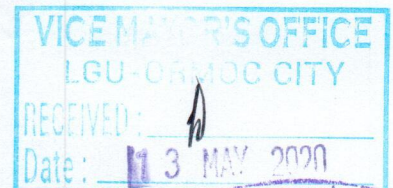


REPUBLIKA NG PILIPINAS
SANGGUNIANG PANLUNGSOD
LUNGSOD NG ORMOC



EXCERPT FROM THE MINUTES OF THE REGULAR SESSION OF THE
FIFTEENTH SANGGUNIANG PANLUNGSOD NG ORMOC HELD
AT THE SANGGUNIANG PANLUNGSOD SESSION HALL
ON MAY 12, 2020



PRESENT:

Leo Carmelo L. Locsin, Jr.
Benjamin S. Pongos, Jr.,
Roiland H. Villasencio,
Tomas R. Serafica,
Nolito M. Quilang,
Eusebio Gerardo S. Penserga,
Jasper M. Lucero,
Peter M. Rodriguez,
Vincent L. Rama,
Gregorio G. Yrastorza III,
Lalaine A. Marcos,
Esteban V. Laurente,

City Vice Mayor & Presiding Officer
SP Member, Majority Floor Leader
SP Member, 1st Asst. Majority Floor Leader
SP Member, Presiding Officer "Pro-Tempore"
SP Member, 2nd Asst. Majority Floor Leader
SP Member
SP Member
SP Member
SP Member
SP Member
SP Member
Ex-Officio SP Member, Chapter President,
Liga ng mga Barangay ng Ormoc
Ex-Officio SP Member, Chapter President,
Panlungsod na Pederasyon ng mga Sangguniang Kabataan ng Ormoc

Joan Marbie C. Simbajon,
Panlungsod na Pederasyon ng mga Sangguniang Kabataan ng Ormoc

RESOLUTION NO. 2020-135

**A RESOLUTION GRANTING AUTHORITY TO THE CITY
MAYOR RICHARD I. GOMEZ OR THE ACTING CITY
MAYOR TO ENTER INTO AND SIGN THE MEMORANDUM
OF AGREEMENT (MOA) WITH DEVELOPMENT BANK OF
THE PHILIPPINES (DBP) RELATIVE TO THE
IMPLEMENTATION OF THE SALARY LOAN FACILITY.**

WHEREAS, this Fifteenth Sangguniang Panlungsod was in receipt of an Indorsement dated April 30, 2020 from the Office of the City Mayor, endorsing a request for the issuance of a Resolution granting the City Mayor or the Acting City Mayor the authority to enter into and sign the Memorandum of Agreement (MOA) with Development Bank of the Philippines (DBP) relative to the implementation of the Salary Loan Facility, a copy of the MOA is hereto attached as "ANNEX A" and made an integral part hereof;

WHEREAS, in a Letter dated March 9, 2020, the City Legal Office generally finds nothing legally objectionable to the provisions of the subject agreement except the following propositions in Sections D and E, a copy of the Opinion is hereto attached as "ANNEX B" and made an integral part hereof;

WHEREAS, the Development Bank of the Philippines (DBP) is a government financial institution created under EO 81 otherwise known as the Revised Charter of the Development Bank of the Philippines;

WHEREAS, DBP has launched a salary loan facility to provide financial assistance in the form of salary loans to qualified officers and employees of the Participant (herein referred to as the "Borrowers") in accordance with the DBP Consumer Lending for Government Agency/GOCC/Local Government Units/Electric Cooperative/Local Water District Officers and Employees;

WHEREAS, in consideration of DBP's agreement to extend salary loan facility to the said Borrowers, the Participant has agreed to fulfill certain obligations relative to its accreditation, the eligibility of Borrowers, and the remittance to DBP of the monthly amortizations due, in accordance with the Salary Loan Facility (SLF) Guidelines hereof;

WHEREAS, DBP has been continuously offering the said Program to qualified employees and officials of LGU-Ormoc subject to certain terms and conditions, and the latter had been willing to enter into an agreement with the former in order to avail of the same, thus resulting to agreements by both parties in furtherance of the same;

WHEREAS, it was observed that the Program offered terms favorable to the Borrowers in terms of high loanable amount, non-requirement of collateral and deposit, and lower interest rates;

