



Republika ng Pilipinas  
Lungsod Quezon  
SANGGUNIANG PANLUNGSOD  
(City Council)

PR99-130

5th Special Session

RESOLUTION NO. ~~SP-141~~, SP-99

A RESOLUTION AUTHORIZING THE HONORABLE ISMAEL A. MATHAY JR., MAYOR OF QUEZON CITY, TO ENTER INTO AN AGREEMENT WITH LAND BANK OF THE PHILIPPINES FOR REFINANCING OF THE PHILIPPINE NATIONAL BANK LOAN AND FOR OTHER PURPOSES.

Introduced by Councilors GODOFREDO T. LIBAN II, VINCENT P. CRISOLOGO, ELIZABETH A. DELARMENTE, GEORGE M. CANSECO, ROMMEL R. ABESAMIS, MA. FRESCA M. BIGLANG-AWA, MARCIANO P. MEDALLA, ERIC Z. MEDINA, JORGE L. BANAL, ANTHONY C. CASTELO, MARCEL C. RILLO, ALMA F. MONTILLA and BAYANI V. HIPOL.

WHEREAS, the loan obtained by the City government from the Philippines National Bank, which still has a balance of P1.050 billion, imposes a heavy burden on City government financial in terms of both principal amortization and interest payments;

WHEREAS, the interest payment is based on commercial rates averaging no less than 17% p.a. thus generating a heavier payments burden than the principal;

WHEREAS, given the adverse consequence of the economic crisis on revenue collections there is need to minimize in the annual budget any burden of these interests and principal payments;

WHEREAS, the Land Bank of the Philippines has offered to refinance the loan from Philippine National Bank by buying out the outstanding balance of P1.050 billion;


WHEREAS, the terms of the refinancing or buy-out is substantively advantageous to the City as the interest rate will be set at 14%, and the period of payment will be extended from three (3) to seven (7) years;

WHEREAS, given these terms, the financial relief to be gained by the City with savings in interest expense from P30-P50 million per year, and amortization payments reduction from P125 million to P60 million quantity;

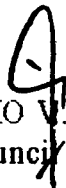
NOW, THEREFORE,

BE IT RESOLVED BY THE CITY COUNCIL OF QUEZON CITY IN SESSION ASSEMBLED to authorize, as it does hereby authorize, the Honorable Ismael A. Mathay Jr., Mayor of Quezon City, to enter into an agreement with the Land Bank of the Philippines for refinancing of the Philippine National Bank loan, and for other purposes, refinancing to be effective at the earliest possible date, which shall be submitted to the City Council for ratification.

ADOPTED: May 6, 1999.

  
CONNIE S. ANGELES  
Vice Mayor  
Presiding Officer

ATTESTED:

  
EUGENIO V. JURILLA  
City Council Secretary

mos/maza<sup>msk</sup>

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