



NHMFC

BULLETIN

OFFICIAL PUBLICATION OF THE NATIONAL HOME MORTGAGE FINANCE CORPORATION

NHMFC-GCG Formally Sign Summary of Agreement



NHMFC and GCG officers headed by President Felixberto U. Bustos (5th from left) and Commissioner Ma. Angela E. Ignacio (3rd from right) sign the Summary of Agreements after the Performance Agreement Negotiation.

The National Home Mortgage Finance Corporation (NHMFC) formally signed the Summary of Agreements (SOA) with the Governance Commission for Government Owned or Controlled Corporations (GCG) last September 13, 2013.

R. A. No. 10149 or the GOCC Governance Act of 2011 mandates GCG to actively exercise the

State's ownership rights through the institutionalization of a Performance Evaluation System (PES).

The PES provides the framework for setting the organizational targets of a GOCC as basis for determining the grant of Performance-Based

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In Chinese culture, the number "8" has long been regarded as a lucky number. With a pronunciation of "Ba" in Mandarin, it sounds similar to the word "Fa", which means to make a fortune. Thus, the number connotes prosperity, success, and high social status, which is why most Chinese businessmen favor it very much.

Since the so-called *taipans*, or industrialists of Chinese ethnic origin are significant players in the Philippines, the number "8" also permeates the local business scene. I remember, for example, that the numbers in the winning bid during the auction for the former Fort Bonifacio property were almost all "8s."

I was pleasantly surprised therefore when we finished our study on the amount of external

The Number 8, America's Cup and Good Byes

financing needed by NHMFC and the number that came up was 8 billion pesos. I thought this was a very good sign and that it surely would be granted by Congress after the Board endorsed it.

Imagine my disappointment some two weeks ago when we went to the House of Representatives for a budget hearing, when I found out that it was not part of the housing budget endorsed by the Budget Department (DBM) to Congress. Upon inquiry with the Board Member representing the DBM, we were informed that our request was not part of the priorities of President Aquino.

When I got home that night, and sat in front of my television, I saw the number 8 again, and once more it did not appear to be lucky for me. FOX Sports News reported that the American yacht Oracle, sponsored by my techno-preneur idol Larry Ellison, which was competing against the New Zealand yacht for the ultimate symbol of supremacy in sailing, the America's Cup, was losing badly. New Zealand already had eight victories to the Oracle's one. They only had to win one more race the next day to capture the first-to-9-out-of-17 series. The Americans would need an almost miraculous 8 straight victories for

them to retain the America's Cup.

What made a miracle finish seemed improbable was because they had already been given a heaven sent reprieve earlier that day. The New Zealanders were almost at the finish line when the winds suddenly stopped blowing, and the four-hour limit for each race expired before they could cross the finish line for what would have been their clinching ninth victory. It seemed the Americans had already used up their quota for miracles, and it was just a matter of time before the America's Cup literally becomes the New Zealand's Cup.

Was that going to be NHMFC's fate, too? After fighting the good fight, and hurdling over all sort of financial obstacles, would we just be allowed to slowly wither away due to lack of financial sustenance? I felt a headache slowly creeping up on me, so I decided to turn off the television set, and just read the newspapers.

Lo and behold, on the bottom of the first page of the business section was another near-surprise. A news article mentioned that I was the "front-runner" for appointment to a government commission whose mandate was primarily power-rate setting. I had been informally informed that I was being "considered" for the post, but did

not put too much significance to it since I had been also considered and found wanting for a prior vacancy two years prior.

But the timing was a little bit eerie. Were the events of the last few days related? Were the powers here on earth telling me to move on, and were the powers from above signaling me that I should forget my Impossible Dream of turning NHMFC into the significant player in the Housing Finance sector that it was mandated and deserves to be? But more important, what would the officers and staff of NHMFC feel about all these developments?

I was not able to formally communicate to the NHMFC community right away. I had major roles to play in a GCG presentation, a joint KSA planning session, a SHDA convention, and the Asia Pacific Housing Forum before I could convene an NHMFC General Assembly.

In the meantime, near miracles did happen. During those series of events, business possibilities, new products and services, and alternative funding sources for NHMFC appeared. All that was needed, it seemed to us now, was for us to just formalize and verbalize our plans and programs, our dreams and aspirations, and growth opportunities and profit potentials would come out like a genie from a lamp.