WHEREAS, the subject MOA clearly and plainly encapsulates the terms and conditions of the agreement of the parties thereto, including their specific roles and obligations towards the attainment of the lofty ends of the same, and this Sanggunian, upon thorough review, finds that overall it is favorable and advantageous to interested and qualified LGU-Ormoc officials and employees as it affords them a reasonable avenue to address their financial needs, and therefore, is most deserving of this august Body's prompt and favorable consideration;

WHEREFORE, on motion of SP Member Benjamin S. Pongos, Jr., Chairman, Committee on Laws and Ordinances, severally seconded by SP Members Roiland H. Villasencio, Tomas R. Serafica, Gregorio G. Yrastorza III, Lalaine A. Marcos, Peter M. Rodriguez, Esteban V. Laurente and Joan Marbie C. Simbajon; be it

RESOLVED, AS IT IS HEREBY RESOLVED, to pass A RESOLUTION GRANTING AUTHORITY TO THE CITY MAYOR RICHARD I. GOMEZ OR THE ACTING CITY MAYOR TO ENTER INTO AND SIGN THE MEMORANDUM OF AGREEMENT (MOA) WITH DEVELOPMENT BANK OF THE PHILIPPINES (DBP) RELATIVE TO THE IMPLEMENTATION OF THE SALARY LOAN FACILITY;

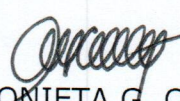
ADOPTED, May 12, 2020.

RESOLVED, FURTHER, that a copy of the final notarized Memorandum of Agreement (MOA) be submitted to this Sanggunian for its information and files;


RESOLVED, FINALLY, to furnish copies of this resolution each to the City Mayor of Ormoc Richard I. Gomez; the City Administrator, Mr. Vincent L. Emnas; the City Legal Officer, Atty. Josephine Mejia-Romero; Development Bank of the Philippines; the HRMO; the City Accounting Office; the City Treasurer's Office; the COGEA; the City Local Government Operations Officer-DILG; and other offices concerned for their information and guidance;

CARRIED UNANIMOUSLY.

I HEREBY CERTIFY to the correctness of the foregoing resolution.


MARIA ANTONIETA G. CO HAT
Secretary to the
Sangguniang Panlungsod

ATTESTED:


LEO CARMELO L. LOCSIN, JR.
City Vice Mayor & Presiding Officer

MEMORANDUM OF AGREEMENT

Res. # 2020 -135
"Annex A"

This **MEMORANDUM of AGREEMENT** (the "Agreement") made and executed by and between:

The **DEVELOPMENT BANK OF THE PHILIPPINES (DBP)**, a government financial institution created under Executive Order No. 81 dated December 3, 1986, otherwise known as the Revised Charter of the Development Bank of the Philippines, as amended by Republic Act 8523 dated February 14, 1998, with principal office at DBP Building, Sen. Gil Puyat Avenue corner Makati Avenue, Makati City with Regional Office at DBP Bldg., Paterno St. corner P. Zamora St., Tacloban City, represented herein by **SVP FERNANDO G. LAGAHIT** in his capacity as Head, Branch Banking Group-Central and Eastern Visayas, hereinafter referred to as the "DBP" or the "Bank",

-and-

The **CITY OF ORMOC**, a government instrumentality duly organized and existing under the laws of the Republic of the Philippines, with principal office at Ormoc City, Leyte, represented herein by **HON. RICHARD I. GOMEZ**, City Mayor and **MS. DELIA C. VILBAR**, City Treasurer, hereinafter referred to as the "Participant".

