

HOW TO SECURE LOANS FROM THE REHABILITATION FINANCE CORPORATION

Manila, Philippines

List of papers to be submitted in connection with the application of Loans to Provinces, Municipalities and chartered cities for public markets, waterworks and electric plants.

(R.F.C. Gov't Loans Form No. 5)

1. An application for loan patterned after the model resolution (R.F.C. Gov't. Loans Form No. 1 or 1-A) and signed by the members of that Council or Board present at its adoption.

2. The approval of the application by the Provincial Board in case of municipalities, or that of the Mayor, in case of Cities.

3. A financial statement (R.F.C. Gov't Loans Form No. 2) of the applicant municipality, province or city, showing its income and expenditures for the last five years, from 1939 to 1948, if available, Japanese occupation excluded. If not, those for the last preceding three years may be given.

(a) A financial statement of market operations, (R.F.C. Gov't Loans Form No. 3); of waterworks operation (R.F.C. Gov't Loans Form No. 4); or of electric plans (R.F.C. Loans Form No. 6), as the project may be.

4. Sketch plans of the site showing its dimensions, boundaries and ownership; township, indicating therein location of main lines, etc.; buildings to be constructed.

5. The report of chemical and biological analysis of the water, showing its portability, etc. in case of waterworks loan.

6. The comments and recommendations of the following offices and officials:

(a) The Provincial Treasurer on the paying capacity of the applicant;

(b) The District Engineer or the City Engineer on the feasibility

of the project, including detailed list of project and individual estimated cost.

(c) The District Health Officer on sanitation, in case of applications concerning waterworks, sewerage systems, etc.

(d) The Director of Public Works.

(e) (The Auditor General certification of the paying capacity of the applicant.

(f) The Director, National Urban Planning Commission, Malacañan, Manila (for an assurance that the site for the proposed building will be retained in the new plans of the applicant municipality or city.)

(g) The Secretary of the Interior for the approval of the site.

(h) The Secretary of Finance.

Suggestion:

Before the Provincial Board or any Municipal Council adopts the enclosed resolution which will serve as the contract for the loan that may be granted, we suggest that it consult the District Engineer regarding the estimated cost of the project to be constructed, which should be the amount of the loan to be applied for.

In case of a loan for a market project, the application, together with R.F.C. Gov't Loans Forms Nos. 2 and 3, duly accomplished by the Municipal Treasurer, should be coured through the Provincial Board for approval of the application, and the Provincial Treasurer for verification of the financial statement, (Form No. 2). In case of a loan for a waterworks system, Form No. 4, prepared by the District Engineer should be submitted therewith instead of Form No. 3. All the papers should then be sent to the General Auditing Office for the certification of the paying capacity of the applicant, with the request to forward them after

certification to the Department of Finance, thru the Department of the Interior, the National Urban Planning Commission and the Bureau of Public Works.

All papers should be submitted in duplicate to this Corporation, and to avoid delay in the transmission of the application through the foregoing offices, enough copies of the forms should be enclosed.

RFC Gov't. Loans Form No. 1 A
Application for Loan for the Construction of Market Buildings, Republic Act. No. 85

Excerpt from the Minutes of the Municipal Council of
in its meeting held on
....., 194.....

Present:
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.....
.....

Absent:
.....
.....

Resolution No.

Whereas, the public interest so requiring, the Municipality of proposes to construct
.....
on the site described as follows:

(NOTE:—State if site is owned by Municipality and whether it has been approved by the Secretary of the Interior; or, in the absence of such approval, that steps are being taken to secure it. Location plan to be attached.)

