

SAVINGS AND LOAN ASSOCIATION OF GOVERNMENT AUDITORS, INC.

SLAGA Office, Commission on Audit Compound, Commonwealth Avenue, Quezon City
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**Board Resolution No.2022 – 60
Twenty third (23rd) Regular Meeting
June 17, 2022**

**SUBJECT: IMPOSITION OF ONE PERCENT (1%) OF THE
OUTSTANDING LOAN BALANCE AS PRE-
PAYMENT CHARGE**

WHEREAS, the Association grants to its members, among others, *salary-based general-purpose consumption loans*. mainly on the basis of regular salary or other fixed compensation, where repayment would come from monthly amortizations through salary deductions for a term of one (1) year to a maximum of five (5) years;

WHEREAS, it has been noted that for the period October 2021 to May 2022, a total of P11,654,136,74 of outstanding loan balance were requested by members to be paid earlier than their scheduled maturity thru buy-out of these loans by another financial institutions;

WHEREAS, the pre-termination of these loans earlier than their maturity dates will mean loss of interest income for the period starting from the date of buy-out or prepayment up to the maturity date and for that matter and it is estimated that as a result of these buy-outs, SLAGA would stand to lose for the fiscal year 2021- 2022 interest income in the amount of P794,360.43 more or less; and

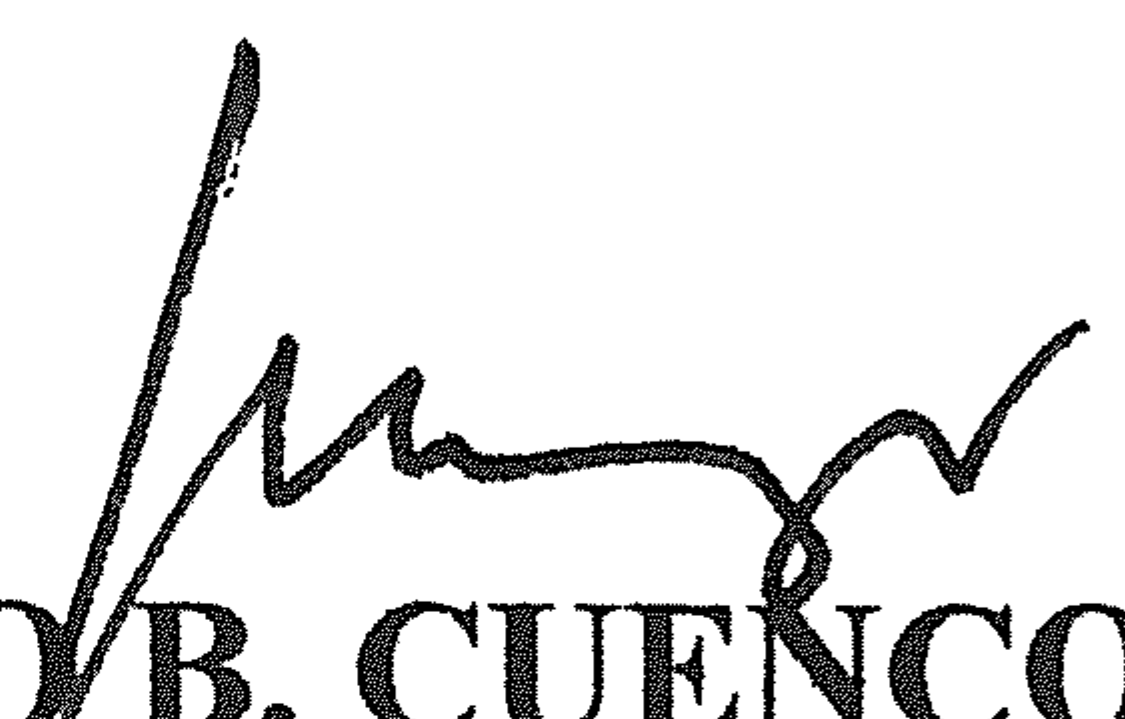
WHEREAS, there is a need for SLAGA to find ways to discourage prepayment or buy-out of loans.

NOW THEREFORE, BE IT RESOLVE AS IT IS HEREBY RESOLVED, that effective July 1, 2022, any prepayment or buy-out of outstanding loans earlier than the original maturity shall be charge a pre-termination fees of One Percent (1%) of the outstanding loan balance.