And what about the Oracle and the America's Cup? Before I answer that, let me share with you verbatim, an article written for me

by the newest member of our NHMFC family, Stepanie Bas of the PAIO:

I would like to share my thoughts on the 17th race of the 34th America's Cup where the Oracle Team USA's determination and teamwork made them win the race against Emirates Team New Zealand.

It made me reflect on our situation, on how does teamwork strongly affects achieving our goals and targets in NHMFC.

Oracle Team USA's skipper Jimmy Spithill left a statement in an interview, "On your own you're nothing, but a team like this can make you look great."

And just like the members of the yacht team, each of us has a designated task, departmental functions, and duties when combined altogether make up the entire body of our corporation.

As long as all the employees of NHMFC help build each other's abilities while doing one's own duty, everyone will succeed.

I value everyone's importance and contributions in making NHMFC a successful housing sector. Each of us has significance in the team, and doing our own part could contribute a beneficial strategy that our team might use to survive and win as we continue sailing on our journey.

We should not compare our team to what others have; we might think they're

better, but through our determination and teamwork, we could even be the best.

I believe that no matter how hard situations are in the workplace, it's still the unity that makes everything possible.

We will never leave anyone behind and altogether we will embrace more success and achievements in NHMFC.

So yes, the Oracle won. They won a record-breaking 8 straight races and retained the America's Cup. Larry Ellison, according to a news report left a meeting with global leaders being held in San Francisco to rush to the finish line in a speed boat when he heard that Oracle was close to winning the last race.

And yes, we will never leave NHMFC. We might be given another government assignment in a sector equally as important as housing, but you can always call on us. We will continue our self-imposed mission to inform the country the importance of securitization in particular and housing finance in general.

But more important, we commit to our self-proclaimed role as Number One Cheer Leader as the NHMFC TEAM continues its upward trajectory to being the major player in Housing Finance in the region in the near future.

NHMFC DOUBLES DIVIDENDS IN 2013



NHMFC President Bustos turns over P42 Million dividends to President Benigno Aquino III during the "GOCC Dividends Day 2013" held in Malacañang. Looking on are (L-R) Budget Secretary Florencio Abad, Finance Secretary Cesar Purisima and Senator Franklin Drilon.

The NHMFC has more than doubled its dividends remittance this year.

From P18 million in 2012, NHMFC has remitted P42 million dividends to the national government. This represents partial payment of dividends for 2012 net earnings.

Vice President Jejomar C. Binay, who also chairs the NHMFC Board of Directors, said that through sound management and policy reforms, the Corporation was able to overcome snags and continue to contribute to the national coffers.

NHMFC President Felixberto U. Bustos Jr. turned over the P42 million check to President Benigno

Aquino III during the "GOCC Dividends Day 2013" held at the Malacañang Palace.

NHMFC has remitted to the national government a total of P158 million in dividends.

"The NHMFC, under the leadership of Vice President Binay, has proven its ability to rise above financial challenges to fulfill its secondary mortgage market development," Bustos said.

As the government's premiere Secondary Mortgage Institution (SMI), the NHMFC is tasked to operate a viable secondary home mortgage market. It is also mandated to monitor the performance and implementation of

the Community Mortgage Program (CMP) by its wholly owned subsidiary, the Social Housing Finance Corporation (SHFC).

The government sees the potential and significance of the role of all GOCCs as tools for economic development.

Under Section 3 of the Dividends Law (R.A. 7657), all GOCCs and Government Financial Institutions (GFIs) are required to declare and remit at least 50 percent of their annual net earnings as cash, stock, or property dividends to the national government.

6-MONTH MORATORIUM FOR BORROWERS

In response to the call of Vice President Jejomar C. Binay to provide assistance packages to borrowers who were affected by typhoon "Maring" and the recent Zamboanga armed conflict, NHMFC borrowers may reschedule payment of their housing loans for six (6) months.

VP Binay, who also heads the Housing and Urban Development Coordinating Council (HUDCC) and the NHMFC Board of Directors, said that the moratorium is aimed to provide assistance to our countrymen who lost their homes or whose properties were damaged due to the typhoon and the recent siege.

TYPHOON "MARING"

For typhoon "Maring" victims, the six-month moratorium will be effective starting August 31, 2013 until February 28, 2014.

VP Binay said interest and penalty charges shall not be imposed within the said period. Interested borrowers were given until September 15, 2013 to apply for and avail the program.

Applicants were required to present barangay certification that they are bonafide residents and that their area was flooded or was under state of calamity.