Whereas, the said Municipality does not have sufficient funds with which to carry out such project;

Therefore, on motion, duly seconded:

Be it resolved, That the Municipality of hereby applies to the REHABILITATION FINANCE CORPORATION, in accordance with the provisions of Republic Act No. 85, for a loan of

(P.....);
That in case said loan or part thereof is granted, the Municipality of binds itself to comply with the following conditions:

1. That the loan shall be paid in ten (10) annual amortizations including interest at four per centum (4%) per annum, the first amortization to be paid one year after the date of completion of the project, which date shall be certified to the REHABILITATION FINANCE CORPORATION by the Provincial Treasurer having jurisdiction thereon;
2. That the loan shall be released only upon receipt in the REHABILITATION FINANCE CORPORATION of information that the site of the project has been approved by the Secretary of the Interior, and as the loan is needed for the project, upon request of the District Engineer having jurisdiction thereon;
3. That the loan shall be paid from the gross income of this project, and in case its income shall not be sufficient to pay the annual amortization due, the Municipality of shall set aside from its general fund annually an amount equal to the yearly amortization including principal and interest at the rate of ₱123.29 per ₱1,000.00 applied for until the loan herein requested and all interests due thereon are entirely repaid;
4. That in case of default, the Collector of Internal Revenue and the Auditor General shall withhold from the next allotment of internal revenues of the Municipality the amortizations due and remit the same to the REHABILITATION FINANCE CORPORATION and shall continue to withhold such amount until the arrearages shall have been fully paid;
5. That in case the amount of loan requested is not sufficient to finance the project ₱..... will

- immediately be appropriated from the municipal funds to be used for the purpose subject to the same restrictions as to expenditures as the loan herein applied for;
6. That the whole amount of the loan, together with other loans or allotments granted to or received by, the Municipality of for the purpose herein specified, shall be deposited with the Provincial Treasurer of to constitute a special fund to be known as
 7. That it shall impose the maximum rate of land tax for general purposes, and that no general reduction of assessment values for taxation purposes shall be authorized until this loan and all interests due thereon are entirely repaid;
 8. That the plans and specifications of the project shall be prepared by the Bureau of Public Works after consultation with the authorities concerned and its construction shall be done under the supervision of the Director of Public Works and/or his authorized representative;
 9. That the contract relative to said project shall not be awarded unless bids for the same are advertised in accordance with the provisions of Section 1917, as amended, of the Revised Administrative Code and the regulations of the Bureau of Public Works based thereon. All vouchers covering payments shall be subject to the approval of the Director of Public Works and/or the District Engineer and the Provincial Auditor;
 10. That no part of the fund herein applied for shall be used except for the project for which the loan is granted and the unexpected balance, if there be any after the work is completed shall not be used for other purposes without the express authorization of the REHABILITATION FINANCE CORPORATION;
 11. That proceedings to register the real property under Act No. 496, as amended, shall be instituted at once;
 12. That immediately upon completion, it shall have the structure insured, if insurable, under the provisions of Chapter 16 of the Revised Administrative Code, for the total amount of the loan invested therein and the insurance shall be kept in force until the loan and all interests thereon shall have been entirely repaid. The Municipal or Provincial Treasurer is hereby authorized to pay the premiums of the insurance from any unappropriated fund of the municipality;
 13. That no recommendation shall be made for the reduction of the territory of the present municipality without the knowledge and consent of the REHABILITATION FINANCE CORPORATION until this loan and all interests due thereon are entirely repaid;
 14. That this Municipal Council, shall immediately, by ordinance, prohibit the erection of buildings for residential purpose on the market site and any structure of light materials within thirty meters of the curb line facing the market site, or any structure bounding such site, or within thirty meters of such site and not bounded by streets, and shall also prohibit the repair of such light material structures as are now erected within such limits; and shall declare the market site and the land within thirty meters of such site when not bounded by a street, a fire zone, within which light material buildings may not be erected;
 15. That until such time as the principal and interest of the loan shall have been fully repaid, the Provincial Treasurer, acting on behalf of the National Government, shall have full control and supervision of the operation of the market and slaughterhouse as well as the custody and the control of all land and all other buildings comprising

the same, and all ordinances, resolution, orders and other regulations that may be promulgated by the Municipal Council or any municipal official in any manner pertaining to the operation or control thereof shall require the prior approval of the Provincial Treasurer and shall conform with the provisions of Republic Act No. 37 as well as with the rules promulgated thereunder. Appeal may be made by the corresponding council from a decision of the Provincial Treasurer disapproving a proposed ordinance, resolution, order or regulation, to the Secretary of the Interior whose decision shall be final, provided, that in the event of difference of opinion between the Treasurer and the Council as to the tariff to be charged for the use of the market and/or slaughterhouse, the tariff approved by both the Secretary of the Interior and the Secretary of Finance shall be adopted;

We hereby certify that at a meeting by the Municipal Council, held on the day of, 194..... the foregoing resolution was approved by the affirmative vote of all or the majority of all the members of the Council.

