

MITSUKOSHI MOTORS PHILS., INC.		
POLICY AND PROCEDURES		
POLICY TITLE :	ACCOMMODATION OF ACCOUNT	Ref. No. 2015-10-001
DEPARTMENT :	OPERATIONS SUPPORT DEPARTMENT	
TO :	ALL BRANCHES/ AREA MANAGERS/ REGIONAL MANAGER	October 1, 2015

OBJECTIVE



1. To recognize and adjust an illegal accommodate account into a legitimate and official receivable account in the branch records.
2. To totally eliminate losses to be incurred by the Company on illegal accommodation of accounts.
3. To guide the branch in the procedures, recording and documentation of an accommodated account.
4. To define conditions in legitimizing an illegal accommodated account.

POLICY

1. An accommodated account is not allowed by the company which means that the person appearing in a financing contract or installment sale is not the party-in-interest or in possession of the financed motorcycle unit, but another person who is willing to allow his/her name to be used by another for purposes of obtaining credit, thus considered as an illegal account.

Among the possible reasons are the following:

- 1.1. The real customer does not enjoy a good credit standing;
- 1.2. Even if he does have a good credit standing, he does not keep records and cannot support his earnings;
- 1.3. Where the applicant's income comes from illegal sources;
- 1.4. A foreign national;
- 1.5. Not qualify to enter into a financing contract because of his age; and
- 1.6. Personal reasons why the applicant would not want his name used for a particular reasons.
2. The accommodated party in this transaction has no personality in the financing contract, although the MC unit was in his/her possession. The personality remains with the original signor of the contract. Therefore, all the effort to collect and settle the financing obligation shall be through the original customer.

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3. To legally transfer an accommodated account that has passed our criteria will follow the assumption of account procedures.

PROCEDURES

1. Field Personnel

- 1.1. Upon discovery of the accommodation transaction, prepare Accommodation Report to the Branch Manager (BM). The report must be prepared in two (2) copies;

Original : Branch Copy (Customer's File)
Duplicate : AC copy

- 1.2. Request for a copy of the written agreement from the accommodated party, if any, which must be attached in the report.

This report is not to legitimize the transaction but for reportorial requirements only.

- 1.3. Sketch accurately the address of the accommodated party at the back of the report for record purposes. This may be useful in case of default or another AC was assigned to handle the account.

- 1.4. Check the condition of the financed motorcycle unit, capacity and willingness to pay by the accommodated party.

1.4.1. Conduct credit investigation of the third party who has the financed motorcycle unit to check financial condition to determine whether he/she is credit worthy or not. This is to assess the risk exposure of the Company on a person other than the person-in-interest in the financing contract.

1.4.2. Check the condition of the financed motorcycle unit and include this in the report.

- 1.5. Visit the original customer and clarify the circumstances and stress on his/her obligation on the financing contract and the violation of the Chattel Mortgage Law by moving or transferring the financed motorcycle unit without the consent of the Company.

- 1.6. Record the matter in the Customer's Field Card.

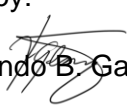
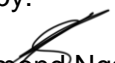
- 1.7. Submit report to branch manager for review and evaluation of the accommodated account.

2. Branch Manager

- 2.1. Receive and review report from the account counselor.

- 2.2. Check the current status of the accommodated account:

2.2.1. If the account is updated and the accommodated party is credit worthy, follow procedures in Assumption of Account;

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2.2.2. If the account is updated but the assuming or accommodated party is not credit worthy; let the accommodated party continue paying the account; However, advise the original party that he/she is still responsible for the account.

2.2.2.1. In case the account becomes delinquent, the branch may repossess the financed motorcycle; any negotiation should only be made with the original customer since he/she is the person-in-interest as per financing contract and the Company has no relationship with the accommodated party what so ever.

2.2.3. If the account is overdue and the assuming or accommodated party is not credit worthy; advise both party, original customer and accommodated party, to settle the financing obligation, else, we will act accordingly to protect the Company's interest, even at the extent of filing necessary criminal case which is violation of Chattel Mortgage Law.

FORM EXPLANATION- ACCOMMODATION REPORT

Particular	Description
1. Dealer	: Name of dealer who sold the motorcycle unit.
2. Branch	: Name of branch who sold the motorcycle unit.
3. Original Customer	: Complete name of the original customer.
4. Address	: Complete address of the original customer.
5. Name of Assuming/Accommodated Party	: Complete name of the accommodated party.
6. Address	: Complete address of the accommodated party.
7. Unit/Model	: Model of the MC unit.
8. Color	: Color of the MC unit.
9. Date	: Date the report was prepared.
10. Engine No.	: Motor or engine number of MC unit.
11. Chassis No.	: Chassis number of the MC unit.
12. A/C No.	: Assigned account number of the original customer.
13. PN Balance	: Outstanding balance of the financing contract.
14. Overdue	: Overdue amount of the financed receivable.
15. MI	: Monthly installment of the financing contract.
16. Condition	: Physical and engine condition of the MC unit.
17. Reasons for Assumption/Accommodation	

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: Main reason determine by the AC for the accommodation of the financing contract.

18. Arrangement with Accommodated Party

: Consideration paid, if yes, check appropriate box and state amount paid. If no, check appropriate box.

: Gratuitous/Free, check appropriate box, if yes or no; state relationship of the accommodated party to the original customer.

19. Others

: Other arrangement on the accommodation of the account.

20. With Deed of Sales with Assumption of Mortgage?

: Check appropriate box provided in the report, if yes or no.

21. Other Contract Presented

: Other contract presented by the accommodated party.

22. Remarks

: Other pertinent information regarding the accommodation of the financing contract, e.g. accommodated party is not credit worthy, bad character or resides outside branch territory.

23. Recommendation



: The recommendation of AC whether the accommodation will be officially transfer or not to the person in possession of the MC unit.

24. Prepared by

: Signature and printed name of AC who prepared the report.

25. BM

: Signature and printed name of BM.

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Dealer

Branch

ACCOMMODATION REPORT

Original Customer :

Name of Accommodated Party:

Address: _____

Address: _____

Unit/Model	:	_____	Color	:	_____	Date	:	_____
Engine No.	:	_____	Chassis No.	:	_____	A/C No.	:	_____
Outs. Bal.	:	_____	Overdue	:	_____	MI	:	_____
Condition:	:	_____						

Reasons for Accommodation : _____

Arrangement with Accommodated Party : _____

1) Consideration paid	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	Amount	:	_____
2) Gratuitous/Free	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	Relationship	:	_____
3) Others	: _____						

With Deed of Sales with Assumption of Mortgage? Yes ☐ No ☐

Other Contract Presented : _____

Remarks : _____

Recommendation : _____



Prepared by: _____

Reviewed by: _____

Account Counselor

BM/Date

(Sketch of Address of the Assuming/Accommodated Party)

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