

**NATIONAL HOME MORTGAGE FINANCE CORPORATION (NHMFC)**  
**Validation Result of the 2020 Performance Scorecard**

	Component					NHMFC Submission		GCG Validation		Supporting Documents	GCG Remarks	
	Objective/Measure	Formula	Weight	Rating Scale	Target	Actual	Rating	Actual	Rating			
<b>SOCIAL IMPACT</b>	<b>SO 1 Increase the Availability of Affordable Housing by Sustaining the Liquidity of the Housing Sector through the Strengthening of the Secondary Mortgage Market</b>											
	SM 1	Value of Funds Provided to Originators	Total Amount or Value of Housing Receivables / Takeout Purchased from Originators <sup>1</sup>	15%	(Actual / Target) x Weight	₱1.40 Billion	₱1.102 Billion	11.81%	₱1.102 Billion	11.81%	NHMFC Monitoring of Accounts  Checks, Official Receipts, Disbursement Vouchers, Budget Utilization Requests and Checklists of Documents Randomly Selected Accounts	Target not met.
	SM 2	Number of Bond Issuance	Number of Issuance of Mortgage-Backed Securities	15%	All or Nothing	One Bond Issuance	1 Bond Issuance (BALAI Bonds 2)	15%	1 Bond Issuance (BALAI Bonds 2)	15%	Securitization Plan  Letters of the Security and Exchange Commission (SEC)  List of Investors	Target met.  The NHMFC issued Building Adequate, Livable, Affordable and Inclusive (BALAI) Bonds 2 in 2020 on 29 December 2020. BALAI Bonds 2 has an aggregate amount of ₱319,322,143.09.

<sup>1</sup> The gross amount of the take-out, as reflected in the Disbursement Vouchers, shall be the basis of accomplishment.

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	SM 3	Number of New, Creative and Innovative Housing Products/Services/Projects/Programs Approved by the Board	Absolute Number	5%	All or Nothing	One (1) New Housing Product/Service/Project/Program Approved by the Board <sup>2</sup>	Balai BERDE Approved by the Board	5%	Board Approval of the BALAI BERDE Program	5%	NHMFC Board Resolution No. 4011, Series of 2020	Target met.  NHMFC Board of Directors approved the BALAI Building Eligible Resilient Dwelling for Everyone (BERDE) Program through NHMFC Board Resolution No. 4011, Series of 2020.
		<b>Sub-total</b>	<b>35%</b>				<b>31.81%</b>		<b>31.81%</b>			
	<b>SO 2</b>	<b>Maintain Profitability and Ensure Financial Sustainability of NHMFC Operations</b>										
<b>FINANCE</b>	SM 4	Net Income before NG Subsidy	Total Income (Net of NG Subsidy) – Total Expenses	10%	(Actual / Target) x Weight	₱80.11 Million	₱19,457,703	2.43%	₱19.46 Million	2.43%	2020 COA Annual Audit Report	Target not met.  Through a letter dated 08 March 2021, <sup>3</sup> the NHMFC appealed to consider the net income of NHMFC without consolidating the result of the operations of its subsidiary, SHFC. Upon the review of the Governance Commission, the appeal of the NHMFC to exclude the share of income from SHFC in the computation of the accomplishment is

<sup>2</sup> Enhancements, revisions, and/or improvements in existing products/services/project/program are not considered.

<sup>3</sup> Officially received by the Governance Commission on 09 March 2021.

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	Formula	Weight			Actual	Rating	Actual	Rating			
										<b>DENIED.</b> This is in consideration of the earlier proposal of the NHMFC to recalibrate the 2020 target, wherein the income share of SHFC was part of the assumptions and projections. Further, it should be recalled that the share from the income of SHFC was recognized in NHMFC's reported accomplishment in 2019. Accordingly, the NHMFC was able to exceed the 2019 target by 9% and increase its net income before National Government (NG) subsidy by 211% from the 2018 baseline.	
SM 5	Non-Performing Loans Ratio	Non-Performing Loans / Total Loan Portfolio	10%	$1 - [(Actual - Target) / Target] \times Weight$	63%	58.22%	10%	57.84%	10%	2020 COA Annual Audit Report NHMFC Computation on Non-Performing Loans Ratio	Target exceeded. Based on the COA Annual Audit Report, non-performing loans amounted to ₱10,002,971,880 while the total loan portfolio totaled to ₱17,293,373,939.
		<b>Sub-total</b>	<b>20%</b>				12.43%		12.43%		