WITNESSETH:

WHEREAS, DBP has launched a salary loan facility (hereinafter referred to as the "Salary Loan Facility") to provide financial assistance in the form of salary loans to qualified officers and employees of the Participant (hereinafter referred to as the "Borrowers") in accordance with the DBP Consumer Lending for Government Agency/GOCC/Local Government Units/Electric Cooperative/Local Water District Officers and Employees;

WHEREAS, in consideration of DBP's agreement to extend salary loan facility to the said Borrowers (hereinafter referred to as the "Loan"), the Participant has agreed to fulfill certain obligations relative to its accreditation, the eligibility of the Borrowers, and the remittance to DBP of the monthly amortizations due, in accordance with the Salary Loan Facility (SLF) Guidelines hereinafter set forth in **Annex "A"** hereof;

NOW, THEREFORE, for and in consideration of the above premises, the Parties have mutually agreed, as follows:

A. OBLIGATIONS OF THE PARTICIPANT

The Participant undertakes and agrees that during the term of this Agreement it shall:

1. Ensure and certify that each Borrower and his/her Co-Maker (if any) possesses all the qualifications of an Eligible Borrower;
2. Ascertain that the salary application forms ("Salary Application/Agreement Forms") and the Special Power of Attorney (**Annex B and C**) are duly accomplished by the Borrower and his/her Co-Maker (if any) and the information provided are true and correct;
3. Designate and identify the duly authorized and responsible officers of the Participant, preferably the Head of the HR Department/Unit or its equivalent, who will endorse and certify that the DBP's requirements for eligibility of the Borrower and his/her Co-maker, if any, have been complied with;
4. Undertake, within thirty (30) banking days from knowledge, to do necessary measures to address non-compliance, if any, to the mandatory amount of net take home pay (NTHP) or SLP prescribed net take home pay of the Borrowers;
5. Collect or cause the collection of the loan amortization due on the Loans from the Borrowers through automatic payroll deductions commencing on the payroll month immediately following the date of release of the Loans. The Participant shall continue deducting the amortization from the Borrower-employee's salary

Copy - complete v existing

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until the full payment of the Loan based on the schedule submitted to the Participant by DBP

6. Within a maximum of ten (10) banking days from the last salary pay day of the month, remit to DBP the amortizations due from the Borrowers that were deducted from their payroll;
7. Ensure, through its Treasurer or Accountant, or any authorized representative, that the total amount of the monthly amortization to be remitted to DBP tallies with the amount stated in the Billing Statement presented by DBP;
8. In case a Borrower-employee or his Co-maker (if any) who availed of the Loan is transferred to an SLP accredited office, the Participant shall notify DBP in writing within three (3) banking days from the date the transfer occurred and it shall instruct the new office, in writing, regarding the obligation of the Borrower or his Co-maker (if any) with DBP;
9. In case a Borrower-employee who availed of the Loan is transferred to a non-SLP accredited office, separated from, or terminated, or retired, or goes on Absence Without Official Leave (AWOL), the outstanding Loan of the said Borrower-employee shall become due and demandable and the Participant shall notify DBP in writing within three (3) banking days from the date of separation, transfer, termination, retirement or resignation or AWOL of the Borrower. For this purpose, the Participant agrees not to issue any property/accountability clearance in favor of its Borrower-employee concerned until the corresponding amount due to DBP from such Borrower-employee has been duly remitted and paid, as certified to by DBP in writing;
10. In case of death of a Borrower-employee who availed of the Loan, the outstanding Loan of the said Borrower-employee shall become due and demandable and the Participant shall notify DBP in writing within three (3) banking days from the date the Death occurred;
11. Unless the Borrower-employee presents to the Participant a certificate from DBP certifying that all outstanding obligations of the Borrower-employee has been fully settled, the Participant shall withhold the corresponding amount due to DBP from all monies and benefits or other remunerations due, if any, accruing to any Borrower whose services were terminated or who has resigned and/or retired from the service or who went on Absence Without Leave (AWOL) and remit the amount collected to DBP as may be sufficient to satisfy the Borrower-employee's outstanding obligation with DBP within five (5) banking days from the date of collection/deduction;
12. In the event that the amount collected from the Borrower under Item (6) or Item (11) is insufficient to fully pay the Loan, the Participant shall deduct and collect from the salary and other monies due to the Borrower's co-maker, if any, the balance of the Loan and immediately remit the amount collected to DBP.

