

**NATIONAL HOME MORTGAGE FINANCE CORPORATION**  
**Interim Performance Scorecard**

Indicator	Weight	Targets	Accomplishment		CGO-A Validation		Supporting Documents	Remarks
	2013	2013	Actual	Rating	Score	Rating		
<b>MFO 1 – HOUSING FINANCE SERVICES</b>								
Performance Indicator Set 1 : Purchase of Quality Mortgages and other Housing Receivables thru Housing Loan Receivables Purchase Program (HLRPP)								
Quantity 1 : Value of housing receivables approved by Credit Committee for purchase	10%	₱0.80 Billion	₱0.940 Billion	10%	₱0.940 Billion	10%	1. Credit Committee 2. Resolutions Official Receipts issued by Trustee banks for taken out accounts and 3. Disbursement Records of NHMFC	100% documents verified which totaled ₱0.940 B worth of housing receivables  FINDINGS: ACCEPTABLE
Timeliness 1 (2013) : Percentage of applications for provision of housing finance that are released within 11 working days from Credit Committee approval	4%	100%	100%	4%	100%	4%	Motion Sheet 1. From Credit Committee Approval 2. Issuance of Checks by NHMFC (supported by Disbursement records); and 3. Issuance of Official Receipts by Trustee Banks Note: Applicable only for projects/accounts approved by Credit Committee starting 05 September 2013	100% documents verified, 5 accounts were considered on this indicator since the same is applicable only for projects/accounts approved by Credit Committee beginning 05 September 2013  FINDINGS: ACCEPTABLE
Performance Indicator Set 2 : Securitization of Home Mortgages and other Housing Receivables								
Quantity 1: Value of underlying assets of mortgage backed securities approved for	10%	₱0.50 Billion	Approved per Board Resolution No. 3786 dated	10%	₱0.50 Billion	10%	Copy of Board Resolution No. 3786 s. 2013	100% document verified; Under the Board Resolution, the ₱0.50 B worth of underlying assets for mortgage backed securities

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issuance by the Board.			August 22, 2013 ₱0.50 Bn worth of mortgages					was within the ₱0.60 Bn value approved for issuance by the Board  FINDINGS: ACCEPTABLE
Quantity 2: Value of financial engagement for other government agencies/private entities with NHMFC as financial advisor/arranger	4%	₱4.00 Billion	Completed due diligence of ₱4 B worth of CTS as Financial Advisor per MOA date April 15, 2013	4%	₱4.00 Billion	4%	Copy of Signed Memorandum of Agreement (MOA) between 8990 Housing Development Corporation (HDC) and NHMFC re: NHMFC Due Diligence Report on the loan portfolio of 8990 HDC totaling ₱4.079 Bn worth of 4,590 CTS accounts	100% document verified; NHMFC completed Due Diligence Report on the loan portfolio of 8990 HDC amounting to ₱4.079 B worth of CTS accounts  FINDINGS: ACCEPTABLE
Quantity 3: Extraction Rate Per Issue based on the approved indicative structure by the Board	4%	58%	62% per Board Resolution No. 3786 dated August 22, 2013	4%	62%	4%	Copy of the NHMFC Computation (as an attachment to Issuance of Bahay Bonds 3) of 62.40% Extraction rate (₱400 M Senior Notes, ₱100 M Subordinated Notes and P87.6 M Execution Cost)	Computation verified (Similar to BB2 issuance)  FINDINGS: ACCEPTABLE
<b>Performance Indicator Set 3 : Provision of Financial Advisory/ Consultancy and Other Services/Engagements</b>								
Quantity 1: Number of new, creative and innovative products/services acted upon by the Board	3%	At least 2	1) CTS Backed Securities (securitization of 8990) 2) CMP Bond	3%	1) CTS Backed Securities (securitization of 8990) 2) CMP Bond	3%	<b>Copies of the following:</b> 1. 8990 Securitization of low cost housing (Contract-to-sell backed securities); 2. Community Mortgage Program (CMP) backed	100% documents verified  FINDINGS: ACCEPTABLE

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							Securities. <b>Note/s:</b> (a) Records (1) presented above was noted by the Board dated 27 May 2013 and (b) NHMFC Memo to SHFC Board on CMP backed Securities dated 16 May 2013	
<b>Subtotal</b>	<b>35%</b>			<b>35%</b>		<b>35%</b>		
<b>MFO 2 – ACCOUNT/LOAN MANAGEMENT</b>								
<b>Performance Indicator Set 1 : Master Servicer of Securitized Accounts / Management of Accounts</b>								
Timeliness 1: Percentage of payables remitted to the trustee within due date	9%	100%	100%	9%	100%	9%	For BB1: 1. Remitted P313 M within due date 2. Validated Disbursement Vouchers. For BB2: 1. Remitted P135 M within due date 2. Validated Disbursement Vouchers	Verified sampled transaction vouchers for BB1 and BB2  FINDINGS: ACCEPTABLE
Quantity 1: Collection Efficiency Ratio	8%	91% (P2,150 M)	114.74% (P2466.97 M)	8%	114.74% (P2466.97 M)	8%	Collections Report, Aging of Accounts Receivable, and Unaudited Cash Flows Statement for CY 2013	Verified Cash Flows Statement and Monthly Servicer Reports for Bahay Bonds 1 and 2  FINDINGS: ACCEPTABLE
Quantity 2: Decreasing the value of acquired assets/ non-performing loans (NPLs)	8%	5% Reduction (P0.615 Billion)	6.15% (P0.7574 Bn)	8%		8%	List of Acquired Assets with corresponding values	Verified value of NPLs (P0.770 Bn)  FINDINGS: ACCEPTABLE
<b>Subtotal</b>	<b>25%</b>			<b>25%</b>		<b>25%</b>		