Dacion en pago was also made available to borrowers who are no

longer interested in returning to their respective homes. This is a special mode of payment wherein the debtor offers another thing to the creditor who accepts it as equivalent of payment of an outstanding obligation. Borrowers may voluntarily surrender their properties as a mode of settlement of their loan obligations.

Aside from the NHMFC, other housing agencies under the HUDCC like the Home Development Mutual Fund (Pag-IBIG), National Housing Authority, and Home Guaranty Corporation have each declared a three-month moratorium on housing loan mortgages for typhoon "Maring" victims.

ZAMBOANGA ARMED CONFLICT

Meanwhile, borrowers whose properties were damaged by the recent Zamboanga siege, the moratorium shall commence on November 1, 2013 until April 30, 2014. Borrowers should file their application for moratorium not later than October 31, 2013.

To qualify for the program, the account should be in current status or 0-3 months in arrears.

Qualified housing loan borrowers shall not also be charged interest and penalty within the six-month period of

implementation. Effectivity of the moratorium shall start from the date of approval of the application. As a result of the moratorium, the loan term shall be automatically extended equivalent to the same number of months that the account is under moratorium.

Similarly, affected borrowers may also opt to avail the *dacion en pago* subject to the terms and conditions under the law governing the same.

(from page 1) NHMFC-GCG FORMALLY SIGN...

Incentives, for determining whether Appointive Directors are eligible for reappointment, and in ascertaining whether such GOCC should be reorganized, merged, streamlined, abolished or privatized.

Based on its social impact, the GCG classified NHMFC under Housing and Urban Development. GOCCs under this classification are tasked to achieve sustainable communities, urban competitiveness, housing affordability, effective governance, and poverty reduction.

"BAHAY KO PANANAGUTAN KO" 2013 RAFFLE DRAW

The "Bahay Ko, Pananagutan Ko" program will be having its second round of raffle draw on December 20, 2013.

The raffle is an on-going rewards and incentive program for all current NHMFC housing loan borrowers.

To qualify for the raffle, borrowers should have at least six (6) consecutive monthly payments with no missed payments and with zero arrears for each month of the year to earn a raffle coupon. This means that a borrower can earn a maximum of two raffle coupons per year.

Prizes at stake are Php350,000 for the 1st prize winner, Php250,000 for the 2nd prize, and Php150,000 for the 3rd prize. Consolation prizes worth Php50,000 each will also be given away to five current borrowers. The prizes shall be applied to their outstanding loan balance. Only prizes that go beyond the outstanding balance and results to full payment of the loan with excess payment shall be reimbursed to the borrower in cash.

Last year, eight winners were named via electronic raffle during the 35th Anniversary celebration of NHMFC. Efren D. Morales, a family driver from Dasmariñas, Cavite brought home the grand prize.

Another incentive program for borrowers is the Early Payment Discount Program. Under this program, borrowers receive discounts every time they pay their housing loan before their monthly due dates.

PARTNERSHIP WITH BANKS AND FI'S PROPOSED

NHMFC recently proposed a partnership with thrift banks and different financial institutions (FIs) as it continues to develop and provide for the secondary mortgage market.

The proposal allows banks to act as primary housing originators together with selected groups of developers and NGO originators under NHMFC's Housing Loan Receivables Purchase Program (HLRPP). The tie-up shall assign banks or FIs to handle the seasoning of the receivables for 1-2 years while NHMFC shall purchase the receivables after its seasoning period and subsequently issue Asset Backed-Securities (ABS).

Vice President of Securitization Group, Ms. Daisy S. Dulay, presented that as incentives, the banks and FIs shall continue to serve as venues for lending

activities for housing receivables and to participate for a fee as underwriter/market maker in securitization of these receivables. They shall likewise have an opportunity to invest as buyer of a class of issued ABS, and leverage housing loan portfolio via conversion into an investment of ABS of own receivables.

For ease in terms of review and securitization, the development of uniform and standardized forms and documents for housing loan, creation of simplified and standard templates for securitization, and the creation of a Specialized Special Purpose Company for housing ABS/MBS were also discussed. According to VP Dulay, these will increase transparency, simplify procedures, decrease processing time, and minimize red tape.



VP Daisy S. Dulay (seated middle) proposes partnership with thrift banks and financial institutions.

ASIA FORUM 2013

NHMFC President Felixberto U. Bustos Jr. recently attended, as guest speaker, the "Secondary Mortgage Markets: Asia Forum 2013," held at Plaza Athénée Bangkok, Royal Meridien Hotel, Thailand.