Mayor
 Councilor
 "
 "
 "
 "
 "
 "

I hereby certify that the sum of P..... mentioned in paragraph 5 appropriated for has been deposited in this office, and is available for the construction above contemplated.

.....
Provincial Treasurer
 FRC Gov't. Loans Form No. 1 B
 Application for Loan for the Construction of a Waterworks system, Republic Act No. 85

Excerpt from the Minutes of the Provincial Board-City-Municipal Council of in its Meeting held on, 194....

Present:

 Absent:

Resolution No.

Whereas, the public interest so requiring, the Province-City-Municipality of proposes to construct

.....
 on the site described as follows:

(NOTE:—State if site is owned by Province-City-Municipality and whether it has been approved by the Secretary of the Interior; or, in the absence of such approval, that steps are being taken to secure it. Location plan to be attached.)

Whereas, the said Province-City-Municipality does not have sufficient funds with which to carry out such project;

Therefore, on motion, duly seconded:

Be it resolved, That the Province-City-Municipality of hereby applies to the REHABILITATION FINANCE CORPORATION, in accordance with the provisions of Republic Act No. 85, for a loan of (P.....);

That in case said loan or part thereof is granted, the Province-City-Municipality of binds itself to comply with the following conditions:

1. That the loan shall be paid in ten (10) annual amortizations including interest at four per centum (4%) per annum, the first amortization to be paid one year after the date of completion of the project, which date shall be certified to the REHABILITATION FINANCE CORPORATION by the

- District-City Engineer having jurisdiction thereon;
2. That the loan shall be released only upon receipt in the REHABILITATION FINANCE CORPORATION of information that the site of the project has been approved by the Secretary of the Interior, and as the loan is needed for the project, upon request of the District-City Engineer having jurisdiction thereon;
 3. That the loan shall be paid from the gross income of this project, and in case its income shall not be sufficient to pay the annual amortization said Municipality of shall set aside from its general fund annually an amount equal to the yearly amortization including principal and interest at the rate ₱123.29 per ₱1,000.00 applied for until the loan herein requested and all interests due thereon are entirely repaid;
 4. That in case of default, the Collector of Internal Revenue and the Auditor General shall withhold from the next allotment of internal revenues of the Province-City-Municipality the amortization due and remit the same to the REHABILITATION FINANCE CORPORATION and shall continue to withhold such amount until the arrearages shall have been fully paid;
 5. That in case the amount of loan requested is not sufficient to finance the project ₱ will immediately be appropriated from the province-city-municipal fund to be used for the purpose subject to the same restrictions as to expenditures as the loan herein applied for;
 6. That the whole amount of the loan, together with other loans or allotments granted to or received by the Province-City-Municipality of for the purpose herein specified, shall be deposited with the Provincial-City Treasurer of, to constitute a special fund to be known as
 7. That it shall impose the maximum rate of land tax for general purposes, and that no general reduction of assessment values for taxation purposes shall be authorized until this loan and all interests due thereon are entirely repaid;
 8. That the plans and specifications of the project shall be prepared by the Bureau of Public Works after consultation with the authorities concerned and its construction shall be done under the supervision of the Director of Public Works and/or his authorized representative;
 9. That the contract relative to said project shall not be awarded unless bids for the same are advertised in accordance with the provisions of Section 1917, as amended, of the Revised Administrative Code and the regulations of the Bureau of Public Works based thereon. All vouchers covering payments shall be subject to the approval of the Director of Public Works and/or the District Engineer and the Provincial Auditor;
 10. That no part of the fund herein applied for shall be used except for the project for which the loan is granted and the unexpected balance, if there be any, after the work is completed shall not be used for other purposes without the express authorization of the REHABILITATION FINANCE CORPORATION;
 11. That no recommendation shall be made for the reduction of the territory of the present municipality without the knowledge and consent of the REHABILITATION FINANCE CORPORATION until this loan and all interests due thereon are entirely repaid;
 12. That upon completion of the construction of the waterworks system, the same shall be administered in accordance with the "General Regulations Governing the Administration, Operation, and Maintenance of Waterworks Systems."

