



PERFORMANCE AGREEMENT

This Performance Agreement has been executed pursuant to the **PERFORMANCE EVALUATION SYSTEM FOR THE GOCC SECTOR (GCG MC No. 2013-02 [Re-Issued])** between the –

GOVERNANCE COMMISSION FOR GOCCs (GCG)

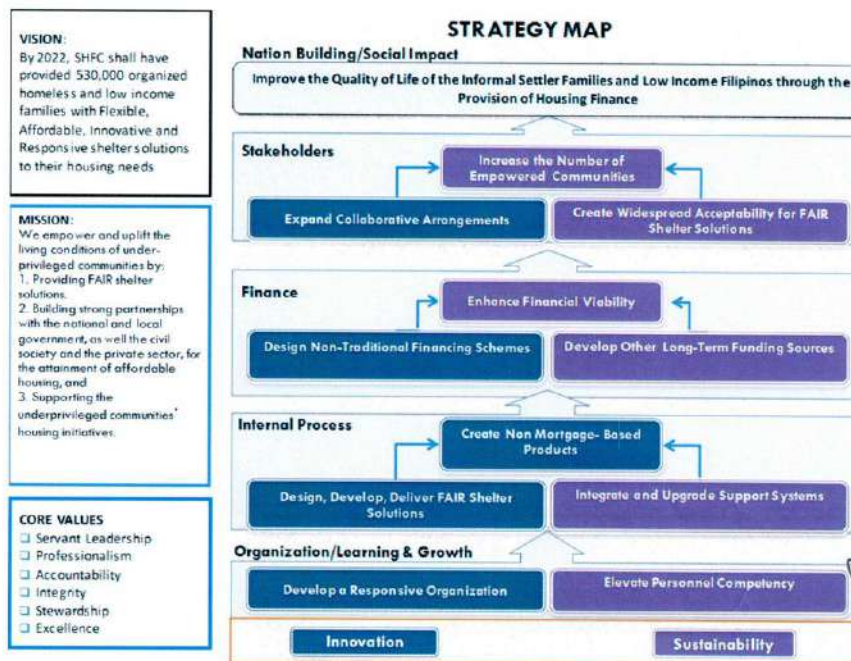
- and -

SOCIAL HOUSING FINANCE CORPORATION (SHFC)

WITNESSETH: THAT –

The Parties agree to the following terms:

1. **Period.** – This Agreement shall be effective beginning from the execution of this Agreement and ending upon the determination by the Governance Commission of the eligibility of SHFC for the FY 2015 PBB and PBI.
2. **Charter Statement and Strategy Map.** – SHFC's Charter Statement and Strategy Map for the Period specified in Section 1 hereof, shall be as follows:



3. **Measurement of Performance.** – Based on the Performance Scorecard 2015 attached hereto as **Annex A**, the SHFC's Performance for 2015 shall be based on the following Measures/Performance Indicators and Annual Targets, to wit:

		COMPONENT	WEIGHT	RATING SYSTEM	2015 TARGET
SOCIAL IMPACT	SO 1	Improve the Quality of Life of the Informal Settler Families and Low Income Filipinos through the Provision of Housing Finance			
	SM 1	Utilization of housing subsidies for CMP, HDH and AKPF	10%	Actual/Target)x weight (but not to exceed assigned weight)	100%
		Sub-total	10%		
STAKEHOLDERS	SO 2	Increase the Number of Empowered Communities			
	SM 2	Number of families assisted through CMP CISFA and HDH	10%	Actual/Target)x weight (but not to exceed assigned weight)	24,254 (CMP-16,500; HDH-7,754)
	SO 3	Expand Collaborative Arrangements			
	SM 3	Number of partnerships developed and institutions capacitated	6%	Actual/Target)x weight (but not to exceed assigned weight)	85
	SO 4	Create Widespread Acceptability for FAIR Shelter Solutions			
	SM 4	Number of families of legally organized associations assisted through project development process	6%	Actual/Target)x weight (but not to exceed assigned weight)	24,000
	SM 5	Client Satisfaction Survey	3%	All or nothing	Satisfactory
		Sub-total	25%		
FINANCIAL	SO 5	Enhance Financial Capacity			
	SM 6	Collection Efficiency Rate	10%	Actual/Target)x weight (but not to exceed assigned weight)	83%
	SM 7	EBITDA Margin	10%	Actual/Target)x weight (but not to exceed assigned weight)	28%
	SO 5-A	Design Non-Traditional Financing Schemes			
	SM 8	Conceptual Frameworks/schemes for accessing non-traditional funds	5%	All or nothing	Guidelines crafted/ incentives identified for the developers' participation in the CMP as a mode of compliance to the 20% balanced housing

