

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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		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%			
SO 4 Streamline Policies and Procedures for Core Processes												
INTERNAL PROCESS	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.

Validation Result of 2019 Performance Scorecard (Annex A)

		Component				NHMFC Submission ¹		GCG Validation		Supporting Documents	GCG Remarks	
Objective/Measure		Formula	Weight	Rating Scale	Target	Actual	Rating	Actual	Rating			
										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%	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%			
SO 5 Provide Quality Public Service by Enhancing Employee Competencies and Ensuring Consistent Quality of Service Delivery												
LEARNING & GROWTH	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.

Validation Result of 2019 Performance Scorecard (Annex A)

Objective/Measure		Component			NHMFC Submission ¹		GCG Validation		Supporting Documents	GCG Remarks	
		Formula	Weight	Rating Scale	Target	Actual	Rating	Actual			Rating
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

Objective/Measure			Component				NHMFC Submission ¹		GCG Validation		Supporting Documents	GCG Remarks
			Formula	Weight	Rating Scale	Target	Actual	Rating	Actual	Rating		
										Generated Reports Screenshot of Systems		
			Sub-total	15%					15%	15%		
			TOTAL	100%					95%	94.95%		