nance of "Municipal and Provincial Waterworks" jointly promulgated by the Director of Public Works and the Chief of the former Executive Bureau, pursuant to Executive Order No. 6, series of 1925, as amended by Executive Order No. 7, Series of 1926, of the Governor General, and section 1916 of the Administrative Code as amended.

We hereby certify that at a meeting by the Provincial Board-City-Municipal Council, held on the day of....., 194..... the foregoing resolution was approved by the affirmative vote of all or the majority of all the members of the Board-Council.

Mayor
 Councilor
 "
 "
 "
 "
 "

or

Governor
 Member
 Member

I hereby certify that the sum of P..... mentioned in paragraph 5 appropriated for has been deposited in this office, and is available for the construction above contemplated.

Provincial-City Treasurer

RFC Gov't. Loans Form No. 2
 Financial Statement of the Province-City-Municipality of in connection with its Loan Application of P.....

APPLICANT: Province-City-Municipality

Population

Class

Seven per cent (7%) of Amount:—P.....

Purpose:—

1. Borrowing Capacity:—
 Assessed value of taxable real property on June 30, 1948 P.....

above P.....
 Deduct outstanding loans and other indebtedness P.....
 Legal borrowing capacity P.....

General Fund

2. Paying capacity:—
 1940 Gross revenue P.....
 Total budget charges (less sinking fund installment, repayment of loans and capital outlays) P.....
 Excess P.....
 1941 Gross revenue P.....
 Total budget charges (less sinking fund installment, repayment of loans and capital outlays) P.....
 Excess P.....
 1945 Gross revenue P.....
 Total budget charges (less sinking fund installment, repayment of loans and capital outlays) P.....
 Excess P.....
 1946 Gross revenue P.....
 Total budget charges (less sinking fund installment, repayment of loans and capital outlays) P.....
 Excess P.....
 1947 Gross revenue P.....
 Total budget charges (less sinking fund installment, repayment of loans and capital outlays) P.....
 Excess P.....
 1948 Gross revenue P.....
 Total budget charges (less sinking fund installment, repayment of loans and capital outlays) P.....
 Excess P.....
 a. Total excess in years and months P.....
 b. Average yearly excess (total excess divided by (—)) P.....
 c. Gross paying capacity for

- loans (average yearly excess divided by 14; loan payable in 10 years with interest at 4%) P.....
- d. 60% of gross paying capacity P.....
- e. Deduct total amount of outstanding loans and other indebtedness P.....
- f. Net paying capacity for loans payable in 10 years with interest at 4% per annum P.....

Attested by:

Provincial Treasurer

Date:

Submitted by:

City or Municipal Treasurer

Date:

Submitted by:

Provincial-City Treasurer

Date:

RFC Gov't. Loans Form No. 3

Market and/or Slaughterhouse projects to be financed from the Rehabilitation fund, Republic Act No. 85
Financial Statement

1. Province
2. Municipality or City
3. Estimated cost P.....
4. (a) Amount recommended from the Rehabilitation Fund P.....
(b) Amount of City-Municipal Funds for construction of project P.....
5. Annual Operating Expense and Reimbursement:
(a) Cost of operation and maintenance, including salary of personnel P.....
(b) Repairs to the buildings P.....
(c) Annual amortization on the loan including interest of 4% for 10 years /123.29 per P1,000.00 P.....
(d) Miscellaneous P.....
6. Proposed rates for market
(a) Market tiendas, per door P.....
(b) Stall space per square

meter/.....

(c) Slaughterhouse fees for hogs, cattle, etc. P.....