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STAKEHOLDERS	SO 3	Generate Feedback and Address Concerns of NHMFC's Stakeholders										
	SM 6a	Percentage of Satisfied Customers (Individual Customers)	Number of Stakeholders who gave a Rating of at least Satisfactory / Total Number of Respondents	5%	(Actual / Target) x Weight If Less Than 80% = 0%	93%	85.1%	4.57%	85.1%	4.57%	Observation and Clearing/ Debriefing Report  Fieldwork Progress, Supervision/ Observation, and Spot-Checking Report  Back-Checking Report	Target not met.  Data collection for individual customers was conducted from 23 September to 07 October 2020 while data collection for originators was conducted from 24 September to 19 October 2020.  The Governance Commission noted that the NHMFC used the old prescribed survey questionnaire provided. The NHMFC is reminded to utilize the new prescribed survey questionnaire for the surveys to be conducted for the 2021 and the years thereafter.
	SM 6b	Percentage of Satisfied Customers (Originators)	Number of Stakeholders who gave a Rating of at least Satisfactory / Total Number of Respondents	5%	(Actual / Target) x Weight If Less Than 80% = 0%	93%	87.5%	4.70%	87.5%	4.70%	Data Quality Control Report  Final Report  Sample Accomplished Survey Questionnaires	
		<b>Sub-total</b>		<b>20%</b>			9.27%		9.27%			

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	Objective/Measure	Formula	Weight	Rating Scale	Target	Actual	Rating	Actual	Rating			
INTERNAL PROCESS	SO 4	Streamline Policies and Procedures for Core Processes										
	SM 7	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 <sup>4</sup> / Total Number of Applications	10%	(Actual / Target) x Weight	100% of Applications Processed Within 11 Working Days	99% of Applications Processed Within 11 Working Days	9.9%	97.93% of Applications Processed Within 11 Working Days	9.79%	NHMFC Monitoring of Accounts  Checks, Official Receipts, Disbursement Vouchers, Budget Utilization Requests and Checklists of Documents of Randomly Selected Accounts	Target not met.  NHMFC processed 521 out of 532 transactions within 11 working days. Please refer to <b>Appendix 1</b> for the summary of applications that exceeded the 11 working days turnaround time.  It should be noted that GCG computed the turnaround time based on Article 13 of the Civil Code of the Philippines and the clarification provided by the Anti-Red Tape Authority (ARTA), wherein the first day, which is the day the complete request or application was received, shall be excluded in the computation of the turnaround time.
	SM 8	Number of Asset Pool for Securitization	Absolute Number	10%	All or Nothing	1 Asset Pool Created for Bond Issuance by	1 Asset Pool Approved by the Executive Committee	10%	1 Asset Pool Approved by the Executive Committee	10%	Executive Committee Resolution No. 2020-02,	Target met.  The asset pool approved by the

<sup>4</sup> Start Date: Receipt of complete documents as provided under the Checklist of Documents of NHMFC; Stop Date: NHMFC's request for additional documents made one (1) working day after Credit Committee Meeting or Request for additional documents from the borrower (the determination of additional documents should be made within five (5) days from Start Date); End Date: Check Date.



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					2021 Approved by the Executive Committee					Series of 2020	NHMFC Executive Committee for securitization is valued at ₱407.94 Million as of 31 July 2020 cut-off.	
<b>Sub-total</b>			<b>20%</b>				19.9%		19.79%			
<b>SO 5 Provide Quality Public Service by Enhancing Employee Competencies and Ensuring Consistent Quality of Service Delivery</b>												
<b>LEARNING &amp; GROWTH</b>	SM 9	Improved Competency Level of the Organization	Competency Baseline <sup>5</sup> 2020 – Competency 2019	5%	All or Nothing	Improvement in the Competency Baseline of the Organization	Improved Competency Baseline of the Organization	5%	Competency Baseline of the Organization Improved	5%	Competency Framework, Details on Workforce Complement for 2019 and 2020  List of Training Conducted per Competency to be Addressed for CY 2020  List of Employees with a specific Competency to be Addressed	Target met.  Competency baseline improved from 1.2699 in 2019 to 1.2920 in 2020.  The GCG recommends for NHMFC to review and update its Competency Framework and submit the same to its Board of Directors for approval.

