

**NATIONAL HOME MORTGAGE FINANCE CORPORATION (NHMFC)
Validation Result of 2018 Performance Scorecard**

| Component | | | | | NHMFC Submission | | GCG Evaluation | | Supporting Documents | GCG Remarks | | |
|----------------------|------------------|---|--|--------|--|--------------|----------------|--------|----------------------|-------------|--|--|
| Objective/Measure | Formula | Wt. | Rating System | 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 1 | Increase Value of Funds Provided to Originators to be Recycled to Housing through Securitization | Absolute Value of Funds Provided to Originators to be Recycled to Housing Through Securitization | 20% | ₱2.3 Billion and above = 20% ₱1.55 Billion to ₱2.2 Billion = 15% ₱1.16 Billion to ₱1.54 Billion = 10% ₱995 Million to ₱1.15 Billion = 5% Less Than ₱996 Million = 0% | ₱2.3 Billion | ₱521.9 Million | 0% | ₱405.12 Million | 0% | NHMFC Summary of Accounts; Copies of Official Receipts from Originators and Checks Issued; Copies of Disbursement Vouchers, Budget Utilization Requests, Certificates of Loan and Mortgage Examination | The GCG-validated accomplishment was based on the documents submitted. |
| | Sub-total | | 20% | | | | 0% | | 0% | | | |
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|---------------------|------------------|---|--|------------|---|-----------------|-----------------|------------|-----------------------|---------------|--|--|
| Objective/Measure | Formula | Wt. | Rating System | Target | Actual | Rating | Actual | Rating | | | | |
| FINANCE | SO 2 | Maintain Profitability and Ensure Financial Sustainability of NHMFC Operations | | | | | | | | | | |
| | SM 2 | Improve Net Income before NG Subsidy | Total Income (Net of NG Subsidy) – Total Expenses | 15% | (Actual / Target) x Weight Less Than ₱145 Million = 0% | ₱233.50 Million | ₱128.79 Million | 0% | ₱128.79 Million | 0% | Unaudited Financial Statement as submitted to COA | The request to modify the target to P152.47 Million is DENIED . Nevertheless, even if approved, NHMFC still failed to achieve the minimum accomplishment to get a score for this measure. |
| | SM 3 | Improve Non-Performing Loans Ratio | Non-Performing Loans / Total Loan Portfolio | 15% | [1 - (Actual - Target) / Target] x Weight If 70% and Higher = 0% | 65% | 68.81% | 14% | 68.81% | 14.12% | Unaudited Financial Statement as submitted to COA | The reported accomplishment was acceptable. The rating system was revised to arrive at the correct corresponding weight. |
| | Sub-total | | | 30% | | | | 14% | | 14.12% | | |
| STAKEHOLDERS | SO 4 | 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% | 90% | 93% | 10% | Result not acceptable | 0% | Third Party Report on the 2018 Customer Satisfaction Survey; Copies of Accomplish- | Report is not acceptable. Review of the final report and the submitted sample accomplished surveys show that the survey only covered individual customers (borrowers) and not business organizations (originators or |

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| Objective/Measure | Formula | Wt. | Rating System | Target | Actual | Rating | Actual | Rating | | | |
| | | | | | | | | | ed Survey Forms | government financial institutions/ developers). Per the Classification of GOCCs according to Survey Methodology and Survey Questionnaire, the target respondents of NHMFC should cover both borrowers and originators. | |
| SM 5 | Ensure High 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 70% = 0% | 90% | 100% | 10% | 100% | 10% | List of 8888 Complaints; Screenshots of Tickets in the 8888 Citizen Complaint Web Portal | Acceptable. Target met. |
| | | Sub-total | 20% | | | | 20% | | 10% | | |
| INTERNAL PROCESS | SO 5 | Streamline Policies and Procedures for Core Processes | | | | | | | | | |
| SM 6 | Improve Percentage of Application for the Provision of Housing Finance Processed within | Number of Applications for Housing Finance Processed within Turnaround Time / Total Number of Applications | 10% | (Actual / Target) x Weight | 100% of Applications Processed within 11 Working Days | 100% of Applications Processed within 11 Working Days | 10% | Cannot be validated | 0% | NHMFC Summary of Accounts; Copies of Checklist of Requirement; Copies of Official Receipts | The zero rating awarded to this measure was due to the weak internal monitoring system established by the NHMFC in the processing of applications for the provision of housing finance. During |

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|------------------------------|----------------------------|--|--|---------------|----------------------------|---|---|----------------|---|------------------------------------|--|-------------|
| | | Formula | Wt. | Rating System | Target | Actual | Rating | Actual | Rating | | | |
| | Applicable Turnaround Time | | | | | | | | | from Originators and Checks Issued | validation, GCG noted that NHMFC was unable to determine when the process commences. | |
| | | Sub-total | 10% | | | | 10% | | 0% | | | |
| SO 6 | | Provide Quality Public Service by Enhancing Employee Competencies and Ensuring Consistent Quality of Service Delivery | | | | | | | | | | |
| LEARNING & GROWTH | SM 7 | Improve Competency Level of the Organization | Number of Competencies with Improved Baseline / Total Number of Competencies | 10% | (Actual / Target) x Weight | Improvement of Targeted Competencies for the 80% of Employees | Improvement of Targeted Competencies for the 70% of Employees | 9% | Improvement of Targeted Competencies for the 70% of Employees | 8.75% | List of Employees with Improved and/or Retained Level of Competency; Copies of Training Certificates, Competency Evaluations, Training Effectiveness Evaluation Reports of Sampled Employees | Acceptable. |
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| SM 8 | Attain ISO 9001:2015 Readiness Certification | Actual Accomplishment | 5% | All or Nothing | Certification for ISO 9001:2015 | ISO 9001:2015 Certified | 5% | ISO 9001:2015 Certified ¹ | 5% | Copy of Certificate from Certifying Body (TUV SUD Asia Pacific) | Acceptable. Target met. |
| SO 8 | Ensure Effective and Efficient IT-Supported Systems and Procedures | | | | | | | | | | |
| SM 9 | Maintain and Upgrade Existing Systems | Actual Accomplishment | 5% | All or Nothing | Development and Roll-out of the Document Content Management System (Deployment of 5 Priority Processes) | Document Content Management System 100% Completed | 5% | Development and Roll-out of the Document Content Management System (Deployment of 5 Priority Processes) | 5% | Project Closure Certificate | Acceptable. Target met. |
| | Sub-total | | 20% | | | | 19% | | 18.75% | | |
| | TOTAL | | 100% | | | | 63.20% | | 42.87% | | |

¹ 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 2019.