

 <p>LBP RESOURCES AND DEVELOPMENT CORPORATION 24TH Floor LBP Plaza 1598 M.H Del Pilar cor. Dr. J. Quintos St. Malate Manila</p>	<p>BROKERING SERVICES MANUAL</p>	<p>Class Code: D</p>
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<p>Chapter 4: Payment of Finder's/Referrer's Fee</p>		

A. General Guidelines

1. LBRDC shall grant a fee to individuals whose referred clients buy or lease a ROPA being negotiated/disposed by LBRDC's clients.
2. Unless otherwise provided in the specific policies and guidelines of LBRDC's clients, any individual, whether or not licensed Real Estate Broker (REB), shall be entitled to referrer's fee except:
 - 2.1. Referrors whose buyers are former owners or lessees;
 - 2.2. Referrors whose buyers have rights of first refusal on the ROPA
 - 2.3. Referrors whose buyers are employees of the client agency or corporation and/or their spouses
 - 2.4. Referrors who are employees of the client agency or corporation that handles the account/property being sold/leased out.

B. Specific Guidelines

1. Specific guidelines shall be issued to comply with the policies and guidelines of a brokering client agency or corporation on the grant of referrer's fee. In case of new brokering clients, the specific guidelines as well as the detailed procedures shall be updated accordingly.
2. For LBP Department or Lending Center clients
 - 2.1. As embodied in the approved LBP Guidelines and Policies on Accreditation of Real Estate Brokers (REB), the following shall be considered referrors and shall go directly to LBRDC in order to be given the appropriate finder's/referral fee, paid out from the LBRDC's brokers commission net of applicable taxes, for referring clients (not LBP personnel) who have actually purchased or leased Land Bank's acquired assets:
 - 2.1.1. LBP personnel whether or not licensed Real Estate Broker (REB)
 - 2.1.2. Other individuals whether or not licensed REBs
 - 2.2. The following are not entitled to referrer's fee:
 - 2.2.1. Referrors whose buyers are former owners or lessees;

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2.2.2. Referrors whose buyers are LANDBANKERs and/or spouse;

2.2.3. Referrors who are employees of the Lending Center that handles the account/property being negotiated/disposed including signatories in the approval of the sale/lease and their spouses;

2.2.4. Referrors whose buyers have rights of first refusal on the ROPA

2.3. To qualify for a referror's fee, the referror should have closed the sale or lease and the buyer/lessee has posted a fifteen percent (15%) deposit of the purchase price or made a security deposit/advance rental payments equivalent to three (3) months rental (one month advance and two months deposit), respectively, to enable SPAD/Lending Center to recommend the sale or lease to LBP's approving authorities.

2.4. The corresponding referror's fee shall be based on the approved final purchase/contract price/lease rate and shall be subject to the following commission scheme:

2.4.1. In case of sale:

Gross Price	Referror's Fee
Up to ₱10 million	3.60%
Balance of selling price in excess of P10 million	2.16%

The referror's fee shall be net of all applicable taxes.

2.4.2. In case of lease:

2.4.2.1. Referror's fee shall be an amount equivalent to 72% (3.6%referror's fee/5% broker's commission) of one (1) month lease rental per approved Contract of Lease with a term of not less than one (1) year.

2.4.2.2. No commission shall be paid for lease with a term of less than one (1) year.

2.4.3. In case of lease with option to purchase:

2.4.3.1. If the lessee changes his option from lease to lease with option to purchase where referror's fee was paid based

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on the lease contract, the subsequent referror's fee to be paid would be net of any fee already received. Computation shall still be based on Item 2.4.1.

2.5. Referror's fee shall only be processed under the following conditions:

- 2.5.1. Execution of the appropriate contracts (Deed of Sale/ Deed of Absolute Sale/ Deed of Conditional Sale, Lease Contract/Lease Contract with Option to Purchase)
- 2.5.2. Broker's commission was already credited to LBRDC and credit memo advice was already received by LBRDC.

C. Detailed Procedures

1. Registration of Referrors

- | | |
|---------------------------------|--|
| Referror | <ol style="list-style-type: none"> 1.1 Implements marketing activities such as identification of prospective buyer/lessee of ROPAs and conduct of property/site visits 1.2 Negotiates with prospective buyer/lessee of ROPAs 1.3 Fills out, signs, and submits the following documents to LBRDC: <ul style="list-style-type: none"> • Referral Form (RF – Annex 2) embodying the scope/nature of the referral and the agreed rate • Form 4 (Annex 3) and Form 5 (Annex 4) for sale transactions and Form 4A (Annex 5) and Form 5A (Annex 6) for lease transactions |
| Business Development Specialist | <ol style="list-style-type: none"> 1.4 Fills out portion of LBRDC in the RF and Form 4 and Form 5 for sale transactions and Form 4A and Form 5A for lease transactions 1.5 Forwards to Unit Head and President & CEO for review and approval |
| Department Head | <ol style="list-style-type: none"> 1.6 Reviews the forms and ascertains completeness of data 1.7 Initials and endorses the forms to the President & CEO for signature |

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President and CEO 1.8 Approves and signs the documents

2. Release of Referror's Fee

Business Development Specialist

2.1 Receives copy of the Credit Advice (CA) or Disbursement Order (DO) or any similar document sent thru facsimile or mail together with the Certificates of Tax Payments (BIR Forms 2306 and 2307)

If BIR Forms are not attached, follows-up submission of the client agency or corporation.

