

**NATIONAL HOME MORTGAGE FINANCE CORPORATION (NHMFC)
Revalidation Result of 2021 Performance Scorecard**

		Component				NHMFC Submission		GCG Validation		Supporting Documents	Remarks	
Objective/Measure		Formula	Wt.	Rating Scale	Target	Actual	Rating	Actual	Rating			
SOCIAL IMPACT	SO 1	Increase and Sustain Membership										
	SM 1	Number of Bond Issuance	Number of Issuance of Mortgage-Backed Securities	15%	(Actual/Target) x Weight	Two (2) Bond Issuances	No Bond Issuance	0%	One (1) bond issuance process reached the milestone.	0%	<ul style="list-style-type: none"> • Memorandums from the Secretary of Development of Human Settlement and Urban Development (DHSUD) • Letter of Reconsideration on the Rating Scale • Notices of Award • Due Diligence Report • Board Resolution 	The request to reconsider the initial validated rating is DENIED . It is noted that the bond issuance took place in 2022. Thus, full credit for the milestone efforts shall be recognized in the 2022 performance scorecard.
	SM 2	Value of Funds Provided to Low Income and Marginalized Sector	Total Amount or Value of Housing Receivables / Takeout Purchased from Originators ¹	15%	(Actual/Target) x Weight	₱1.5 Billion	₱1.10 Billion	10.99%	₱1.10 Billion	10.98%	<ul style="list-style-type: none"> • Detailed Summary Report of the Accomplishment per Program • Official Receipts • Disbursement vouchers • Transmittal letters/emails 	Acceptable.

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

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										• Credit Committee (CRECOM) resolutions		
		Sub-total	30%			10.99%		10.98%				
SO 2 Maintain Profitability and Ensure Financial Sustainability of NHMFC Operations												
FINANCE	SM 3	Net Income Before NG Subsidy	Total Income (Net of NG Subsidy) – Total Expenses	10%	(Actual/Target) x Weight	₱198.045 ² Billion	₱199.25 Million	10%	₱220.56 Million	10%	COA Annual Audit Report	<p>The request to reconsider the accomplishment is APPROVED.</p> <p>The validated accomplishment of ₱220.56 Million is based on the COA Annual Audit Report.</p> <p>Moving forward, NHMFC is reminded to address COA's findings as stated in its Independent Auditor's Report. To note, a Qualified Opinion was issued considering the financial statements of NHMFC for the years ended 31 December 2021 and 2020 did not recognize the right-of-use of asset and lease liabilities by undetermined amounts.</p>

² Computed based on the proposed COB net of expenses related to additional 36 employees for new units, 74 employees hiring of contractual, and proposed employer's share for Provident Fund. The target shall be adjusted during the validation to exclude the effect of impairment loss.

Revalidation Result of 2021 Performance Scorecard (Annex A)

		Component				NHMFC Submission		GCG Validation		Supporting Documents	Remarks	
Objective/Measure		Formula	Wt.	Rating Scale	Target	Actual	Rating	Actual	Rating			
	SM 4	Improve Collection Efficiency Rate	Cumulative Collection (Principal + Interest) / Cumulative Billing (Principal + Interest)	10 %	(Actual/Target) x Weight	54%	52.51%	9.72%	52.51%	9.72%	<ul style="list-style-type: none"> Collection Efficiency Report System-generated Report 	Acceptable.
	SM 5	Reduction of Non-Performing Asset (NPAs)	Absolute Value	10%	(Actual/Target) x Weight	₱40 Million Reduction in NPAs	₱85.21 Million Reduction in NPAs	10%	₱82.86 Million Reduction in NPAs	10%	COA Annual Audit Report	Target exceeded.
			Sub-total	30%				29.72%		29.72%		
	SO 3	Generate Feedback and Address Concerns of NHMFC's Stakeholders										
STAKEHOLDERS	SM 6a	Percentage of Satisfied Customers (Individual Customers)	Number of Individual Customers who gave a Rating of at least Satisfactory / Total Number of Respondents	5%	(Actual/Target) x Weight If less than 80% = 0%	93%	78%	0%	78%	0%	<ul style="list-style-type: none"> Final Report Observation and Clearing/ Debriefing Report Fieldwork Progress, Supervision/ Observation, and Spot- Checking Report Back- Checking Report 	Target not met.