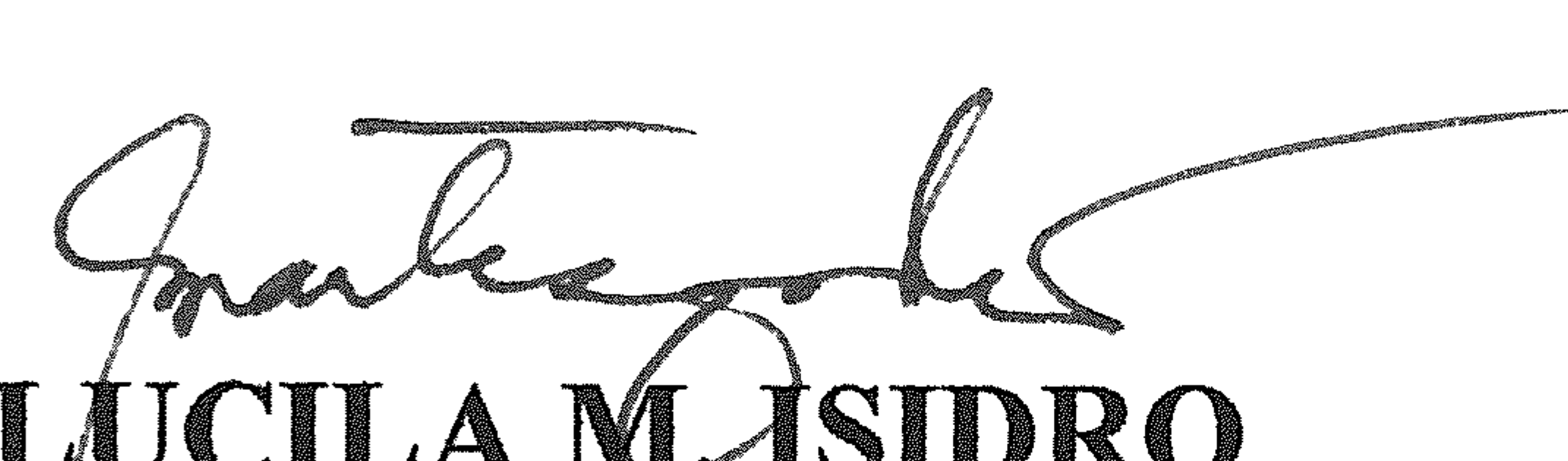
Done this 17th day of June 2022, Quezon City.

APPROVED:

