

NATIONAL HOME MORTGAGE FINANCE CORPORATION (NHMFC)
Validation Result of 2019 Performance Scorecard

| Component | | | | | NHMFC Submission ¹ | | GCG Validation | | Supporting Documents | GCG Remarks | | |
|----------------------|-------------|--|---|------------|--|-------------------|----------------------|------------|----------------------|-------------|---|---|
| Objective/Measure | Formula | Weight | Rating Scale | Target | Actual | Rating | Actual | Rating | | | | |
| SOCIAL IMPACT | SO 1 | Contribute to the Reduction of the Housing Backlog by Sustaining the Liquidity of the Housing Sector through the Strengthening of the Secondary Mortgage Market | | | | | | | | | | |
| | SM 1a | Value of Funds Provided to Originators | Target amount or value of Housing Receivables/Take out purchased from Originators | 20% | ₱2.75 Billion and Above = 20% ₱1.95 Billion to ₱2.74 Billion = 15% ₱1.56 Billion to ₱1.94 Billion = 10% ₱1.39 Billion to ₱1.55 Billion = 5% ₱1.38 Billion and Below = 0% | ₱2.75 Billion | ₱2.186 Billion | 15% | ₱2.186 Billion | 15% | HLRPP Monitoring of Accounts Checks, Official Receipts, Disbursement Vouchers, Budget Utilization Requests and Checklists of Documents | Target not met. The validated accomplishment was taken out from 64 originators, including the Home Development Mutual Fund (HDMF) which provided 4,153 accounts out of the total of 4,786. |
| | SM 1b | Number of Bond Issuance | Number of Issuance of Mortgage Backed Securities | 10% | All or Nothing | One Bond Issuance | BALAI Bonds 1 Issued | 10% | One Bond Issuance | 10% | Securitization Plan dated 10 October 2019 Letter from SEC dated 27 November 2019 List of investors as provided by the PNB | Target met. BALAI Bonds 1 has an aggregate amount of ₱270,251,008.08, consisting of Class A Senior Notes worth ₱175,000,000 and Class B Subordinated Notes worth ₱95,251,008.08. |
| | | | Sub-total | 30% | | | | 25% | | 25% | | |

¹ Based on the revised 4th Quarter Monitoring Report submitted through a letter dated 25 March 2020. Officially received by the Governance Commission on 25 March 2020.

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| FINANCE | SO 2 | Maintain Profitability and Ensure Financial Sustainability of NHMFC Operations | | | | | | | | | | |
| | SM 2 | Net Income before NG Subsidy | Total Income (Net of NG Subsidy) – Total Expenses | 10% | (Actual / Target) x Weight Less Than ₱145 Million = 0% | ₱441.32 Million | ₱473.69 Million | 10% | ₱480.20 Million | 10% | COA Audited FS | Target exceeded. |
| | SM 3 | Non-Performing Loans Ratio | Non-Performing Loans / Total Loan Portfolio | 10% | [1 – (Actual-Target) / Target] x Weight If 70% and Higher = 0% | 60% | 58.58% | 10% | 58.58% | 10% | COA Audited FS NHMFC's Computation of NPL Ratio | Target met. NPL ratio was computed based on NPL of ₱10,064,636,082 and total loan portfolio of ₱17,181,483,183. Rating scale corrected. |
| | | | Sub-total | | 20% | | | 20% | | 20% | | |
| STAKEHOLDERS | SO 3 | Generate Feedback and Address Concerns of NHMFC's Stakeholders | | | | | | | | | | |
| | SM 4 | Percentage of Satisfied Customers | Number of Stakeholders who gave a Rating of at least Satisfactory / Total Number of Respondent | 10% | (Actual / Target) x Weight If Less Than 80% = 0% | 92% | 95% | 10% | 95% | 10% | Final Customer Satisfaction Survey Report as Submitted by Market Relevance Corp. Sample Accomplished Survey Forms | Target exceeded. The survey was administered on 11 to 24 September 2019 with 604 total respondents (555 individual customers and 49 business organizations ²). |

² Universe covers the January to August 2019 business organization clients of NHMFC.