If the full amount of the obligations cannot be satisfied from the deductions against the Borrower-employee or co-maker, then the balance shall be set-off against all monies or deposit account which the Borrower-employee or his/her co-maker has with DBP, if any;
13. Require the Borrower to replace the co-maker, if any, to the Loan in instances where the co-maker has been terminated or who has resigned or retired or who went on Absence Without Leave (AWOL) within three (3) working days from the date of termination, resignation, separation or when the co-maker went on Absence Without Leave (AWOL), as the case may be; and
14. Assist in the implementation of the program guidelines, rules, and policies of DBP, as well as the terms and conditions of the Salary Loan Application/Agreement Forms and Promissory Notes and other documents signed by the Borrower-Employee and his/her co-maker.

additional

additional

addition

ADELAIDA H. BIACOLO
HRMO

DELIA C. VILBAR
City Treasurer

HON. RICHARD L. GOMEZ
City Mayor

SM JONIEL E. SAGDULLAS
Head, Ormoc Branch

SVP FERNANDO G. LAGAHIT
Head, BBG-CEV

B. OBLIGATIONS OF THE BANK

DBP undertakes and agrees to provide the Participant, from time to time, with the following:

1. The funding for the SLF under the terms and conditions of the Salary Loan Facility;
2. A copy of the Salary Loan Application/Agreement Forms and Promissory Notes duly accomplished and signed by the Borrowers and Co-Makers, if any;
3. A copy of the Special Power of Attorney (SPA) executed by the Borrowers in favour of DBP, authorizing the latter to deduct from their deposit/payroll account with DBP any outstanding amount due on the Loan in case of payment default arising from: (i) the failure or delay of the Employer-Participant to remit within a maximum of ten (10) banking days from the last salary pay day of the month the amortization deducted from the Borrower, and (ii) failure of the Employer-Participant to withhold and remit to DBP all amounts due from the Borrower in case of the latter's retirement/ resignation/ separation or termination from the service.
4. A list of the Participant's officers and employees whose Salary Loan Applications have been approved, stating among others, the approved amounts, the dates of approval, and the schedule of amortization payments;
5. The list of Borrowers whose accounts are in arrears; and
6. Any changes or amendment to the Salary Program Terms and Conditions.

C. EFFECTIVITY OF THE MOA

EFFECTIVE FOR 3 YEARS FROM DATE OF SIGNING

This MOA is effective from date of signing until the same is amended and/or updated. In case of amendment/updating, the amended/updated MOA is effective from the date of signing of the amendment/updated MOA. However, DBP is not precluded from suspending and/or terminating this Agreement at any time as circumstances may warrant.

D. CANCELLATION/TERMINATION OF THE MOA - G. SEPARATE

The MOA may be cancelled/terminated under any of the following circumstance after 30 days from the date of notice from any of the parties:

1. At the discretion of the Bank as it may deemed warranted based on the results of the review conducted; or
2. At the instance of the SLF to be covered by Resolution or any equivalent document issued by the highest governing body or head of the agency/instrumentality or any persons with delegated authority of such agency/instrumentality to issue such document; or
3. By mutual agreement of the parties.

The event of cancellation or termination of the Agreement, however, shall not in any way prejudice, diminish or abate any cause of action which has already accrued to either of the Parties prior to or at the time of its cancellation or termination. Notwithstanding the cancellation or termination of this Agreement, the Participant shall comply with its commitments and obligations respecting the Loans already granted and availed prior to such cancellation or termination until all obligations of the Employee-Borrowers are fully paid.

E. REINSTATEMENT OF THE MOA

The MOA may be reinstated by mutual agreement of the parties with due notice to the parties.

F. SUSPENSION AND REINSTATEMENT OF THE SLF

1. DBP may, at any time, suspend and/or cancel the SLF, upon the happening of any of the following events (hereinafter referred to as the "Events of Default"):
 - a. There is misrepresentation as to the eligibility of any of the Applicant/Borrower/Co-Maker as defined in the SLF particularly the required residual net take home pay of the Borrower;

b. The Participant fails to collect any amortization due through automatic payroll deduction despite the availability of the residual net take home pay of the Borrower in any payroll month;

c. The Participant fails to remit to DBP the amount due and collected from the Borrowers within a maximum of ten (10) banking days from the last payroll date of the month or DBP is unable to automatically deduct from the individual payroll account of the Borrowers the corresponding amount of amortizations due from the Loan due to insufficiency of funds; *- additional*

d. The Participant fails to duly inform DBP of the transfer or termination/resignation/retirement from the service of the Borrower or his/her Co-Maker (if any) within three (3) days from such transfer, termination/resignation/retirement from the service;

e. The Participant fails to withhold and remit the corresponding amount due to DBP from all monies and benefits accruing to any Borrower who has been terminated/resigned/retired from the service;

f. The Participant breached the ^{BREAK-EVEN} past due rate cap of 6.0% or PAST DUE RATE CAP OF 6.0%. DBP shall send a prior written notice to the Participant on the adjusted delinquency cap;

g. The Participant is in breach of any of its obligations under this Agreement; or

h. Any adverse information on the Participant received by DBP.

