


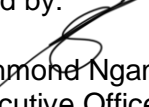
POLICY AND PROCEDURES		
POLICY TITLE :	CO-MAKER	Ref. No. 2015-11-033
DEPARTMENT :	OPERATIONS DEPARTMENT	
TO :	BRANCH MANAGER, CREDIT SUPERVISOR / ACCOUNT COUNSELOR, MARKETING ASSISTANT	November 05, 2015

OBJECTIVE:

1. To minimize if not totally eliminate losses to be incurred by the company on approval of customer with marginal income or has not passed the required Net Disposable Income (NDI) during credit investigation process.
2. To cushion risk in bad debts and to have fall-back for customer who has absconded or become missing; and customer who has lose their capacity to pay their obligation to the company.
3. To save the sales on customer who has not passed the capacity to pay but has willingness to pay the financing contract.

POLICY


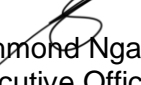
1. A co-maker has to pass the credit standard as he is solidary and jointly liable in paying the outstanding balance plus penalty charges, should the principal customer fail to settle the obligation. They are equally liable as the principal debtor in terms of liabilities over the installment contract.
2. Applicant who has passed the standard of credit of the company has no needs to have co-maker for his/her financial obligation.
3. In instances wherein the applicant failed to pass the company's credit standard, the branch may require the applicant to have co-maker to save the sale.
 - 3.1. An applicant who is willing to mortgage real estate property together with the purchased motorcycle maybe exempted from co-maker requirement provided that the ownership can be readily established.
 - 3.2. A photo copy of both side of the TCT and the notation "Original Seen" must be signed by the field personnel indicating that he had examined the original TCT. At the option of the BM, the branch may waive the co-maker requirement; however, before delivery of the financed unit, the original TCT must first be surrendered.
4. The following are not allowed to be co-maker;
 - 4.1. The spouse of the customer is not allowed to act as co-maker. The spouse will have to sign as principal borrower. However, parent and sibling can act as co-maker.
 - 4.2. A relative may not act as co-maker if their living in the same house, unless the aforesaid house is owned by the co-maker. Living in the same compound with the same number but in a separate house will be acceptable. However, this should be properly explained in the Co-Maker Statement.
 - 4.3. Other condition which disallowed a person to be a co-maker;
 - 4.3.1. No capacity to pay
 - 4.3.2. Transient or no permanent address

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- 4.3.3. Staying for free in the house, e.g. single staying with parents. The reason behind this is that when the account becomes delinquent, attaching co-maker's properties will be difficult. Furthermore, it will be easy for the co-maker to abscond.
 - 4.3.4. Living in the area for less than one (1) year
 - 4.3.5. Not known in the area
 - 4.3.6. No house number or living in an interior where all house number in the place are the same.
 - 4.3.7. Existence cannot be established
 - 4.3.8. PNP, AFP or any military force of the Philippines, Lawyers and Legal Assistants, Judges, Sheriffs, Ombudsman, Mayor or other elected government officials, Single, OFW/OCW.
 - 4.3.9. Member of third sex
 - 4.3.10. Foreign nationals are not allowed to be co-maker.
 - 4.3.11. Does not own any personal and/or real properties to cover the loaned amount.
5. A single co-maker is discouraged and is only acceptable when;
- 5.1. Has a stable income, regular status and at least one (1) year employment or one (1) year in business. This shall also be applicable to married co-maker.
 - 5.2. Has a good moral character and no negative feedback from neighborhood.
 - 5.3. At least 30 years old but not over 65 years old; and if below 30 or above 65 years old, AC must substantiate fitness to be co-maker.
6. The co-maker should sign in the following financing documents;
- 6.1. Chattel Mortgage and Promissory Note
 - 6.2. Disclosure Statement
7. A co-maker can guarantee up to two (2) installment sales only.
8. Non-compliance in the aforementioned policy and procedures is subject to disciplinary action in accordance with the Company Code of Discipline:
- Rule 2, Section 13: Gross and/or Habitual Negligence is the failure to meet performance expectations over a defined period resulting in any of these: destruction/damage of company/client property, loss of files/data, loss of revenue
 - Rule 4, Section 11: Failure to observe Standard Operating Procedure as determined by the respective retail managers, department managers or other authorized company representatives.
 - Rule 4, Section 21: Unjustified failure to execute just and lawful instructions due to carelessness/negligence or failure to get necessary instructions.