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<b>MFO 3 – ALTERNATE SAVINGS SCHEMES / PRODUCTS</b>								
Performance Indicator Set 1 : Provision of high yield/ affordable instruments for retail investors (yield of Philippine Dealing System Treasury Reference Rates (PDSTF) + spread								
Quantity 1 : Percentage of issuance to individual investor based on the approved indicative structure by the Board	10%	60% of P0.50 Billion	P300M (60%) per Board Resolution No. 3786 dated 8/22/2013	10%	P300M (60%) per Board Resolution No. 3786 dated 8/22/2013	10%	Copy of NHMFC Management Memo for the Board dated 08 August 2013 with computation, Net Proceeds totaled P312 M.	Verified Computation of Net Proceeds  FINDINGS: ACCEPTABLE
<b>Subtotal</b>	<b>10%</b>			<b>10%</b>		<b>10%</b>		
<b>MFO 4 – SECONDARY MORTGAGE INSTITUTION (SMI) OPERATIONS SUPPORT SERVICES</b>								
Performance Indicator Set 1 : Quality of Bonds								
Quality 1a: Issue Rating - BB1	7%	≥AA	"AA" based on latest rating issued January 2013	6.3%	"AA"	6.3%	Rating Agency Letter	Verified Senior Notes Class AA  FINDINGS: ACCEPTABLE
Quality 1b: Issue Rating - BB2	7%	≥AA	"AA" per letter 11/27/13 of Phil ratings	6.3%	"AA"	6.3%	Rating Agency Letter	Verified Senior Noted Class AA  FINDINGS: ACCEPTABLE
Timeliness 1: Compliance on the submission of requirements to rating agency (BB3) (CY 2013)	6%	100%	16 documents were submitted	4.8%	16 documents	4.8%	Copies of 16 documents (out of 20) submitted to Rating Agency: 1. Annex A BahayBonds 3 (Flow Chart/Indicative Term Sheet and Features of the Issue 2. Annex D (Use of Proceeds) 3. Annex E (Cash Flow	100% documents verified, transmittal letter to rating agency dated 27 November 2013  FINDINGS: ACCEPTABLE

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							Diagram 4. Annex F (Copy of NHMFC Bulletin) 5. Annex G (Photocopy of Audited Financial Statement for 2012) 6. Annex H (List of Board of Directors) Annex I (List of Key Officers of NHMFC) 7. Annex J (Eligibility Criteria) 8. Table C.1 Delinquent Assets; Table C.2 Default Rates 9. Table C.3 Non-Performing Loans 10. Annex K (Database of the pool cut in Compact Disc) 11. Filled up Schedule 12. Annex M ( List of Third Parties involved in the transaction) 13. Annex N (Estimated Cost of Fees and Expenses) 14. Annex O (Draft of Securitization Plan) 15. Annex P ( Copy of expected cash flow from the Asset Pool) 16. Annex Q (Photocopies of letters to BIR, Letter from DOF, Certification from HUDCC, Follow up letters to BIR)	
<b>Subtotal</b>	<b>20%</b>			<b>17.40%</b>		<b>17.40%</b>		

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<b>General Administrative Support</b>								
Indicator 1: Number of quality management Systems developed and implemented	4%	At least 2 (Foreclosure and Custodianship)	QMS for Custodianship and Foreclosure process approved by Management on Nov. 19 2013	4%	QMS for Custodianship and Foreclosure process approved by Management on Nov. 19 2013	4%	Copies of Two (2) Manuals for Extra-Judicial Foreclosure and Custodianship	100% manuals verified FINDINGS: ACCEPTABLE
Indicator 2: Number of ISO Certification for quality management systems obtained	6%	At least 1 (Expanded Counselling System for NCR and Luzon)	Passed the surveillance audit conducted last 4, December 2013 for expanded Conselling System for RIZAL, NCR and Luzon	6%	Passed the surveillance audit conducted last 4, December 2013 for expanded Conselling System for RIZAL, NCR and Luzon	6%	Surveillance audit report dated 04 December 2013 with recommendation to issue certification	100% document verified, Verified letter/ surveillance audit report dated 04 December 2013 with recommendation to issue certification FINDINGS: ACCEPTABLE
<b>Subtotal</b>	<b>10%</b>			<b>10%</b>		<b>10%</b>		
<b>Accumulated Total Weight:</b>	<b>100%</b>			<b>97.40%</b>		<b>97.40%</b>		