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| Objective/Measure | | Formula | Weight | Rating Scale | Target | Actual | Rating | Actual | Rating | | | |
| | | | | | | | | | | E-mail communication from Market Relevance Corp. | | |
| | SM 5 | Percentage of Complaints Acted Upon within the Prescribed Turnaround Time | (Resolved Complaints within 72 Hours / Total Number of Complaints) x 100 | 10% | (Actual / Target) x Weight If Less Than 80% = 0% | 100% | 100% | 10% | 100% | 10% | Summary Report of Complaints Received Copies of Communication between NHMFC and the Complainant | Target met. NHMFC was able to process all 50 complaints within the prescribed turn-around time. |
| | | Sub-total | | 20% | | | | 20% | | 20% | | |
| INTERNAL PROCESS | SO 4 | Streamline Policies and Procedures for Core Processes | | | | | | | | | | |
| | SM 6 | Percentage of Application for the Provision of Housing Finance Processed within Applicable Turnaround Time | Number of Applications for Housing Finance Processed within the applicable processing time / Total Number of Applications | 5% | (Actual / Target) x Weight | 100% of Applications Processed within 11 Working Days | 100% | 5% | 99% | 4.95% | HLRPP Monitoring of Accounts Copies of Checklist of Requirements, Checks, Last Document Submitted NHMFC Corporate Circular No. HLRPP-005 | Out of the 602 applications received, NHMFC was able to process 596 within 11 working days. |

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| | | | | | | | | | | NHMFC Corporate Circular No. HLRPP-006 | | | |
| | SM 7 | Number of Asset Pool for Securitization | Absolute Number | 10% | All or Nothing | 1 Asset Pool Created for Bond Issuance by 2020 Approved by the Board | 1 Asset Pool Created for Bond Issuance by 2020 Approved by the Board | 10% | 10% | 1 Asset Pool Created for Bond Issuance by 2020 Approved by the Board | 10% | Board Resolution approving the creation of the asset pool | Target met. |
| | | | Sub-total | 15% | | | | 15% | 14.95% | | | | |
| LEARNING & GROWTH | SO 5 | Provide Quality Public Service by Enhancing Employee Competencies and Ensuring Consistent Quality of Service Delivery | | | | | | | | | | | |
| | SM 8 | Percentage of Employees Meeting Required Competencies | Number of Employees with Identified Competency Gap/s Addressed / Total Number of Employees with Identified Competency Gap/s | 5% | (Actual / Target) x Weight | Improvement of Targeted Competencies for the 95% of Employees (based on the Competency Assessment conducted in 2017) | 95.54% | 5% | 95.54% | 5% | Competency Assessment Result for 2017 to 2019 Competency Assessment Result per Targeted Employee Training Effectiveness Evaluation Reports and Training Certificates | Target met. NHMFC was able to improve the targeted competencies of 193 out of 202 employees with identified competency gaps. | |

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| SM 9 | Attain Certification on Quality Management System | Actual Accomplishment | 5% | All or Nothing | ISO 9001:2015 Recertification | ISO 9001:2015 Recertified | 5% | ISO 9001:2015 Recertified ³ | 5% | Copy of Certificate from Certifying Body (TÜV SÜD Asia Pacific) | Target met. The scope of the certificate covers Securitization of Housing Loan Portfolios (Purchase of Housing Receivables, Collection of Amortization, Securitization, and Post Issuance of Bonds) and Borrower's Services. The certificate was awarded to NHMFC's Main Office in Makati City and all its branch offices. |
| SO 6 | Ensure Effective and Efficient IT-Supported Systems and Procedures | | | | | | | | | | |
| SM 10 | Percentage of Completion of the ISSP | Actual Accomplishment | 5% | All or Nothing | 100% Attainment of 2019 Deliverables | 100% Completed | 5% | 100% Completed ⁴ | 5% | Sign-off Documents Copy of the DICT-Approved ISSP 2018-2020 Sample of System- | Target met. |

³ Scope of certification covers Securitization of Housing Loan Portfolios (Purchase of Housing Receivables, Collection of Amortization, Securitization, and Post Issuance of Bonds) and Borrower's Services. Certification is valid until 14 June 2022.

⁴ NHMFC Table Appraisal System, Collection Account Management Group Management Information System (Data Extraction Facility), Custodianship Monitoring and Inventory System, Marketing-Management Information System, Legal Documents Management Database System, NHMFC Securitization System-Loan Purchasing System, Reverse Mortgage Management Information System

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| Objective/Measure | | Formula | Weight | Rating Scale | Target | Actual | Rating | Actual | | | Rating |
| | | | | | | | | | | Generated Reports | |
| | | | | | | | | | | Screenshot of Systems | |
| | | Sub-total | 15% | | | | 15% | | 15% | | |
| | | TOTAL | 100% | | | | 95% | | 94.95% | | |