2. DBP may lift the suspension of the SLF after determination on the sufficient compliance of the Participant relative to the terms and conditions of the accreditation and/or the Participant's Borrowers sufficient compliance of the terms and conditions of the SLF.

G. OTHER CONDITIONS

1. The determination of eligibility of the Participant and/or Borrower and his/her Co-Maker (if any) under the SLF shall be at the sole discretion of DBP. Participant agrees that DBP may change the terms and conditions of the Salary Loan Facility provided that the Participant is duly notified of the change/s thereto.

2. The due date per SLF availment made by the Borrowers of the SLP shall not be later than (maximum of 10 days from the last salary pay day of the month) of the immediately succeeding month.

3. This Agreement shall govern ^{15 days} all loans granted under the Bank's new Salary Loan Facility Accreditation Guidelines.

4. This agreement shall further be subject to the terms and conditions of the SLF embodied in Annex "A".

H. SEPARABILITY OF PROVISIONS

If any provision of this Agreement shall be declared to be invalid, illegal or unenforceable, the remaining provisions shall not be affected and shall remain valid, subsisting and enforceable.

I. SUPPLEMENTS AND AMENDMENTS

At any time and from time to time, the Parties hereto may execute a supplement or amendment hereto for the purpose of adding provisions to, or changing or eliminating provisions of this Agreement as may be mutually agreed upon.

J. NO GIFT POLICY

The Parties acknowledge that no fee or commission or benefit was extended to their respective officers and employees in consideration for entering into this Agreement.

IN WITNESS WHEREOF, the parties through their respective authorized representatives have hereunto signed this Agreement this _____ day of _____ 20__ at _____.

DEVELOPMENT BANK OF THE PHILS.
By:

SVP FERNANDO G. LAGAHIT
Head, BBG-Central and Eastern Visayas

CITY OF ORMOC
By:

HON. RICHARD I. GOMEZ
City Mayor

MS. DELIA C. VILBAR
City Treasurer

SIGNED IN THE PRESENCE OF:

SM JONIEL E. SAGDULLAS
Head, DBP Ormoc Branch

MS. ADELAIDA H. DIACOLO
HRMO

ACKNOWLEDGEMENT

REPUBLIC OF THE PHILIPPINES)
_____) S.S.

At _____, this _____ day of _____, 20__,
personally appeared:

Name (City of Ormoc) By:	Competent Proof of Identity	Date/Place Issued
--------------------------------	-----------------------------	-------------------

<u>Hon. Richard I. Gomez</u>	_____	_____
<u>Ms. Delia C. Vilbar</u>	_____	_____

DBP By:

SVP Fernando G. Lagahit

known to me and to me known to be the same persons who executed the foregoing instrument and acknowledged to me that the same is their own free act and deed as well as those of the principals that they represent. This instrument consisting of 5 pages pertains to a Memorandum of Agreement and signed by the parties and their witnesses on each and every page.

WITNESS MY HAND AND SEAL.

NOTARY PUBLIC

Doc. No. _____;
Book No. _____;
Page No. _____;
Series of 20 _____

DBP'S SALARY LOAN FACILITY

I. ACCREDITATION REQUIREMENTS (FOR NEW AND RENEWAL)

- A. Council/Sanggunian/Board Resolution or Letter of Intent or any equivalent document (as applicable) containing the following:
1. Intention to avail of the Bank's Salary Loan Facility; and
 2. The authorized signatories.
- B. Duly filled out Accreditation Form with loan and CASA-ADB deposits details.
- C. Certification of "No History of Non-compliance" to the mandatory amount of net take home pay per latest COA audit report available or the SLP prescribed net take home pay as certified by the authorized signatory designated in the MOA. *(For Renewal of Accreditation)*
- D. Updated officers/officials of the SLPs and their authorized signatories as certified by the Secretary or authorized signatory of the SLP. *(For Renewal of Accreditation)*
- E. Updated MOA, incorporating changes, if any. *(For Renewal of Accreditation)*
- F. Updated Resolution or any equivalent document, if necessary. *(For Renewal of Accreditation)*

