

**FEDERATION OF FREE WORKERS-SOCIAL CREDIT FUND
(FFW-SCF)
FEDERATION OF FREE WORKERS
FFW Bldg., 1943 Taft Avenue, Malate, Manila**

GUIDELINES

Program Description

The Federation of Free Workers-Social Credit Fund (FFW-SCF) is a socialized credit facility available to legitimate organizations that are affiliated with the Federation of Free Workers (FFW). Credit assistance may be availed by the organizations for the acquisition of assets and as working capital for their socio-economic projects. Qualified borrowers must be endorsed by their trade federation and/or basic sectoral organization.

Eligibility Criteria

Only organizations that are members of FFW, which are updated in their dues payment in accordance with the latest billing of FFW; and , that has juridical personality of their own and have existed for at least one (1) year, may avail of loans from the program; however, those which have existed for less than one (1) year, the applicant has to have two (2) co-makers which by themselves are updated in their dues payment.

Proponent organizations are required to submit a Board Resolution.

Organizations eligible to participate in the program are further screened using a combination of the following criteria:

- Overall feasibility of the proposed socio-economic project/ loan projection study
- Presence of a working Board of Directors, and other Committees
- Administrative/Management and financial records are in order
- Conduct of valid general assemblies in the past
- Membership, capital contributions, revenues and other pertinent statistical and financial data showing positive growth over the previous year

Terms of the Loan

Maximum Loan:

A maximum loan amounting Php 50,000.00 may be availed by a proponent organization. A re-loan of up to Php 50,000.00 may be availed by a proponent organization that has a track record and has amortized at least three fourth (3/4 or 75%) of its initial loan.

Maturity of Loan:

Loan amortization is based on the project's projected cash flow but not exceeding the following schedule, which excludes the three-month grace period:

Loan Amount	Term
Php 10,000	12 months
Php 20,000	15 months
Php 30,000	18 months
Php 40,000	21 months
Php 50,000	24 months

Interest Rate:

The interest rate to be charged to the organization is 8% per annum, to be added-on to the proceeds of the loan based on diminishing balance.

Payment of Loan:

The loan of the organization shall be paid in equal monthly amortizations (payments consisting of principal and interest), based on the schedule as specified above, which shall be covered by post-dated checks. In the absence of post dated checks, an undertaking from the employer to deduct and directly remit payment to the FFW-SCF for the loan will suffice.

Service Fee:

A one-time service fee amounting to 3 percent (3%) of the approved loan is deducted upon release of the loan.

Penalty:

A three percent (3%) per month surcharge shall be imposed on a borrower who fails to pay monthly amortizations.

Mutual Loan Guarantee Fund:

A one-time mutual loan guarantee fee in the amount of five percent (5%) of the total loan shall be deducted and retained for the mutual loan guarantee fund/ reserve fund, three percent (3%) of which shall be refunded to the borrower upon full payment of the loan, or maybe credited as part of the last payment thereof.

Project Application Requirements

The following are the requirements for the application of loans:

Core Requirements:

1. Business Plan (Credit or Livelihood)

2. Board Resolution
3. Endorsement from Chair of the Trade Federation and/or Basic Sectoral Organization
4. Proponent's Profile

Organizational Papers:

1. Copy of Certificate of Registration
2. Copy of Constitution and By-Laws and/or Articles of Incorporation
3. List of organization's officers and their respective addresses
4. Recent audited financial statement or notarized financial report

Project Evaluation Procedures / Project Cycle

	STEPS	PERSON/S RESPONSIBLE
1	Submission of three (3) sets of loan application and supporting documents to FFW-SCF and assignment of control number	Proponent and clerk
2	Evaluation of proposal, conduct of ocular inspection if necessary	Clerk, TA
3	Coordination with proponent	TA and Proponent
4	Presentation to BOT for approval	TA; BOT
5	If approved by BOT, inform proponent and prepare contract	TA
6	Contract signing (if signatures are already complete, provide copies to the following: proponent organization, TF and/or BSO, Notary public, FFW-SCF file). Coordinate with proponent to confirm/set schedule of loan release.	Proponent, BOT, TF and/or BSO
7	Preparation of check release. Make sure that there are sufficient funds in the FFW-SCF account to cover the loan.	TA
8	Release of loan	TA and BOT check signatory

These guidelines may be changed from time to time by a majority vote of the FFW-SCF BOT meeting called for the purpose. Changes shall apply only to prospective proponents.

Approved by the FFW-SCF BOT this 12th day of July 2004 at Bayview Park Hotel, Manila.

Certified true and correct:

Juanito S. Facundo
 Secretary
 Board of Trustees, FFW-SCF