If BIR Forms are complete, transmits the forms to the Accounting Unit.

2.2 Prepares the computation of referror's fee using the prescribed form (Annex 7) and attaches all documentary requirements.

2.3 Forwards to the Internal Auditor for review

Internal Auditor

2.4 Reviews the documents to ascertain correctness of computation and to check completeness of documentary requirements.

For LBP Department or Lending Center, the following are the documentary requirements:

For sale transactions:

- Referral Form;
- Broker's Registration Letter (Form 4) – duly signed and filled-up by the buyer, referror, and the Head of the LBP Department or Lending Center
- Negotiated Sale Offer Letter (Form 5) – duly signed and filled up by the buyer
- Deed of Absolute Sale / Deed of Conditional Sale
- Official Receipts of payment(s) or Certification issued by the Accounting Center regarding payments made by the buyer

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For lease transactions:

- Referral Form;
- Broker's Registration Letter (Form 4A) – duly signed and filled-up by the buyer, referror, and the Head of the LBP Department or Lending Center
- Offer to Lease (Form 5A) – duly signed and filled up by the lessee
- Lease Contract / Lease Contract with Option to Purchase
- Official Receipts of payment(s) or Certification issued by the Accounting Center regarding payments made by the buyer

Documentary requirements may vary per client agency or corporation.

	2.5	Forwards to the PMMS Department Head for review/initials
Department Head	2.6	Reviews and initials the Computation of Referror's Fee
	2.7	Encodes data on monitoring database
	2.8	Endorses to the President & CEO for approval and signature
President & CEO	2.9	Approves and signs the Computation of Referror's Fee
Business Development Specialist	2.10	Prepares a receiving copy of the computation, records in the logbook, and transmits to the Accounting Unit for processing
	2.11	Files the copy of the Computation of Referror's Fee and follows the detailed procedures indicated in Chapter 6 hereof

D. Process Flow

The process flow for the payment of referror's fee is presented in Exhibit 4.1.



