



May 2, 2016

MEMORANDUM No. 2016-003

TO : ALL ELECTRIC COOPERATIVES

SUBJECT : Reduction in NEA's Lending Rates

1. As a policy, NEA periodically reviews its lending rate to determine if a revision is warranted.
2. NEA saw the need to study/review its current lending rate to provide an updated loan pricing that is fair, reasonable and competitive with other financing institutions.
3. As a result of the study, the NEA Board of Administrators unanimously approved another cut in NEA's lending rate effective April 14, 2016 on term and short term loans, and shall be applicable for new loans and for undrawn loan balances, as follows:
 - a. 6% interest rate per annum, fixed for 10 years, subject to re-pricing at the end of the 10th year but not lower than 6%
 - b. 5.5% interest rate per annum for repayment period of 2 years
 - c. 6% interest rate per annum or .5% per month for short term loans (STCF and SCF)
4. The lowering of NEA's lending rate will also reduce ECs' financing costs which will redound to the benefit of the member consumers.

For your information and guidance.


EDITA S. BUENO
Administrator