PROCEDURES

- 1. Field Personnel
 - 1.1. Give recommendation that the applicant needs co-maker in order to be approved and indicate recommendation in the Credit Investigation Report (CIR).
 - 1.2. Forward CIR and supporting documents to Branch Manager (BM) for review and evaluation.

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2. Branch Manager

2.1. Receive CIR from field personnel and review the recommendation of the field personnel for a co-maker in order to save the sale.

2.1. If the recommendation of the field personnel is overruled and the BM's decision that there is no need for a co-maker; no alteration or erasure in the CIR can be made so as not to break the flow of credit procedure and establish the responsibility over the said transaction.

2.2. Instruct the Marketing Assistant to communicate with the applicant for the needed co-maker in the latter's loan application.

3. Marketing Assistant

3.1. Receive instruction from BM and ask the applicant to provide a co-maker for his loan application.

3.2. Ask the co-maker to submit the following principal requirements needed to establish identity and capacity to pay of the latter;

3.2.1. Two (2) 2X2 colored pictures

Branch should not accept;

3.2.1.1. Old photo of the applicant

3.2.1.2. Cut-out from a group picture unless within the required size

3.2.1.3. Distance shot with the co-maker

3.2.1.4. Unclear picture

This is important when no proper turned-over of accounts has been made by a resigned or personnel terminated from his employment with the Company. The main objective of this requirement is when it came face-to-face with the co-maker; the field personnel can readily identify him/her.

3.2.2. A photocopy of any of the following stand alone Identification Cards must be attached to the Co-Maker Statement.

3.2.2.1. Driver's License

3.2.2.2. Passport

3.2.2.3. TIN ID

3.2.2.4. Postal ID

3.2.2.5. Voter's ID

3.2.2.6. GSIS/SSS ID


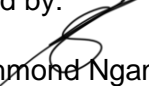
3.2.2.7. PRC ID

3.2.2.8. NBI Clearance

3.2.2.9. Barangay Certificate with seal

3.2.3. Proof Billing

This requirement establishes the place of abode or address of the co-maker. If the co-maker is renting, the billing is normally at the name of the lessor, thus, other documents should be required to establish the address of the co-maker, e.g. Letter envelopes for letters sent to the applicant with postal office stamped and bank statements.

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3.2.4. Proof of Income

3.2.4.1. Employed

3.2.4.1.1. Latest Pay Slip

Co-maker should submit current pay slip and the branch should not accept worn-out, faded or unreadable copy.

This document shows the take home pay of the co-maker and it also shows various government deductions, such as, SSS/GSIS share and withholding tax; and deductions on salary loans.

3.2.4.1.2. Certificate of Employment

The certification should show the monthly compensation of the co-maker. This should be verified through actual visit or telephone call from co-maker's employer.

The field personnel must checked authority of the person who signed in the certificate.

3.2.4.1.3. Latest Income Tax Return

3.2.4.1.4. Latest BIR Form No. 2316 or Certificate of Compensation Payment/Tax Withheld

3.2.4.2. With Business

3.2.4.2.1. Business Permit- This document only established the legitimacy of the business and needs other documents to establish the co-maker's capacity to pay.

3.2.4.2.2. Latest Income Tax Return

3.2.4.2.3. Latest Financial Statement

3.2.4.2.4. For vendors, agents, repair man and other self-employed co-maker; pictures of the stalls or stands, repair shops, products, market tickets for ambulant vendors, equipment and tools to prove the co-maker's source of income.

3.2.4.3. For farmers or co-maker engaged in agriculture, a photo copy of TCT (Transfer of Certificate of Title) can be accepted if the co-maker and the registered owner in the TCT is the same; the BM must certify that the photo copy of the TCT being submitted is a faithful reproduction of the original copy.

