



## TERMS AND CONDITION

**1. Eligibility Requirements**

A member who has no outstanding stock purchase loan may qualify for a pension loan by submitting a properly accomplished application form at the appropriate BJMP-MPC Office.

**2. Amount of Loan**

The amount of loan shall be the sum total as approved by the BJMP-MPC and as reflected in its disbursement voucher which is not necessarily the amount applied for. The amount of loan that a pensioner can avail shall be 1, 2, 3, 4, 5, or 6 times his/her monthly pension but in no case be more than P 100,000.00

For this purpose, the monthly pension to be considered in determining the amount of loan to be granted shall be the monthly pension as of the date of receipt of the loan application by the BJMP-MPC.

**3. Terms of the Payment**

The loan principal, interest and other charges due shall be payable in monthly amortization within the term selected by the Pensioner-Borrower which may either be six (6) months, one (1) or two (2) years.

The monthly amortization shall be deducted from the Pensioner-Borrower's monthly pension from BJMP-MPC. It is understood that the Pensioner-Borrower cannot authorize the stoppage of such pension deduction until full payment of the loan and other charges that may have accrued thereon.

In the event that deduction as above authorized is not affected for whatever reason, the Pension-Borrower hereby undertakes to pay directly to the BJMP-MPC all amortization due.

**4. Due Date of First Monthly Installment**

The first monthly amortization shall be due on first day of the second month following the granting of the loan and every month thereafter until the loan is paid.

**5. Interest Rate**

The loan shall incur interest at the rate of twelve percent (12%) per annum computed in advance.

**6. Service Fee**

A service fee of 2.0% of the loan amount shall be charged and deducted from the proceeds of loan.

**7. Maturity of the Loan**

This loan automatically matures upon the death of the Pensioner-Borrower notwithstanding that a longer term was chosen by the Pensioner-Borrower.

Upon the maturity of the loan, the entire principal amount of this loan including all interest and other charges payable, shall be due and payable without need of demand or further notice, all of which are hereby expressly waived by the Pensioner-Borrower.

**8. Renewal of Loan**

Renewal of loan will be allowed only after the end of the term chosen by the Pensioner-Borrower. Application for succeeding loan shall be processed starting on the month following the month of the last payment.

For this purpose, "end of the term" means the month that the last repayment on the loan is due.

**9. Loan Pre-termination**

The pensioner-Borrower may pre-terminate the loan during its term subject to the full payment of outstanding balance of the principal amount, including interest and other charges payable.

**10. Loan Cancellation**

Once the loan is approved and the loan proceeds have been released through check or through any other modes of disbursement, the Pension-Borrower has no more option to cancel the loan but only to pre-terminate it by paying the full amount of the outstanding balance including accrued interest if any, without any right to demand for reimbursement of processing/service fee and such other fees that might have been collected under such loan.

**11. Authority to Apply Payment**

In case of maturity of this loan due to death of the Pensioner-Borrower and it remains outstanding either in whole or in part, both for principal and interest, the BJMP-MPC is authorized to apply survivor's benefit due to his/her beneficiaries with law, the amount equivalent to the outstanding balance of this loan, inclusive of interest, penalties and surcharges. The residual of the benefits shall be paid to the qualified beneficiaries/claimants in accordance with the law.

Further, in the event that the survivor's benefit is insufficient to fully settle the outstanding obligations, BJMP-MPC is authorized to apply the monthly survivorship pension (basic survivorship pension and dependent's pension) due to qualified survivor/s to the remaining outstanding obligations until the loan is fully paid. Such authorization shall remain effective until full payment of the loan or any other outstanding obligation of the Borrower to the BJMP-MPC, by virtue of this loan and/or other obligation shall constitute a lien over any benefits/claims that may be due the Borrower.

Should such benefits/claims from the BJMP-MPC be insufficient to cover the remaining balance, BJMP-MPC shall not be prevented from filing the necessary civil an administrative action(s) for recovery either against the Borrower or his estate.

**12. Attorneys Fees**

Should the BJMP-MPC be compelled to refer the loan or any position thereof to an Attorney-at-Law for collection or to enforce any right hereunder against the Pensioner-Borrower or avail of any remedy under law of this Agreement, the Borrower shall pay an amount equivalent to twenty-five (25%) percent of all amounts outstanding and unpaid as and for attorney's fees and litigation expenses.

**13. Venue**

Any legal action, suit, or proceeding arising out or relating to this Agreement, shall be brought or instituted in the appropriate courts in Quezon City or such other venue at the exclusive option of BJMP-MPC. In the event the Pensioner-Borrower initiates any legal action arising from or under the agreement, for whatever causes, the Borrower agrees to initiate such action only in the City where the principal office of BJMP-MPC is located.

**14. Notices**

All notices required under this Agreement or for its enforcement shall be sent to the Office Address or at Mailing/Residential Address indicated in the loan application or as such other address as maybe indicated hereafter by the Pensioner-Borrower to the BJMP-MPC. The notices sent to any such addresses shall be valid and sufficient notice to the Pensioner-Borrower for all legal intents and purposes.