(d) Other space P.....

7. Estimated annual income of the market and/or slaughterhouse based upon the proposed rates in Item 6:

(a) From market tiendas @ P..... per month for 12 months P.....

(b) From stall space @ P..... per sq. m. daily average, for 365 days, or per month, as the case may be P.....

(c) From average slaughter of hogs per month P....., for 12 months, etc., P.....

From average slaughter of cattle per month P....., for 12 months, etc. P.....

8. Estimated Profit or Deficit (Item 7 minus Item 5) P.....

(In case of deficit, give steps that would be taken to remedy same)

9. (a) Actual net income of market and/or slaughterhouse for the year 1945 P.....
(b) Actual net income of market and/or slaughterhouse for the year 1946 P.....

10. Total amount of outstanding loans of Municipality-City P.....

11. Annual repayment on outstanding loans including interest P.....

Attested by:

Provincial-City Treasurer

Submitted by:

Municipal Treasurer

NOTE:—The Provincial or City Treasurer shall certify whether the estimated income would be sufficient to cover the annual amortization and the expenses for the

(Continued on page 484)

Section 25. Every municipal tribunal, once constituted in accordance with this provision, shall—with the presence of the delegates of the *Principalia* and of the Reverend Parish Priest—prepare a statement of the fixed sources of revenue with which it is to meet the current expenses of the town. In this statement no amount can be embodied when it accrues from the tax which may be placed upon rural property, in accordance with Number 14 of the preceding Section; as a separate account and statement must be kept of all the receipts relative thereto, which shall be used exclusively to defray the cost of local community public works.

The statement of permanent ordinary sources of revenue, referred to in the preceding Section, shall be the budget of annual receipts of the town. It shall continue in force indefinitely, with the additions or alterations which may be introduced therein in a legitimate manner and true and duly certified copies shall always be on file with the Municipal Tribunal and the Provincial Board.

Every three years the estimate of the revenues appearing in the statement shall be revised by the Board and each revenue item shall be set down only to denote the amount collected annually, in accordance with the average collections calculated from the accounts of the previous years.

Section 26. The imposts and taxes which constitute the "Income or Funds of the Towns," with the exception of those which may be placed upon rural property, may be farmed out by the municipal tribunals at a public auction, in the manner prescribed in Section 12 and for periods not exceeding three years.

The imposts and taxes not farmed out shall be collected by the *cabezas de barangay* or by the other persons entrusted therewith who may be designated in writing, and at the periods and intervals which the Municipal Tribunal may determine, under the personal responsibility of its members.

At the end of the period of collection, the person in charge thereof shall

deposit with the Municipal Tribunal the receipts which he may not have been able to turn into specie. He shall not be held accountable for the failure to make the collection, when such a failure is not due to negligence or bad faith.

The Tribunal shall take such action as may be contributive to the payment by the delinquents of the amounts which they have come to owe.

Section 27. To each taxpayer and for the amount collected, there shall be issued a receipt signed by the Captain and by the person in charge of the collection.

This person shall make his deposits weekly, during the period of the collection, with the Municipal Tribunal, the Captain giving him receipts for the amounts deposited with a statement of the items to which they pertain.

The Captain shall retain, at the time of the deposit, a duplicate of the receipt, with the signature of the collector, in order to make a record at the proper time of the deposit of the collection in the safe of the "Income of the Towns."

The person in charge of the collection shall also prepare a detailed statement of the collections, by items, for transmission to the Provincial Board at the times specified in the regulations.

—oOo—

How to Secure . . .

(Continued from page 482)

administration, operation and maintenance of the market and/or slaughterhouse, and if the income is not sufficient to cover same, whether the deficiency could be covered from the regular income of the applicant entity.

—«O»—

Ruling of the

(Cont. from page 459)

In view of the foregoing, therefore, this Office believes that payment of the salary increase of Mr. Rafael L. Carranza may be allowed in audit. *3rd Ind., June 23, 7937, of Aud. Gen. to Prov'l Aud., Masbate, Masbate; G.A.O. File No. 390.*