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	COMPONENT	WEIGHT	RATING SYSTEM	2015 TARGET	
	SO 5-B	Develop Other Long Term Funding Sources			
	SM 9	Issuance of CMP Asset Backed Securities	5%	All or nothing	Issuance of CMP ABS
		Sub-total	30%		
INTERNAL PROCESS	SO 6	Create Non Mortgage-Based Products			
	SM 10	Number of projects with usufruct arrangements	5%	Actual/Target)x weight (but not to exceed assigned weight)	8 HDH projects with usufruct arrangements financed
	SO 6-A	Design, Develop and Deliver FAIR Shelter Solutions			
	SM 11	Develop new framework for financing schemes	5%	All or nothing	Wholesale lending conceptual framework developed and approved by the Board
	SO 6-B	Integrate and Upgrade Support Systems			
	SM 12	Automation of system processes through ISSP	5%	All or nothing	50% of 2 modules (Loan Management System and Financial Management Information System modules) out of 4 modules for ISSP developed
	SM 13	Average number of days to process loan applications for CMP and HDH	5%	$[1 - (\text{Actual} - \text{Target}) / \text{Target}] \times \text{Weight}$ (but not to exceed assigned weight)	120 working days
	Sub-total	20%			
LEARNING AND GROWTH	SO 7	Develop a Responsive Organization			
	SM 14	ISO Certification for SHFC frontline services	5%	All or nothing	Completed Documenting the QMS
	SM 15	Number of regional hubs established	5%	All or nothing	Four (4) regional hubs established based on RP
	SO 8	Elevate Personnel Competency			
	SM 16	Comprehensive Performance Management System (PMS) established and implemented	5%	All or nothing	Performance Improvement Plan (PIP) in the context of PMS developed and competency mapping and skills assessment project completed
	Sub-total	15%			
	Grand Total	100%			

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- i. For GOCCs receiving national government budgetary support, COBs shall be submitted to the Department of Budget and Management (DBM) for review and approval on or before the deadline indicated in DBM National Budget Memorandum No. 120 on "Budget Call for FY 2015;"
 - ii. For GOCCs without national government budgetary support, COBs shall be submitted to the Governance Commission using the same deadline as provided in DBM National Budget Memorandum No. 120.
6. SHFC hereby undertakes to have its Performance Scorecard rated by its customers and solicit feedback on how the same may be improved. SHFC shall determine the most effective method for accomplishing the said purpose. Such information shall be reported to GCG together with the quarterly monitoring report. The rating shall not affect the performance indicators/measures in SHFC's Performance Scorecard, and shall be used solely as a reference by GCG and SHFC during Performance Agreement Negotiations/Renegotiations.
7. SHFC shall timely inform GCG of all audit observations and notices of disallowances within seven (7) working days from the time it receives the same from the Commission on Audit (COA) prior to the regular publication of the final annual audit report. Accordingly, SHFC shall copy furnish the Governance Commission copies of all written communications between SHFC and COA on such matters, inform GCG of the schedule of its exit interview with COA seven (7) working days before the schedule or as soon as practicable, and other efficient means of inter-agency coordination.

Failure to timely disclose such matters to the Governance Commission prior to the same becoming public information or the submission of the application for the Performance-Based Bonus (PBB) or Performance-Based Incentive (PBI) may be considered as non-compliance with the Good Governance Condition of submitting Concrete and Time Bound Action Plans on findings of COA, rendering the Governing Board **INELIGIBLE** to apply for the PBI, without prejudice to a further determination on the impact of the same on the GOCCs PBB application.

8. Nothing herein shall be construed as limiting the authority of GCG to initiate renegotiations and/or revoke Performance Agreements in accordance with existing laws, rules and regulations.

DONE, this 19th day of May 2015, in the City of Makati, Philippines.

**GOVERNANCE COMMISSION FOR
GOCCs**

BY AUTHORITY OF THE COMMISSION:


CESAR L. VILLANUEVA
Chairman


**SOCIAL HOUSING FINANCE
CORPORATION**

JEJOMAR C. BINAY
Vice President and Chairman



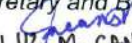

MA ANGELA E. IGNACIO
Commissioner


RAINIER B. BUTALID
Commissioner



MA. ANA A. OLIVEROS
President

CESAR V. PURISIMA
DOF Secretary and Board Member

MANUEL A. ROXAS II
DILG Secretary and Board Member


LUZ M. CANTOR
DBM Assistant Secretary


FLORENCIO B. ABAD
DBM Secretary and Board Member


AUGUSTO LOPEZ-DEE
BSP Managing Director


AMANDO M. TETANGCO, JR.
Board Member, BSP Representative


FELIXBERTO U. BUSTOS, JR.
Board Member, NHMFC Representative

Resigned
GUILLERMO P. TORRES, JR.
Board Member, Private Sector
Representative


DAMASO C. VERTIDO
Board Member, Private Sector
Representative


JOVITO C. LABAJO
Board Member, Private Sector
Representative


RODOLFO MA. A. PONFERRADA
Board Member, Private Sector
Representative