loan 19 – Construction of 2-Storey Commercial Building Term Loan 20 – Improvement of Level III Water System
Section 2.6 (Repayment)	<ul style="list-style-type: none"> Principal shall be payable in forty eight (48) equal quarterly amortizations to start at the end of the 13th 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 2.8 (Interest)	At LANDBANK's prevailing rate at the time of availment, subject to quarterly repricing.
Other Terms and Conditions	<ul style="list-style-type: none"> Amount of Loan is the approved amount or contract price, whichever is lower but shall not be more than the NBC of the LGU per BLGF certification. Loan Tenor: Fifteen (15) years reckoned from the date of initial drawdown, inclusive of three (3) years grace period on principal repayment. Mode of Release <p>Loan releases for construction projects shall be on staggered basis, as follows:</p> <p>First Release – 15% of the approved amount or contract price, whichever is lower.</p> <p>Succeeding Releases – in tranches via progress billing duly supported by LGU's Accomplishment Report as approved by Local Chief Executive (LCE).</p> <p>Final Release – minimum of 10% subject to submission of the following:</p> <ol style="list-style-type: none"> Certificate of Acceptance by the LCE; and PVSD/FSSC Inspection/Appraisal Report showing 100% completion. <ul style="list-style-type: none"> Handling, Commitment and pre-payment fee shall be waived. However, a 2% pre-payment fee shall be charged on the principal loan to be pre-paid, if the loan is taken out by another bank/financial institution.

- Penalty rate of twenty four percent (24%) per annum, in case of non-payment, shall be charged, to start of the day after due date of loan amortization/credit accommodation up to the date of settlement.
- LANDBANK shall be authorized to debit from the LGUs deposit account with the Bank the amount of amortization due, insurance premium and other charges.
- Cost overruns shall be for the account of the borrower.
- The Bank reserves the right to withhold loan releases should there be:
 - a. A case filed against the LGU or its officials involving the project 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.
- 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.
- 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.
- Post-release requirement: 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.
- 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.

	<p>Pre-release Requirements:</p> <ul style="list-style-type: none"> ▪ 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: <ul style="list-style-type: none"> 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. ▪ BLGF Certificate of NBC ▪ Monetary Board Opinion ▪ Provincial validation of the municipality's Ordinance ▪ Certification by the Budget, Accountant and Treasurer, as the case may be, of the LGU noted by the LCE that: <ul style="list-style-type: none"> 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. ▪ Joint Certification by the Bids and Awards Committee Chair and the LCE that the LGU has complied with RA 9184 as well as COA rules and regulations. ▪ Certification from DPWH and DA that the object of financing is not included in their budget. ▪ All applicable government regulations and requirements such as the Environmental Compliance Certificate (ECC) should be complied with prior to loan release, whenever applicable. ▪ Promissory Note with Deed of Assignment of the NTA and/or regular/recurring revenues of the LGU, as applicable. <p>Collateral:</p> <ul style="list-style-type: none"> ▪ Deed of Assignment of 20% of the LGU's National Tax Allotment.
<p>Address For Notices:</p> <p>To the Borrower Address Email Facsimile</p> <p>To the Lender Address Email Facsimile</p>	<p>Municipal Government of Leyte, Leyte Municipal Hall, Brgy. Poblacion, Leyte, Leyte mmoleyte2x@gmail.com; mtoleyteleyte@gmail.com 0917-678-8843</p> <p>LBP Southern Leyte Lending Center 2nd Floor, LBP Ormoc, ABC Bldg., Apo St., Brgy. Cogon, Ormoc City, Leyte southernleytelc@landbank.com (053)561-3923; (053)561-5736</p>






IN WITNESS WHEREOF, its Agreement is signed at Ormoc City, Leyte, Philippines, on its
January 15, 2025

LAND BANK OF THE PHILIPPINES
Lender

MUNICIPAL GOVERNMENT OF LEYTE,
LEYTE
Borrower

By:

By:

DM MARY CHRISTINE L. FAELNAR

Head, Southern Leyte Lending Center
Date of Execution: January 15, 2025
Place of Execution: Ormoc City, Leyte

HON. ARNOLD JAMES M. YSIDORO

Municipal Mayor
Date of Execution: January 15, 2025
Place of Execution: Ormoc City, Leyte

Signed in the presence of:

EMMANUEL S. FELICIO
Witness

BANJOMAR S. PEPITO
Witness

ACKNOWLEDGMENT

REPUBLIC OF THE PHILIPPINES)
CITY OF ORMOC) S.S.

