



MEMORANDUM CIRCULAR

No. 10

Series of 2024

SUBJECT: AMENDMENT ON MEMORANDUM ORDER NO. 57 DATED 28 OCTOBER 2020 ON THE CHARGING OF INTEREST ON LOANS EXTENDED TO END-BORROWERS UNDER ACPCS AGRI NEGOSYO PROGRAM

The ACPC Governing Council, in its Resolution NO. 1 series of 2024, approved the change in interest rate policy to authorize the Partner Lending Conduits (PLCs) to charge two percent (2%) interest per annum on top of the 3.5% service fee on loans extended to eligible SFF and micro and small agribusiness borrowers under the ACPC credit programs which totals to a 5.5% finance charge per annum.

To implement this new policy, we propose the amendment of Memorandum Order No. 57 s. 2020, the implementing guidelines on ACPCs Agri-Negosyo Program which provides that the interest rate on loans to end-borrowers is at zero -percent (0%).

Existing Guidelines	Proposed Revision
<p>Section VI. Lending Guidelines</p> <p>xxx</p> <p>F. Interest Rate and Other Finance Charges</p> <ol style="list-style-type: none"> 1. Zero-percent (0%) interest rate 2. One-time service charge of 3.5% 3. For sub-loans released by PLCs, may charge interest and finance charges to cover its cost up to a spread of at most 6% per annum. 	<p>Section VI. Lending Guidelines</p> <p>xxx</p> <p>F. Interest Rate and Other Finance Charges</p> <ol style="list-style-type: none"> 1. Two-percent (2%) interest rate on top of the 3.5% Service Fee on loans extended to eligible SFF and micro and small agribusiness borrowers under ACPC credit programs for a total finance charge of 5.5% per annum. 2. Continue to adopt zero interest loans to eligible SFF who are affected by natural calamities and national emergencies under ACPC Survival and and Recovery Program, as well as youth agripreneurs and women borrowers supported under the GAD Program, subject to the program's other finance charges and other requirements.

Any and all other provisions of the Memorandum Order No. 57 not affected by this amendment shall remain in full force and effect.

Moreover, existing Memorandum of Agreements and their corresponding Term Sheets are deemed amended prospectively to incorporate the above approved interest rate policy. Hence, funds for the regular credit programs already with the PLCs prior to the issuance of the new interest policy shall be governed by the zero interest policy.

Done this 10th day of March 2024.

FRANCISCO F. TU LAUREL JR.
Secretary A