President Bustos, who is considered to be one of the world-class financial professionals, shared the state of Mortgage-Backed Securities (MBS) in the Philippines.

"Compared with Japan and Korea who are already developed in terms of secondary mortgage, Thailand feels that the Philippine experience is more applicable to them," President Bustos said.

He presented that despite the passage of the Securitization Act in 2004, MBS in the Philippines is still in its infancy stage.

To develop the secondary mortgage market in the country, President Bustos recommended the increase of funding support for NHMFC from any multilateral agencies, the establishment of NHMFC as one-stop shop to lessen the "friction" between the roles of government institutions involved in the secondary mortgage market, and the improvement of the process relating to the primary mortgage market such as unified forms, computerized database of titles, and sharing of database.

The forum is a joint effort of all secondary mortgage corporations in Asia that aims to



Dr. Bustos Jr. receives a Plaque of Appreciation from Kittiratt Na-Ranong (right), Deputy Prime Minister and Finance Minister of Thailand, after his talk at the Secondary Mortgage Markets: Asia Forum 2013 held in Thailand.

enhance the public welfare and national economic development through housing finance system in Asia. It was organized by the Secondary Mortgage Corporation (SMC), a Specialized Financial Institution (SFI) under the Ministry of Finance in Thailand.

"The event symbolized the start of building an information exchange network on the secondary mortgage markets in Asia among financial institutions, as well as related government agencies," President Bustos said. This is in preparation for the ASEAN economic integration that will liberalize some of the financial services by 2015. For the Philippines, the sectors identified are insurance and capital market.





KSA PLANNING WORKSHOP

Vice President Jejomar C. Binay led the Key Shelter Agency (KSA) heads and their senior officers in the two-day planning workshop held at the NHA Operations Center. Photo shows VP Binay listening to NHMFC President Bustos as he shares the corporation's overall progress and proposed plans for the coming years.



PSYP 2013

Presidential Summer Youth Program (PSYP) beneficiaries show off their certificates of completion during their graduation ceremony. PSYP is a one-month internship program implemented every year to encourage the involvement and contribution of the youth to the government's tasks. EVP Livia Alicia Ramos (center) poses with the students.



EFFECTIVE BUSINESS WRITING SEMINAR

NHMFC employees hold their certificates in the form of fans after the 2-day Effective Business Writing Seminar conducted by Ms. Cecile Grace Matulac and Ms. Sheila Viesca, both from Talkshop - an English school and the leading consultancy and training institute for personal effectiveness, corporate protocol, and management communication.

HOMEAI Celebrates 27th Anniversary

BOWLING TOURNAMENT CHAMPION

FEMALE

Beth Casas
Flor Quitoriano
Lenny Hipona
Daisy Sayat
Jean Valle

MALE

Lito Garcia
Marlo Servo
Edem Abonitalla
Jun Valeroso
Jun Abraham

DART TOURNAMENT CHAMPION

Atty. Vic Dacanay



2nd floor ladies are awarded with medals as champions of the women's division for the bowling tournament

The Home Mortgage Employees Association, Inc. (HOMEAI) celebrated its 27th year anniversary from September 16-20, 2013 with the theme "We Stand Together, We Unite Forever."

The weeklong event was packed with indoor activities including the most awaited Bingo Social.

A social room, where employees can play darts and chess during break time and after office hours, was also formally launched. EVP Livia Alicia Ramos graced the opening and ribbon cutting.

In an inspiring message to the union, NHMFC President Felixberto U. Bustos congratulated and thanked HOMEAI, under the leadership of Rodel Leocario, for working in harmony with Management.

"Hindi lang tayo magiging authority ng securitization/secondary markets sa Pilipinas. Ang itinakda nilang misyon o pakay ng

ating korporasyon ay maging kapantay tayo ng iba pang mga kapareho nating korporasyon sa Asya," he stated.

EVP Ramos also extended her salutation to the officers of the union. She said that since its inception in 1986, HOMEAI has carved itself a respected position in the key shelter agencies' family of unions. "This reputation is a silent testimony to the deep and strong lanes that bind the HOMEAI members together," she stated.

With this support from Management, the HOMEAI officers encouraged everyone to keep this camaraderie and unity stilled within their hearts and to work together hand in hand in achieving NHMFC's success. As the old adage goes, "A boat does not go forward if each one is rowing their own way."

Long live HOMEAI!



The champions of the bowling tournament for men's division.