BEFORE ME, a Notary Public for and in the above jurisdiction on this
January 15, 2025 personally appeared:

Name	Competent Evidence of Identity
MARY CHRISTINE L. FAELNAR	LBP ID No. 5200

personally known to or identified by me to be the same person/s who executed the foregoing instrument, and he/she/they acknowledged to me that its/her/their signatures, that the same is its/her/their own free and voluntary act and deed.

The instrument, which consists of fifteen [15] pages, refers to a Loan Agreement signed by the parties and the instrumental witnesses on each and every page.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal at the place and on the date first above-written.

Doc. No. 152;
Page No. 106;
Book No. 1;
Series of 2023.

ATTY. ADELITO M. SOLIBAGA JR.
Notary Public for the City of Ormoc
Municipalities of Kenanga, Marikina, Ob,
Medina and Sorsogon
NC No. 001112-055 NC issued on 12/24/2024
Valid Until December 31, 2026
PTR No. 8360703, 01/02/2025, Ormoc City
IBP No. 474768, 11/05/2024, Leyte
Roll of Attorney No. 51625
TIN: 207-673-130
MCLE Compliance No. VI-0014640
Valid Until April 14, 2026

ACKNOWLEDGMENT

REPUBLIC OF THE PHILIPPINES)
CITY OF ORMOC) S.S.

BEFORE ME, a Notary Public for and in the above jurisdiction on this
January 15, 2025 personally appeared:

Name	Competent Evidence of Identity
ARNOLD JAMES M. YSIDORO	TIN 179-966-763


personally known to or identified by me to be the same person/s who executed the foregoing instruments, and he/she/they acknowledged to me that its/her/their signatures, that the same is its/her/their own free and voluntary act and deed.

This instrument which consists of fifteen [15] pages, refers to a Loan Agreement signed by the parties and the instrumental witnesses on each and every page.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal on at the place and on the date first above-written.

Doc. No. 132;
Page No. 106;
Book No. 1;
Series of 2025.

ATTY. ADELITO M. SOLIBAGA JR.
Notary Public for the City of Ormoc
Municipalities of Kananga, Maragob,
Merida and Isabel
NC No. ORM-12-050 NC issued on 12/24/2024
Valid until December 31, 2026
PTR No. 4308-03, 07/02/2025, Ormoc City
IBP No. 474788, 11/06/2024, Leyte
Roll of Attorney No. 51625
TIN: 207-673-20
MCLE Compliance No. 01-0014640
Valid until April 14, 2026


mya






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 | records@blgf.gov.ph



MEMORANDUM

TO : **ALVARO C. SUMAYAN, JR.**
Municipal Treasurer, Municipality of Leyte, Leyte
via mtoleyteleyte@gmail.com

CC : **GERIEBETH G. DELA TORRE**
Regional Director, BLGF Regional Office No. VIII
via gg.delatorre@blgf.gov.ph

FROM : **CONSOLACION Q. AGCAOILI**
Executive Director

SUBJECT : **Statement of Indebtedness, Payments, and Balances**

DATE : November 19, 2024

This refers to the Certification of Net Debt Service Ceiling and Borrowing Capacity issued by this Bureau bearing **Certificate No. 08-2024-10-333** of even date, relative to the loan application of the Municipality of Leyte with the **Land Bank of the Philippines (LBP)**.

In this connection and in order to effectively monitor the loans/borrowings of the Municipality of Leyte, the Municipal Treasurer is hereby directed to accomplish the **Statement of Indebtedness, Payments, and Balances (SIPB) Module in the LGU Integrated Financial Tools (LIFT) System within ten (10) days from the approval of the loan and thereafter on a quarterly basis**, pursuant to BLGF Memorandum Circular No. 005.2018, dated 22 January 2018.