3.3. Forward CAF of the co-maker and requirements submitted by the latter to field personnel assigned to the application of the applicant for credit investigation.

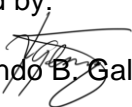
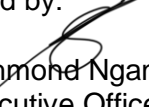
4. Field Personnel

4.1. Receive CAF of the co-maker and submitted requirements from the Marketing Assistant.


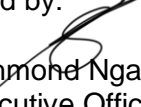
4.2. Check completeness of the CIR and all required information were properly filled-out.

4.3. Conduct credit investigation on the co-maker to establish his credit worthiness and capacity to pay the obligation in case of default by the principal customer.

4.3.1. Confirm identification and qualification of the co-maker.

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- 4.3.2. Call workplace of the co-maker through the telephone and ask the following;
 - 4.3.2.1. Length of stay
 - 4.3.2.2. Date hired
 - 4.3.2.3. Position and Status, e.g. contractual, provisional or regular
 - 4.3.2.4. Reputation of the co-maker
 - 4.3.3. If cannot be contacted, pay personal visit to confirm employment and other data to qualify the co-maker.
 - 4.4. Accomplish a Co-Maker Statement to establish whether the co-maker is credit worthy or not.
 - 4.4.1. Compute the Net Disposable Income of the co-maker to determine his/her capacity to pay.
 - 4.4.2. Sign Co-maker Statement and indicate date of submission on the appropriate portion.
 - 4.5. Forward accomplished Co-Maker Statement and supporting documents to BM for review and approval.
5. Branch Manager
- 5.1. Receive Co-Maker Statement from field personnel and review data and information indicated therein to arrive at a sound decision.
 - 5.2. Check completeness of the Co-Maker Statement and all required information were properly filled-out.
 - 5.3. Affix signature in the appropriate space provided in the Co-Maker Statement and forward signed statement with supporting documents to Marketing Assistant for attachment to pending Credit Investigation Report (CIR).

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CO-MAKER'S STATEMENTPicture
Here

I, _____ agree to be the co-maker of the applicant _____ in signing the note which will evidence the loan the latter is applying for, if granted, I am aware that in signing the note as co-maker I become jointly and solidarily liable with the applicant and considering the note as Co-maker if loan is granted upon maturity of the said loan and the applicant fails to pay the loan, _____ may demand payment of the whole loan from me. I am also aware that you will rely on the truth of the following statements in considering the credit risk relative to the requested loan of P _____.

PERSONAL INFORMATION

Name : _____ Nickname : _____
 Present Address : _____
 Length of Stay : _____ Tel. No. : _____ Cellphone No. : _____
 () Owned () Mortgaged () Rented () Monthly Rent : _____
 Provincial Address : _____ Contact No. : _____
 Civil Status : _____ Sex : _____ Age : _____ Valid ID No. : _____
 Com. Tax Cert. No. : _____ Date : _____ Issued On : _____
 Father's Name : _____ Occupation : _____
 Address : _____ Tel. No. : _____
 Mother's Name : _____ Occupation : _____
 Address : _____ Tel. No. : _____

FAMILY BACKGROUND

Name of Spouse : _____ Nickname : _____
 Provincial Address : _____ Contact No. : _____
 Dependent (s)/Children

Name	Age	School	Year

EMPLOYMENT STATUS

Company/Employer _____ Nature of Business _____
 Address : _____ Tel. No. _____
 Capital : _____ Position : _____ Salary _____

PRESENT CREDIT STATUS

Creditor	Principal	Balance	Maturity	Security

The undersigned authorized _____ to obtain such information as it may require concerning this application and agrees that this document shall remain with _____ property whether or not the loan is granted. The undersigned hereby certifies that the information stated above is true and correct and agrees to notify _____ of any material change affecting loan based on information contained herein.

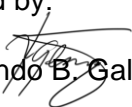
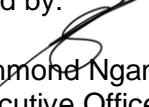
 Co-Maker Signature Over Printed Name

Remarks : _____

 Branch Manager

 Account Counselor

 Date

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