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Revalidation Result of 2021 Performance Scorecard (Annex A)

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Objective/Measure			Formula	Wt.	Rating Scale	Target	Actual	Rating	Actual	Rating		
	SM 6b	Percentage of Satisfied Customers (Originators)	Number of Originators who gave a Rating of at least Satisfactory / Total Number of Respondents	5%	(Actual/Target) x Weight If less than 80% = 0%	93%	93%	5%	93%	5%	<ul style="list-style-type: none"> Data Quality Control Report Sample Accomplished Survey Questionnaires 	Acceptable.
			Sub-total	10%				5%		5%		
	SO 4	Streamline Policies and Procedures for Core Processes										
INTERNAL PROCESS	SM 7	Number of Asset Pool for Securitization	Absolute Number	5%	(Actual/Target) x Weight	2 Asset Pools Created for Bond Issuance by 2022 Approved by the Executive Committee	2 Asset Pools Created for Bond Issuance by 2022 Approved by the Executive Committee	5%	2 Asset Pools Created for Bond Issuance by 2022 Approved by the Executive Committee	5%	Executive Resolutions	Acceptable.

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Revalidation Result of 2021 Performance Scorecard (Annex A)

Component					NHMFC Submission		GCG Validation		Supporting Documents	Remarks	
Objective/Measure	Formula	Wt.	Rating Scale	Target	Actual	Rating	Actual	Rating			
SM 8	Percentage of Application for the Provision of Housing Finance Processed within Applicable Turnround Time	Number of Applications for Housing Finance Processed within the Applicable Processing time/ Total number of Application	5%	(Actual/Target) x Weight	100 % of Applications Processed within Prescribed Turnaround Time	100 % of Applications Processed within eleven (11) working days	5%	1,052 out of 1,059 were processed within applicable time.	4.97%	<ul style="list-style-type: none"> • Database of the applications • Email Notice of Approval • Official Receipts • Disbursement vouchers • Transmittal letters • Credit Committee (CRECOM) resolutions • 11 Samples of complete documentation 	<p>In its request for reconsideration, NHMFC represented that the required supporting documents were not requested from the corporation. However, it is worth noting that during the onsite validation on 27 July 2022, when the process walkthrough was conducted with the accountable department, NHMFC was informed that samples of the complete documents must be submitted for validation. However, during the initial validation, the submitted supporting documents were insufficient to validate for the reported accomplishment time since the samples were not submitted to the Governance Commission.</p> <p>The validated accomplishment of 1,052 out of 1,059 was confirmed per computation of the submitted master list and samples of complete. Hence, the request to reconsider the reported accomplishment is APPROVED.</p>

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Component					NHMFC Submission		GCG Validation		Supporting Documents	Remarks	
Objective/Measure	Formula	Wt.	Rating Scale	Target	Actual	Rating	Actual	Rating			
SM 9	Attain Certification on Quality Management System and Information Security Management System	Actual Accomplishment	10%	Retain ISO 9001:2015 Certification (Pass Surveillance Audit) and Third Party Readiness Certification to ISO 27001:2013= 10% Retain ISO 9001:2015 Certification (Pass Surveillance Audit) or Third-Party Readiness Certification to ISO 27001:2013 = 5%	ISO 9001:2015 Recertification and Third-Party Readiness Certification to ISO 27001:2013	ISO 9001:2015 Recertification and Third-Party Readiness Certification to ISO 27001:2013	10%	ISO 9001:2015 Recertification and Third-Party Readiness Certification to ISO 27001:2013	10%	<ul style="list-style-type: none"> ISO Certification Readiness Certification Surveillance Audit Report 	Acceptable.
SM 10	Percentage of Completion of the ISSP	Actual Accomplishment	5%	(Actual/Target) x Weight	100% Attainment of 2021 Deliverables (based on DICT-endorsed/approved ISSP 2021-2023)	100% Attainment of 2021 Deliverables (based on DICT-endorsed/approved ISSP 2021-2023)	5%	2 systems were completed in 2021	5%	<ul style="list-style-type: none"> Screenshots of the before and after enhancements Samples of system generated report/transaction Test scripts 	Acceptable.
		Sub-total	25%				25%		24.97%		

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Component					NHMFC Submission		GCG Validation		Supporting Documents	Remarks		
Objective/Measure	Formula	Wt.	Rating Scale	Target	Actual	Rating	Actual	Rating				
LEARNING & ORGANIZATION	SO 5	Provide Quality Public Service by Enhancing Employee Competencies and Ensuring Consistent Quality of Service Delivery										
	SM 11	Improve Competency Level of the Organization	Competency Baseline 2021 – Competency Baseline 2020	5%	All or nothing	Improvement in the Competency Baseline of the Organization	Improved Competency Level	5%	0.021 increase in competency level	5%	2021 Database of Competency Assessment	Acceptable. Validated Competency level in 2020 was 1.290, while in 2021 1.3134, which result in an increase of 0.021%
			Sub-total	5%				5%		5%		
			TOTAL	100%				75.71%		75.67%		

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