



Republic of the Philippines
National Electrification Administration
Quezon City

May 2, 2008

MEMORANDUM No. 2008-004

TO : ALL ELECTRIC COOPERATIVES
SUBJECT : Reduction in NEA's Lending Rate

1. As a policy, NEA shall periodically review its lending rate to determine if a revision is warranted.
2. In January 2007, NEA reduced its lending rate from 12% to 10% per annum.
3. Based on the BSP reference rates dated April 4, 2008, the highest interest rate prevailing in the market was 10.12% while the lowest was 8.5%.
4. 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.
5. The lowering of NEA's lending rate will also reduce ECs financing costs which will redound to the benefit of the member consumers.
6. As a result of the study, the NEA Board of Administrators unanimously approved another cut in NEA's lending rate effective May 2008 on term loan approvals (excluding Short-Term Credit Facility and Stand by Credit Facility) as follows:

2 years repayment period	-	8.0% per annum
3-15 years repayment period	-	9.0% per annum

For your information and guidance.


EDITA S. BUENO
Administrator

NATIONAL ELECTRIFICATION
ADMINISTRATION

IN REPLYING, PLEASE REFER TO: #OR012221



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