

NATIONAL HOME MORTGAGE FINANCE CORPORATION (NHMFC)
Interim Performance Scorecard

Indicator	Formula	Weight	Rating System	NHMFC Submission			CGO-A Validation		Supporting Documents	Remarks
				Targets	Actual	Rating	Score	Rating		
MFO 1 – HOUSING FINANCE SERVICES										
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	Absolute value of housing receivables approved by Credit Committee for purchase	10%	(Actual/Target) x Weight (but not to exceed the weight assigned per indicator)	₱1.0 Billion	₱353.71 Million	3.53%	₱353.71 Million	3.54%	NHMFC 2014 Credit Committee Resolutions (Nos. 14-64) approving the purchase of mortgage accounts to various developers and banks; AKPF Resolution No. 3829 and UHLP Resolution No. 3785 (Summary sourced from NHMFC Securitization Group)	<ul style="list-style-type: none"> • 2014 Actual is 65% lower than 2014 target; • Based on Credit Committee Resolutions submitted, CTS and REM accounts of client banks and developers approved by Credit Committee for purchase totaled ₱187.97 Million; • On UHLP accounts, ₱59 Million out of ₱517 Million were also approved for purchase; and • On AKPF accounts, ₱106.73 Million out of ₱235.45 Million. • These receivables cover a total of 1,592 housing accounts/mortgages.
Timeliness 1 (2014) : Percentage of applications for provision of housing finance that are released within the	Number of applications for provision of housing finance with complete	4%	(Actual/Target) x Weight (but not to exceed	100%	100%	4%	100%	4.00%	Motion Sheet from: (1) Date received by NHMFC of applications (2) Credit Committee Approval (3) Date of Certificate of Occupancy	<ul style="list-style-type: none"> • Average processing time from the date of receipt of applications to date of Credit Committee Approval is 14.5 days;

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turn-around time (TAT) (30 calendar days from receipt of complete documents)	documentation that are released within the turn-around time over Number of applications for provision of housing finance with complete documentation		the weight assigned per indicator)						(4) Date of Check Availability (supported by Disbursement records) (data sourced from NHMFC Securitization Group)	<ul style="list-style-type: none"> Average processing time from Date of Certificate of Occupancy (if applicable) to date of check availability is 8 days; Average turnaround time for CY 2014 applications with Credit Committee approval up to date of check availability is 22.5 days.
Performance Indicator Set 2 : Securitization of Home Mortgages and other Housing Receivables										
Quantity 1: Value of underlying assets of mortgage backed securities approved for issuance by the Board.	Absolute value of underlying assets of mortgage backed securities approved for issuance by the Board	10%	(Actual/Target) x Weight (but not to exceed the weight assigned per indicator)	₱2.00 Billion	₱2.00 Billion	10%	₱2.00 Billion	10.00%	Copy of SHFC Board Resolution No. 399 s. 2014 on the Approval of the Issuance of Community Mortgage Program Asset Backed Securities (CMP-ABS) Bonds	<ul style="list-style-type: none"> NHMFC is the Financial Advisor/Program Manager for the issuance of the ₱2 Billion SHFC Community Mortgage Program Asset Backed Securities (CMP-ABS).
Quantity 2: Value of financial engagement for other government agencies/private entities with NHMFC as financial advisor/arranger	Absolute value of financial engagement for other government agencies/private entities with NHMFC as financial advisor/arranger	4%	(Actual/Target) x Weight (but not to exceed the weight assigned per indicator)	₱6.0 Billion	₱3.0 Billion	2%	₱3.0 Billion	2.00%	Copy of Memorandum of Understanding among NHMFC, AUSPHIL Securities and Paglas Corporation signed last 01 December 2014.	<ul style="list-style-type: none"> NHMFC as the Financial Advisor/ Program Manager of the Securitization Project shall provide the following services: Final/ Corporate Validation of Housing Loan Portfolio Information/ Database; Submission of