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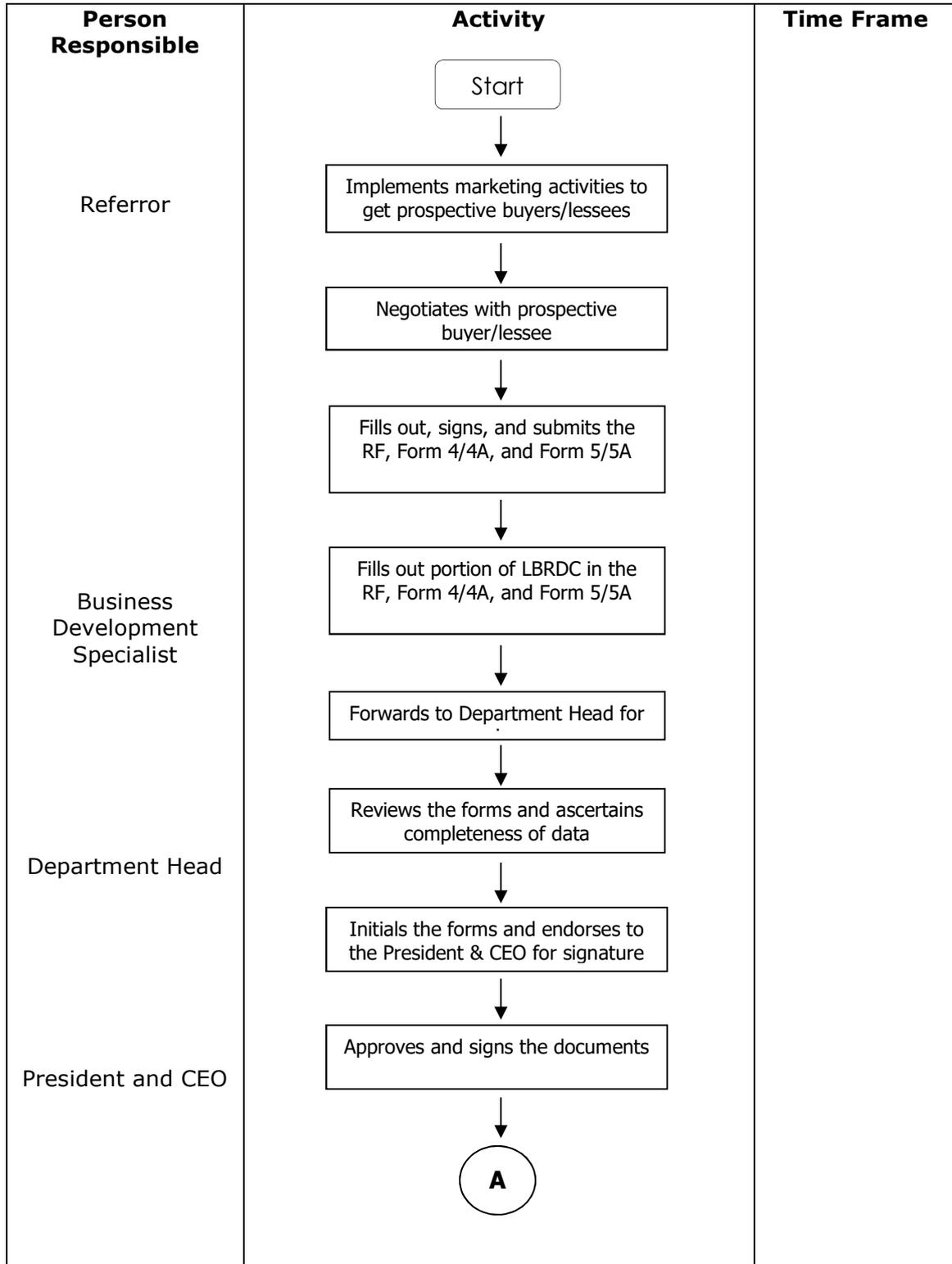
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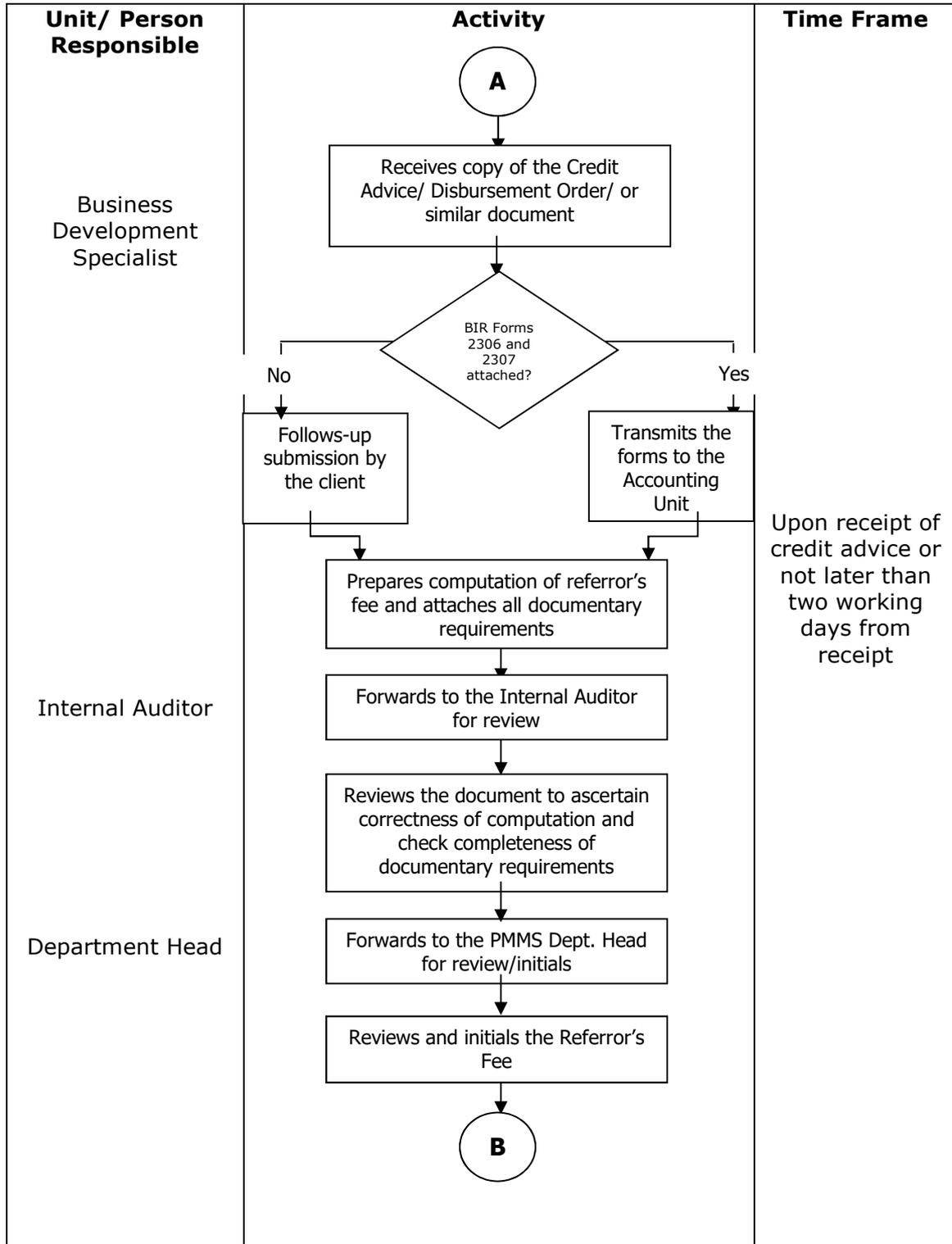
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