<sup>5</sup> The competency baseline of the organization shall pertain to the average percentage of required competencies met which can be computed using the following formula:

$$\frac{\sum_{a=1}^A \left( \frac{\text{Actual Competency Level}}{\text{Required Competency Level}} \right)}{A} \times B$$

where: a = Competency required, A = Total number of competencies required of position, b = Personnel profiled, B = Total number of personnel profiled



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	Formula	Weight	Rating Scale	Target	Actual	Rating	Actual			Rating	
								Competency Baseline Computation per Employee for 2019 and 2020  Competency Assessment and Training Effectiveness Evaluation Forms			
SM 10	Attain Certification on Quality Management System	Actual Accomplishment	5%	All or Nothing	ISO 9001:2015 Recertification	Recertification to ISO 9001:2015	5%	ISO 9001:2015 Certificate Maintained	5%	ISO 9001:2015 Certificate  Surveillance Audit Report	Target met.
<b>SO 6 Ensure Effective and Efficient IT-Supported Systems and Procedures</b>											
SM 11	Percentage of Completion of the ISSP	Actual Accomplishment	5%	All or Nothing	100% Attainment of 2020 Deliverables <sup>6</sup> (based on DICT-endorsed/ approved ISSP 2018-2020) <sup>7</sup>	80% of Deliverables Attained	0%	67% Attainment of 2020 Deliverables	0%	DICT Approved 2018-2020 ISSP  Sign-Off Documents  Sample of System Generated Reports	Target not met.  Of the 12 information systems scheduled for implementation in 2020, five (5) were implemented in 2020 while three (3) were implemented in 2019. <sup>8</sup>

<sup>6</sup> Deliverables refer to systems (applications).

<sup>7</sup> If not available, validation shall be based on ISSP 2018-2020 as submitted to DICT.

<sup>8</sup> The validated systems are, as follows: 2020 - Insurance Monitoring System (IMIS), Mortgage Accounting Collection Information System (MACIS), Mortgage Bank Receipt Monitoring System (MBRMS), Performance Monitoring System (PMS), and Corporate Support Request System (CSRS). 2019 - EODB Client Interface System (EODB-CIS), Single Sign-on and Access Management System (SAMS), Geographical Mapping System - Geographical Information System (GMS-GIS).



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Objective/Measure	Component		Rating Scale	Target	NHMFC Submission		GCG Validation		Supporting Documents	GCG Remarks
	Formula	Weight			Actual	Rating	Actual	Rating		
									Screenshots of System	
	<b>Sub-total</b>					10%		10%		
	<b>TOTAL</b>					83.41%		83.3%		

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**SM7: List of Applications Processed Beyond the Prescribed Turnaround Time (TAT)**

	<b>ORIGINATOR</b>	<b>BORROWER</b>	<b>NHMFC REPORTED TAT</b>	<b>GCG VALIDATED TAT</b>
1	Fortune Dwelling Builders & Development Corp.	Pascual, Imelda Pascual	15	14
2	Fortune Dwelling Builders & Development Corp.	Salvacion, Christopher Anicete	15	14
3	Fortune Dwelling Builders & Development Corp.	Belgira, Richard Porras	14	13
4	Fortune Dwelling Builders & Development Corp.	Mungcal, Almario Villanueva (Blk 12 Lot 27)	14	13
5	Fortune Dwelling Builders & Development Corp.	Mungcal, Almario Villanueva (Blk 12 Lot 29)	14	13
6	Fortune Dwelling Builders & Development Corp.	Pasaje, Prescious Kim Ybañez	14	13
7	F. Valentin Construction Corp.	Cacanindin, John Hubert Bong-got	19	18
8	Home Mortgage Multi-Purpose Cooperative	Hilao, Victor Allan Bernabe	13	12
9	FVJ Realty, Inc.	Ramos, Renz Ricalde	11	12
10	East Pacific Fine Homes, Inc.	Dañas, Antoniette Cablao	16	15
11	East Pacific Fine Homes, Inc.	Eclipse, Paul Wilhelm Garcia	16	15