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										Proposed Structure; Discussion/ Negotiation / Hiring of Third Parties Required; Proposed Structure with Legal Counsel and Tax Advisor; Computation of Upfront and Recurring/ Maintenance Cost; Regulatory Approvals; and Final Timelines.
Quantity 3: Extraction Rate Per Issue based on the approved indicative structure by the Board	Percentage of indicative net proceeds from securitization issue over the indicative issue size where: Net proceed is equal to the target issue less the sum of estimated subordinated notes to be held by NHMFC, execution costs, and the required balance of	4%	(Actual/T arget) x Weight (but not to exceed the weight assigned per indicator)	65%	70%	4%	70%	4.00%	NHMFC Computation of the proposed CMP-ABS structure (sourced from NHMFC PowerPoint presentation to the SHFC Risk and Audit Committee dated 09 October 2014)	<ul style="list-style-type: none"> The NHMFC proposed structure of the SHFC CMP-ABS approved in SHFC Board Resolution No. 399 s. 2014 will be 70% (or ₱1.513 Billion) for Senior Notes and 30% (or ₱648 Million) for Subordinated Notes; and Outstanding balances are as of 30 June 2014.

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	reserves at the closing date									
Performance Indicator Set 3 : Provision of Financial Advisory/ Consultancy and Other Services/Engagements										
Quantity 1: Number of new, creative and innovative products/services acted upon by the Board	Absolute number	3%	All or nothing	At Least 3	e-Payment for Juan and Juana, Geographical Mapping System, Forms Standardization	3%	e-Payment for Juan and Juana, Geographical Mapping System, Forms Standardization	3.00%	NHMFC Board resolution No. 3817 s. 2014 approving Revised Criteria for Selection for E-payment service for Juan and Juana; Minutes during 281 st NHMFC Board Meeting (noting Geographical Mapping System) and Minutes during 284 th NHMFC Board meeting (noting Forms Standardization)	• Acceptable
Subtotal		35%				26.53%		26.54%		
MFO 2 – ACCOUNT/LOAN MANAGEMENT										
Performance Indicator Set 1 : Master Servicer of Securitized Accounts / Management of Accounts										
Timeliness 1: Percentage of payables remitted to the trustee within due date	Percentage of the amount remitted to the Trustee within due date over total collections due to Special Purpose Trust	9%	(Actual/Target) x Weight (but not to exceed the weight assigned per indicator)	100%	100%	9%	100%	9.00%	Summary of Remittances to Special Purposes Trust (sourced from NHMFC Trust Services Department)	<ul style="list-style-type: none"> For Bahay Bonds 1, Collections and Actual Remittances to Special Purpose Trust in CY 2014 totaled ₱484.286 Million. For Bahay Bonds 2, Collections and Actual Remittances to Special Purpose Trust in CY 2014 totaled ₱120.166 Million. Based on Unaudited Statement of Cash Flows, cash outflows representing remittances to SPT

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										totaled to ₱604.453 Million.
Quantity 1: Collection Efficiency Ratio	Value of actual collection over target collection for the year (*Target refers to total due for the year)	8%	(Actual/Target) x Weight (but not to exceed the weight assigned per indicator)	91%	91.29%	8%	91.39 %	8.00%	Collections Report and Aging of Accounts Receivable (sourced from NHMFC Collections and Accounts Management Group); Unaudited Statement of Cash Flows for CY 2014	<ul style="list-style-type: none"> Based on Unaudited Statement of Cash Flows, total inflows representing collections of amortization totaled ₱2,005 Million. Collectibles for CY 2014 totaled ₱2,194 Million
Quantity 2: Decreasing the value of acquired assets/ non-performing loans (NPLs)	2014: Value of reduction in NPLs over total Value of NPLs as of end of the year	8%	(Actual/Target) x Weight (but not to exceed the weight assigned per indicator)	6% Reduction (₱0.700 Billion)	6% (₱0.702 Billion)	8%	₱0.756 Billion	8.00%	List of NPL accounts with corresponding decrease in value of acquired assets/non-performing loans (sourced from NHMFC Collection and Accounts Management Group)	<ul style="list-style-type: none"> According to NHMFC, it outsourced the collection of 12,254 accounts with 25 months and above delinquency to 3 firms to help decrease its NPLs; 2,886 accounts with an outstanding principal balance of ₱756 Million has been made current.
Subtotal		25%				25%		25.00%		
MFO 3 – ALTERNATE SAVINGS SCHEMES / PRODUCTS										
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 target investor based on the approved indicative structure by the Board	Percentage of subscription to target investors based on the approved indicative	10%	(Actual/Target) x Weight (but not to exceed the	70% of ₱2.00 Billion	70% of issue	10%	70% of issue	10.00%	Copy of SHFC Board Resolution No. 399 s. 2014 on the Approval of the Issuance of Community Mortgage Program Asset Backed Securities (CMP-ABS)	<ul style="list-style-type: none"> Acceptable