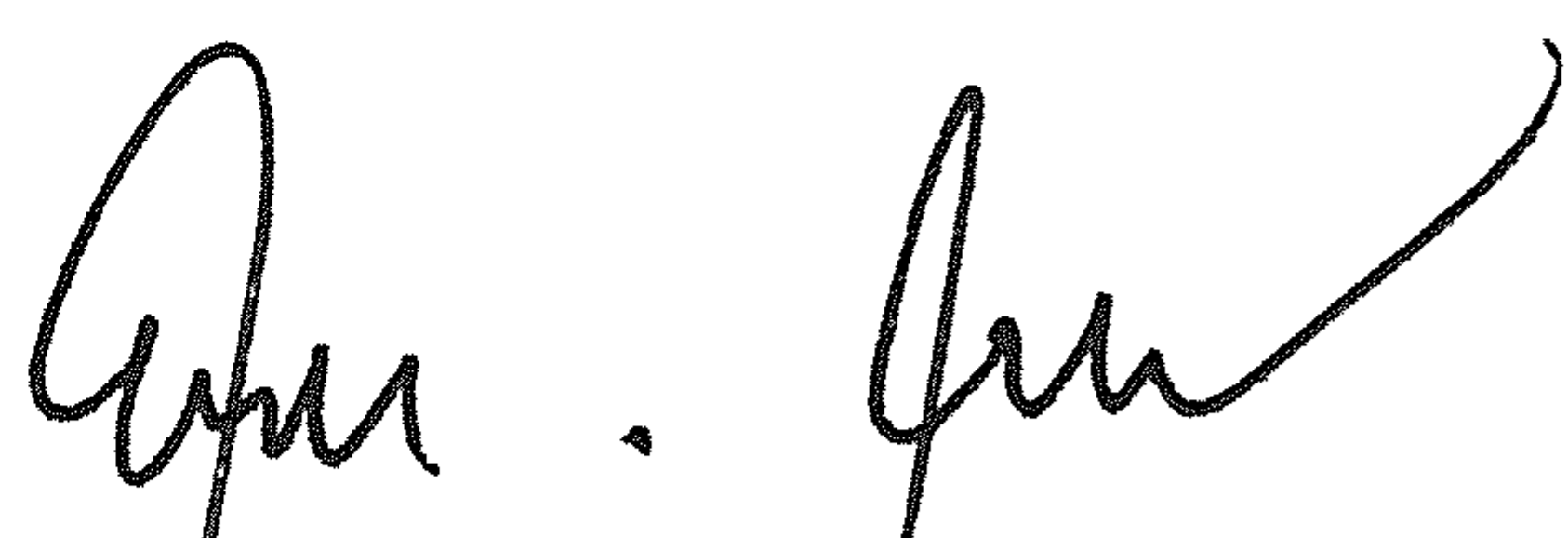

NILDA B. PLARAS
President



ARCADIO B. CUENCO, JR.
Vice-President



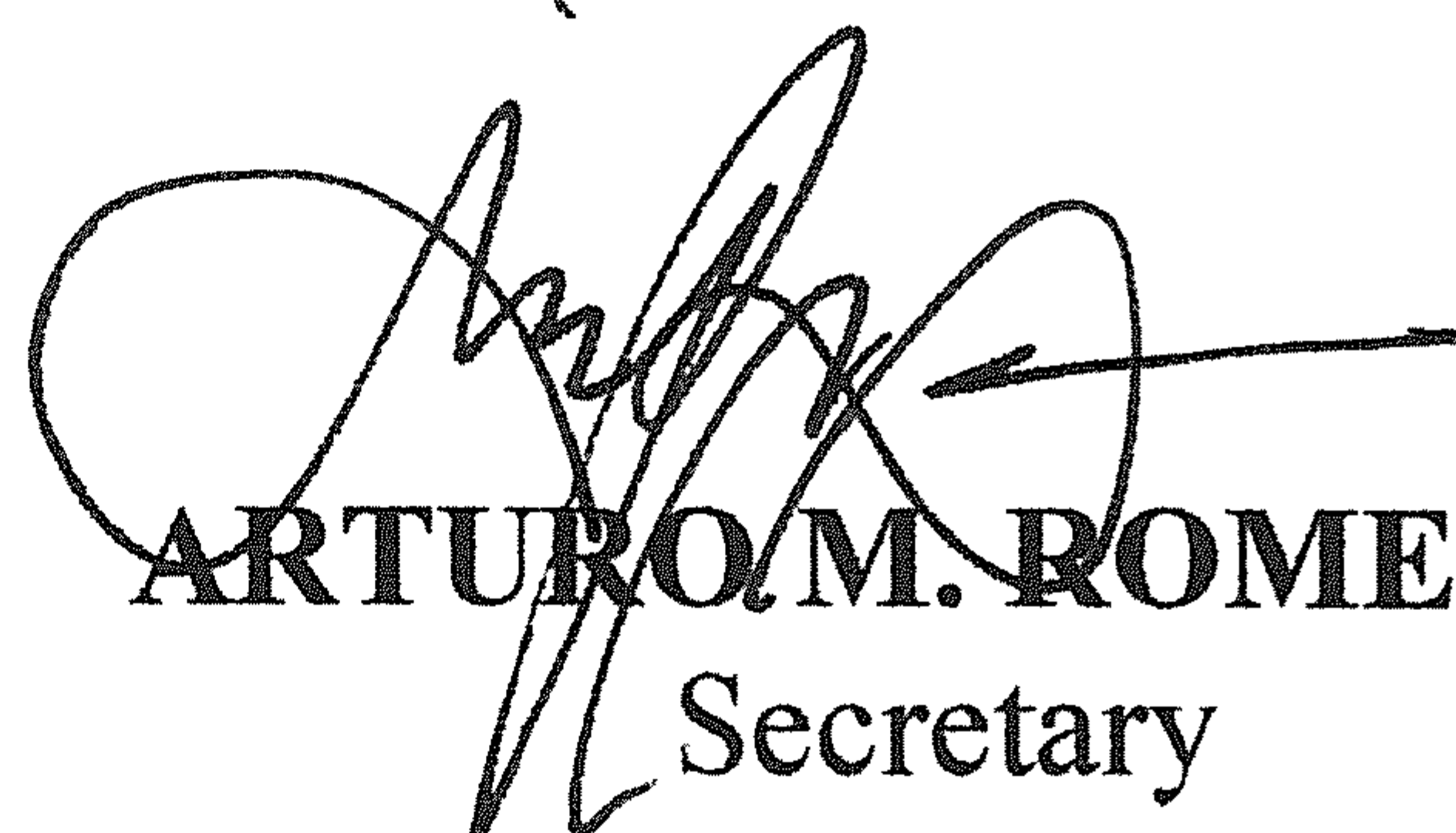
LUCILA M. ISIDRO
Treasurer



SOFIA GEMORA
Trustee



LORNA CABOCHAN
Trustee



ARTURO M. ROMERDE
Secretary



MARIO L. ORTEGA
Trustee