In case the loan will not push through, the said Statement should still be accomplished and submitted not later than March 31, of the ensuing year when the loan application was made.

Be guided accordingly.




C. Q. AGCAOILI

NET DEBT SERVICE CEILING AND BORROWING CAPACITY
FY 2024
Municipality of Leyte, Leyte (4th 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 8.159 (9)
2024	7,407	97	187,527	195,031	39,006	26,897	12,109	98,797

- 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. Alvaro C. Sumayan, Jr., Municipal Treasurer.
 - 4) **Borrowing Capacity** is computed based on the annuity factor of 8.159 (12 yrs. @ 6.50%).

Prepared by:


ROSANNA E. SALVADOR
Statistician III

Reviewed and Certified Correct by:


DANIEL C. SANTOS
OIC Chief, LDMED

Noted by:


RICARDO L. BOBIS, JR.
Director II, LFPS

CERTIFICATE NO. 08-2024-10-333

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 LEYTE, LEYTE** are hereby **CERTIFIED***, as follows:

NDSC	Twelve Million One Hundred Nine Thousand Pesos	Php12.109 M
BC	Ninety-Eight Million Seven Hundred Ninety-Seven Thousand Pesos	Php98.797 M

Details of Loan Application	
Lending Institution	Land Bank of the Philippines
Repayment Period	Fifteen (15) years
Grace Period	Three (3) years
Interest Rate	6.50% per annum
Loan Purpose	
1. Concreting of Ugbon to So. Lumboy Barangay Road in Barangay Ugbon; 2. Construction of school concrete pavement in Barangay Salog; 3. Construction/rehabilitation of one (1)-storey public market in Barangay Poblacion; 4. Construction of two (2)-storey commercial building (Phase I) in Barangay Poblacion; and 5. Improvement of water system level III: (i) Design and build of the water treatment facility; and (ii) Construction of 300-m ³ concrete reservoir in Barangay Poblacion	
Loan Requirement	Php95.000M

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 November 19, 2024, in the City of Manila.




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 -

CNDSCRC000448



Republic of the Philippines
DEPARTMENT OF FINANCE
BUREAU OF LOCAL GOVERNMENT FINANCE
8F EDPF Bldg., Bangko Sentral ng Pilipinas Complex, Roxas Blvd. cor. P. Ocampo Sr. St., 1004, Manila
blgf.gov.ph | records@blgf.gov.ph



November 19, 2024

HON. ARNOLD JAMES M. YSIDORO
Municipal Mayor
Leyte, Leyte
via leytemayorsoffice@gmail.com

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

Dear Mayor Ysidoro:

We transmit herewith the **Certification of NDSC and BC** of the **Municipality of Leyte, 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/, which can be accessed directly by scanning the **QR Code** provided herein.



Thank you.

Very truly yours,




CONSOLACION Q. AGCAOILI
Executive Director



Republic of the Philippines
MUNICIPALITY OF LEYTE
L E Y T E
-oOo-

Office of the Sangguniang Bayan

CERTIFICATE OF POSTING

TO WHOM IT MAY CONCERN:

THIS IS TO CERTIFY that Municipal Ordinance No. 110-25: " AN ORDINANCE APPROVING AND RATIFYING THE LOAN AGREEMENT BETWEEN THE LAND BANK OF THE PHILIPPINES AND THE MUNICIPAL GOVERNMENT OF LEYTE INVOLVING AN AMOUNT OF NINETY FIVE MILLION PESOS (95,000,000.00) TO FUND FOR THE PRIORITY PROJECTS OF THE MUNICIPALITY OF LEYTE UNDER THE TEN YEAR DEVELOPMENT PROGRAM", was posted in three (3) conspicuous places in this Municipality.

This certification is issued this 22nd day of January, 2025 at Leyte, Leyte, Philippines.


VILMA D. COMBATE
SB Secretary