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	structure		weight assigned per indicator)						Bonds	
Subtotal		10%				10%		10.00%		
MFO 4 – SECONDARY MORTGAGE INSTITUTION (SMI) OPERATIONS SUPPORT SERVICES										
Performance Indicator Set 1 : Quality of Bonds										
Quality 1a: Issue Rating - BB1	Rating	7%	>AA up to AA - 100% < AA up to BBB-80% < BBB - 0%	≥AA	"AA"	7%	"AA"	7.00%	Bahay Bonds 1 and 2 Ratings as of 31 December 2014 (sourced from Philippine Ratings Services Corporation)	<ul style="list-style-type: none"> • BB1 Class A (Senior Notes) are rated as "Aa" or High quality (subject to very low credit risk); BB1 Class B (Subordinated Notes) are rated as "Baa" or Investment grade (subject to moderate credit risk and with adequate payment capacity)
Quality 1b: Issue Rating - BB2	Rating	7%	>AA up to AA - 100% < AA up to BBB-80% < BBB - 0%	≥AA	"AA"	7%	"AA"	7.00%	Bahay Bonds 1 and 2 Ratings as of 31 December 2014 (sourced from Philippine Ratings Services Corporation)	<ul style="list-style-type: none"> • BB2 Class A (Senior Notes) are rated as "Aa" or High quality (subject to very low credit risk); BB2 Class B and C (Subordinated Notes) are rated as "Aa" and "Baa", respectively. Baa is interpreted as Investment grade (subject to moderate credit risk and with adequate payment capacity).
Quality 1c: Issue Rating BB3 (CY	Acceptance of an	6%	All or nothing	Acceptance of an	Notice of Award Mandate	6%	Notice of Award Mandate	6.00%	NHMFC Letter to the underwriter (BPI Capital Corporation) dated 13	<ul style="list-style-type: none"> • As of end 2014, NHMFC started its

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2014)	underwriter			underwriter	Letter		Letter		December 2013 re Notice of an Award	due diligence on mortgages.
Subtotal		20%				20%		20.00%		
General Administrative Support										
Indicator 1: Number of quality management Systems developed and implemented	Absolute number	4%	(Actual/Target) x Weight (but not to exceed the weight assigned per indicator)	At least 4 (Asset Disposition Procurement Telling Review of Disbursement Voucher)	4 (Asset Disposition Procurement Telling Review of Disbursement Voucher)	4%	4 (Disposition of Foreclosed Properties, Procurement, In-House Collection, Review and Preparation of Disbursement Voucher)	4.00%	Copies of Manuals: (1) Disposition of Foreclosed Properties, 15 December 2014 (2) Procurement Process, 15 December 2014 (3) In House Collection Process, 15 December 2014 (4) Review and Preparation of Disbursement Voucher, 15 December 2014	• Acceptable.
Indicator 2: Number of ISO Certification for quality management systems obtained	Absolute number	6%	(Actual/Target) x Weight (but not to exceed the weight assigned per indicator)	At least 2 (Foreclosure and Custodianship)	2 (Foreclosure and Custodianship)	6%	2 (Foreclosure and Custodianship)	6.00%	Confirmation, based on audit conducted last 15 December 2014, recommended for certification for the scope of Borrower Counselling, Extra Judicial Foreclosure of Account and Custodianship of Title.	• Acceptable.
Subtotal		10%				10%		10.00%		
Accumulated Total Weight:		100%				91.53%		91.54%		