



Republic of the Philippines
NATIONAL ELECTRIFICATION ADMINISTRATION
Quezon City

March 14, 2006

NEA MEMORANDUM No. 2006-005

TO : ALL ELECTRIC COOPERATIVES

SUBJECT : Service Charge on Short-Term Credit Facility (STCF)

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A research conducted by this office reveals that various financing institutions are charging fees on loan (service/processing/application/front-end fee) other than the application of interest.

In order to recover the prevailing cost of processing loan application, the NEA Board, in its Resolution No. 1 dated January 24, 2006, approved the Policy on Service Charge on Short Term Credit Facility. The application of a service charge equivalent to $\frac{1}{2}$ of 1% or .50% on the approved amount of credit facility can be a one-time payment or a maximum of two (2) payments within the six-month facility.

Effective January 24, 2006, request for new/renewal of STCF shall, therefore, be subject to this policy.

For your information and guidance.


EDITA S. BUENO
Administrator

NATIONAL ELECTRIFICATION
ADMINISTRATION

IN REPLYING, PLEASE REFER TO FILE # OR008218



NEA-0R008218

*see
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