EVP Ramos (3rd from right) leads the opening of the social room

PURSUING A BETTER WORKFORCE



The Orange Team led by President Bustos won the overall activities.

This year's team building activities proved anew to be a fun get-away for the NHMFC workforce. Individually and as a team, everyone gets to showcase their strengths and realized their weaknesses as well.

The event aims to provide balance and harmony within the organization. It also aims to boost the employees' confidence and commitment in providing remarkable performance and quality service to the clientele.

During the festivities, President Bustos reiterated his vision of bringing NHMFC to a greater height. He stressed the significance of unity and quality service when he said that *"Kung magsasama-sama tayo, we can do impossible things. We're innovative and we work hard. Our recent accomplishments and awards are proof enough that our programs are our tributes to the people."*

To cap the night off, EVP Livia Alicia Ramos urged everyone to be ready to face the challenges ahead and rise above them as NHMFC employees lit up sky lanterns symbolizing a brighter future for NHMFC.



New hires paint their teammate



The blue team struts their way in winning the 1st place during the Hawaiian-themed dance competition.



EVP Ramos and fellow NHMFC officers participate in the festivities.

HOUSING CONVENTIONS

CREBA President
Charlie Gorayeb
and Former
Congressman
Rodolfo Valencia
award a plaque of
appreciation to
NHMFC President
Bustos for gracing
the CREBA 8th
Monthly Business
Meeting.



President Bustos
talks about
achieving
sustainable
housing finance
involving low-cost
and socialized
housing sub-sector
during the
OSHDP - HUDCC
4th National
Convention held
in Davao City.



To strengthen ties between and among the stakeholders, annual business meetings and conventions are traditionally organized jointly by the Housing and Urban Development Coordinating Council (HUDCC) and the country's leading groups of realtors --- the Chamber of Real Estate and Builders' Association (CREBA), National Real Estate Association (NREA), Organizations of Socialized Housing Developers of the Philippines (OSHDP), and the Subdivision and Housing Developers Association (SHDA). These events served as avenues for the housing players, both from the government and private sector, to stimulate and exchange ideas that will help devise solutions on the housing backlogs facing the country.

This year's themes "Shaping a Sustainable Housing Industry" by SHDA, "Sapat na Pabahay Para sa Maunlad na Buhay" by OSHDP, and "A Home for Every Juan: A Thrust of Local Governance and Private Partnership" by NREA, all organizations are up to lay the road map that will guide the housing sector in setting the groundwork for an affordable and decent shelter for the people.

RUN FOR A CAUSE

Officers and employees of NHMFC participated in the R.A.C.E. to Serve III Fun Run held at Quirino Grandstand in Manila last September 7, 2013 to open the 113th Anniversary of the Philippine Civil Service Commission (CSC).

This year's theme "Tatak Lingkod Bayani: Isabuhay, Ipagmalaki, Ipagbunyi" aims to promote, showcase, and celebrate heroism in public service and to highlight stories of triumph and sacrifice among men and women in the government.

Proceeds of the event will go to Pondong Pamanang Lingkod Bayan that grants financial aid to immediate family members of state workers who died in line of duty.



NHMFC participants successfully finished the 3k, 5k and, 10k run



Housing Fair 2013

Around 1,595 properties will be offered for sale during the 2013 Housing Fair on October 25-27, 2013 at the Megatrade Hall I of SM Megamall, Mandaluyong City.

Interested buyers may fill up the reservation forms during the fair while the sealed bids will be submitted at the Acquired Assets Division of NHMFC in Filomena Building III, 104 Amorsolo Street, Legaspi Village, Makati City.

Opening of bids will be held at the Board Room of NHMFC Head Office on November 28, 2013. Winning bidders will have to pay Php1,000 non-refundable processing fee upon submission of their offer to purchase and 10% refundable downpayment of the approved bid but not lower than Php10,000.

A 25% discount based on the appraised value of the properties with registered Certificates of Sale will be given to the buyers. For abandoned house and lots which are subject for litigation, buyers will also get a 30% discount based on the appraised value of the property but not lower than the book value.

HLRPP



HOUSING LOAN RECEIVABLES PURCHASE PROGRAM

A venue for originators and developers to sell directly their quality housing receivables to NHMFC for securitization purposes.

*For more information, please visit or get in touch with:
Mortgage Pooling Department, Securitization Group at*

Tel No: 893-0491 (Direct Line)

Trunkline: (02) 893-1501/1581/1582/1584/1517 local 367/289

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