



## FOR HIS GLORY MULTI-PURPOSE COOPERATIVE

*"A KMBI Cooperative"*

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# ENHANCED POLICY ON POST-DATED CHEQUE

### RATIONALE:

Post-dated cheques are considered as cash equivalents and a bill of exchange, and which the Coop is accepting as payment for loan obligations depending on the applicable parameters. Commencing 2019, we have been receiving varying requests from our membership to revisit and enhance our existing policy on the same, on the ground of flexibility and adaptability in the settlement of loan obligations. With the proposed enhancements, we aim to provide better and sound decisions in assessing the eligibility of our members in availing our services.

### OBJECTIVES:

1. To guide our members in availing loans through PDC payment or guarantee.
2. To deliver high-quality service and faster processing of loan applications.
3. To assure timely deposit of post-dated cheques
4. To assure collection of amount due

### POLICIES:

1. PDC issuance shall be on the following matrix:

Date of Loan Released	First PDC Issuance
Cut off Date: 3 <sup>rd</sup> day of the month	PDC Date: 15 <sup>th</sup> of the current month
Cut off Date: 18 <sup>th</sup> day of the month	PDC Date: 30 <sup>th</sup> of the current month

2. As principal payment for loan amortization and considered as loan collateral, issued PDCs shall be deposited based on the date specified in the cheque.
3. Considered as guarantee, PDCs shall still be issued for higher loan amount of PHP 200,001.00 and up, even if the chosen payment method is thru salary deduction.
4. Issued PDCs must cover the total amount of the outstanding loan. The member can issue PDCs with the options below on loan amortization.
  - A. Per payroll (per cutoff; 2 cheques per month)
  - B. One (1) cheque per month covering two (2) payrolls/cutoffs loan. (Ex. Cheque dated February 15- covering the payments for February 13 and February 28 payrolls.)
  - C. Member shall provide all cheques needed for their loan.
5. Issuance of blank cheques is not allowed.
6. Issued PDCs must be under the name of the member only.
7. A penalty of PHP 200.00 shall be imposed immediately for PDC due for deposit but was not deposited by the request of the member. The request shall be made two (2) days before the date on the cheque, otherwise it will be deposited.
8. On the 5<sup>th</sup> day after the due date and no payment has been made, notice of reminder shall be sent to the borrower and Co-makers respectively.
9. Per payroll period, penalty of 2% on total past due amount shall be imposed. Total past due plus the corresponding penalty will be automatically included in the next billing period for salary deduction.

**Illustration:**

**Total Amount per cut off (P+I) x 2% per payroll period = Penalty Amount**

Loan Amortization per cut off is PHP 2,000.00

Past due for 1 Cut-off	Past due for 4 Cut-offs
1 <sup>st</sup> cutoff 2,000.00 x 2% = 40.00	1 <sup>st</sup> cutoff 2,000.00 x 2% = 40.00
	2 <sup>nd</sup> cutoff 4,000.00 x 2% = 80.00
	3 <sup>rd</sup> cutoff 6,000.00 x 2% = 120.00
	4 <sup>th</sup> cutoff 8,000.00 x 2% = 160.00
<b>Total Penalty – 40.00</b>	<b>Total Penalty – 400.00</b>

10. Any unpaid past due not covered by salary will be billed separately.
11. Co-makers shall be notified for any unpaid past due for more than 60 days. Moreover, Coop will issue a demand letter if the past due still remains unpaid for more than 90 days.
12. Availment of any loan products thru PDC's will be suspended for six (6) months if the member incurred past due for more than 60 days.
13. Loans would not be released if the complete PDC's are not yet received by the Coop, provided that the member can present proof that their PDC's are already in transit.
14. The enhanced policy covers all members who used PDC as their payment/collateral.
15. All members availing loans under this policy shall sign to a Memorandum of Agreement (MOA) signifying their understanding to all policies and guidelines herein.

**MODE OF PAYMENT:**

SALARY DEDUCTION		THRU POST DATED CHEQUE				
Loan amount	Requirement (Regular & Promotional Loan only)	Regular Loans (EDL, EL, MPL, HL)	Promotional Loan (SML, CML, PTL)	Business Loan	Higher loan (MPL, BL, HL)	
Php40,000 below	1 co-maker	1 co-maker & PDC	1 co-maker & PDC	1 co-maker & PDC	Not Applicable	
Php40,001 to Php75,000	2 co-makers	1 co-maker & PDC	1 co-maker & PDC	1 co-maker & PDC		
Php75,001 to Php 100,000	3 co-makers or 2 co makers & PDC	2 co-makers & PDC	2 co-makers & PDC	2 co-makers & PDC		
Php100,001 to Php 200,000	4 co-makers or 3 co makers & PDC	3 co-makers & PDC	Not Applicable	3 co-makers & PDC		
Php200,001 to Php 300,000	4 co makers & PDC	Refer to Higher Loan		4 co-makers & PDC		4 co-makers & PDC
Php300,001 to Php 500,000	4 co makers & PDC	Refer to Higher Loan		Refer to Higher Loan		4 co-makers & PDC


**GUIDELINES:**


1. Member shall issue a Bank Statement as proof of ownership of the issued PDC.
2. Five (5) days before the due date, the Credit and Collection officer/staff shall send the billing statement to members who issued PDC as principal payment.
3. Unused PDCs will be returned to members after all loans have been paid in full.

**Effectivity of Approval: October 21, 2023**


Approved by the Board of Directors

  
**ILYN T. LANDERO, CPA**  
*Chairperson*


  
**MARGARE ROSE N. RODRIGUEZ**  
*Vice-Chairperson*

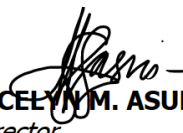
  
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