II. FEATURES OF THE SALARY LOAN FACILITY

- A. Low Interest Rate
- B. No Collateral
- C. No Deposit Requirement
- D. Multi-purpose Loan
- E. Payable in Equal Monthly Amortization
- F. Flexible Payment Terms of up to 48 Months
- G. Easy Repayment Term via Salary Deduction
- H. Up to a Maximum Loan Amount of P2,000,000.00

III. ELIGIBILITY CRITERIA**A. Regular Employees**

1. Age must be 21 to 64 years old upon loan maturity;
2. Permanent status as certified by HR/Personnel;
3. No leave of absence without pay for the past 12 months or if the borrower's permanent status is less than 1 year at the time of the filing of his/her application, the requirement is from the date of his/her appointment up to date of his/her SLF application;
4. No pending/approved loan application with the any government institutions, i.e., Pag-ibig, GSIS, etc. for the last three months;
5. No pending administrative case;
6. Not due for retirement during the term of the loan;
7. Residual net take home pay should be within the minimum after loan amortization as required based on the most recent General Appropriations Act (GAA) or SLP prescribed net take home pay;
8. Favourable NFIS results for New-New Loan Accounts; and
9. Must not be related to a DBP Director, Officer of employee within the 1st degree of consanguinity or affinity.

B. Elective Officials and Co-terminus Employees

1. Age must be at least 21 years old;
2. Term of office should not be less than 15 months at the time of loan release;
3. No leave of absence without pay for the past 12 months or if the borrower's election to the office/appointment is less than 1 year at the time of the filing of his/her SLF application, the requirement is from the date of his/her election

- to the office/appointment up to date of his/her SLF application;
4. No pending/approved loan application with the any government institutions, i.e. Pag-ibig, GSIS, etc. for the last three months;
 5. No pending administrative case;
 6. Residual net take home pay should be within the minimum after loan amortization as required based on the most recent General Appropriations Act (GAA) or SLP prescribed net take home pay;
 7. Favourable NFIS results for New-New Loan Accounts;
 8. Must not be related to a DBP Director, Officer or employee within the 1st degree of consanguinity of affinity.

IV. AVAILABILITY OF THE APPROVED SLF

Availability period of the approved SLF shall be within 30 days from notice of approval. Individual Borrower shall be notified by the SLF Account Officer about their approved loan within three (3) banking days from date of approval.

V. COLLECTIONS & REMITTANCES

- A. Pursuant to the executed MOA and the authority given by the Borrower to the SLP Paymaster based on the duly filled-out and approved SLF application form, the Paymaster of the SLP shall deduct the loan amortization amount as reflected in the monthly SOA from the salary of the employee-borrower to commence on the immediately succeeding salary pay day following the date the loan was granted.
- B. The Treasurer/Cashier/Disbursing Officer or any authorized officer of the SLP shall remit to DBP the total amount of loan amortization collected for the month before the set due dates of the loan.
- C. The Treasurer/Cashier/Disbursing Officer or any authorized officer of the SLP shall issue and deliver the corresponding check to DBP together with the list of the borrowers and the amount of deduction from their salaries.
- D. Upon receipt of the check representing remittance of the collection made, the authorized representative of the Bank shall issue the corresponding Official Receipt (OR) for the amount of remittance received from the authorized representative of the SLP.

VI. LOAN RE-AVAILMENT/RENEWAL

Loan reavailment/renewal shall be allowed based on the criteria set for the grant of re-availment/renewal of SLF.

VII. OTHER LOAN PROVISIONS

A. Transfer/Re-assignment of a Borrower

The following shall be observed in case of transfer/re-assignment of a Borrower or Co-maker:

1. Transfer/Re-assignment of a Borrower

- a. The loan shall be considered due and demandable in case a borrower is Transferred/re-assigned to a non-SLP accredited office.
- b. In case a Borrower is re-assigned/transferred to an office duly accredited by the Bank as an SLP, the SLP shall be required to inform and instruct in writing the Disbursing Officer/Paymaster of the Borrower's new work station as follows:
 1. To include the Borrower in its payroll masterlist;
 2. To deduct from the salary of the Borrower-Employee the monthly amortization due; and
 3. To remit said amount to their servicing DBP Branch before the set due dates of the loan.

2. Transfer/Re-assignment of a Co-maker

- a. The Participant shall notify DBP in writing within three (3) banking days from the date the transfer occurred and it shall instruct the new office, in writing, regarding the obligation of the Co-maker with DBP.
- b. It shall require the Borrower to provide a replacement of the Co-maker with the same qualifications as the previous Co-maker as prescribed above within 3 working days from date of the transfer/re-assignment.

B. Death of a Borrower/Co-maker

1. In case of death of the Borrower, the Participant shall comply with the obligation stipulated in the MOA.
2. In case of death of the Co-maker, the Participant shall:
 - a. Notify DBP in writing within three (3) banking days from the date the death occurred; and
 - b. Require the Borrower to provide a replacement of the Co-maker with the same qualifications as the previous Co-maker as prescribed above within three (3) working days from date of the death of the Co-maker.

C. Termination, Resignation, Retirement, Absence Without Leave (AWOL) of a Borrower/Co-Maker

1. The loan shall be considered due and demandable in case a Borrower is terminated, resigned, retired and/or on AWOL.
2. The SLP shall notify the Bank within the period as prescribed on the MOA that such Borrower was terminated, resigned, retired or on AWOL.
3. Require the Borrower to replace the co-maker, if any, to the Loan in instances where the co-maker has been terminated or died or who has resigned or who went on Absence Without Leave (AWOL) within three (3) working days from the date of termination, resignation, death, separation or when the co-maker went on Absence Without Leave (AWOL), as the case may be; and
4. The Participant shall comply with its obligation stipulated in the MOA.

ADELAIDA H. BIACOLO
HRMO

DELIA C. VILBAR
City Treasurer

HON. RICHARD I. GOMEZ
City Mayor

SM JONIEL E. SAGDULLAS
Head, Ormoc Branch

SVP FERNANDO G. LAGAHIT
Head, BBG-CEV

OFFICE OF THE CITY LEGAL OFFICER

Ormoc City, Leyte

March 9, 2020

MAYOR RICHARD I. GOMEZ

Ormoc City

Mayor Gomez:

Respectfully transmitting to the Honorable City Mayor, the proposed Memorandum of Agreement that was referred to this office relative to the implementation of the Salary Loan Facility offered by the Development Bank of the Philippines in LGU Ormoc. Please find below the comment(s) of this office:

1. There is nothing legally objectionable to the provisions of the subject agreement.
2. The following paragraph be amended (in *italics and underlined*):
 - a. As to the Section D (Cancellation/ Termination of the MOA).

The event of suspension/ cancellation/ or termination of the Agreement, however, shall not in any way prejudice, diminish, or abate any cause of action which has already accrued to either of the Parties prior to or at the time of its suspension/ cancellation/ termination. Notwithstanding the suspension/ cancellation/ termination of this Agreement, the Participant shall comply with its commitments and obligations respecting the Loans already granted and availed prior to such suspension/ cancellation/ termination until all obligations of the Employee-Borrowers are fully paid.

- b. As to Section E (Reinstatement of the MOA):

The MOA may be reinstated by mutual agreement and *upon the mutual consent of and notice to the parties.*

3. This opinion is rendered without prejudice to contrary opinion from competent authorities and/or ruling of proper court and/ or supervening event(s) or circumstances.
4. For the consideration of the City Mayor.

It is the recommendation of this office that should the same merit the favorable consideration of the Honorable Mayor, that this agreement be referred to the Sangguniang Panlungsod to request for the issuance of a Resolution authorizing the City Mayor to execute the agreement.

For your consideration.

Most Respectfully,

JOSEPHINE A. MEJIA- ROMERO

City Legal Officer

New Ormoc City Hall, Aunubing St., Cogon, Ormoc City
(053)255-7395 loc. 1010 ++ clo.ormoc@gmail.com

