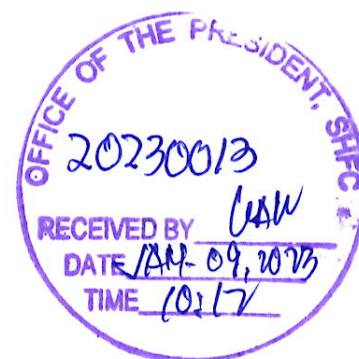


27 December 2022

**MR. JOSE RIZALINO L. ACUZAR**  
*Chairperson and DHSUD Secretary*  
**MR. FEDERICO A. LAXA**  
*President*  
**SOCIAL HOUSING FINANCE CORPORATION**  
BDO Plaza, 8737 Paseo de Roxas,  
Salcedo Village, Makati City



RE : VALIDATION RESULT OF 2021  
PERFORMANCE SCORECARD OF SHFC

Dear Secretary Acuzar and President Laxa,

This is to formally transmit the validation result of SHFC's 2021 Performance Scorecard. Based on the Governance Commission's validation of the GOCC's documentary submissions, SHFC gained an overall score of **20.59%** (See **Annex A**). The same is to be posted on SHFC's website, in accordance with Section 43 of GCG Memorandum Circular (M.C.) No. 2012-07.<sup>1</sup>

In relation to the grant of 2021 Performance-Based Bonus (PBB) to eligible officers and employees, SHFC failed to satisfy the requirements of GCG M.C. No. 2019-02,<sup>2</sup> particularly the achievement of a weighted-average score of at least 90% in its 2021 Performance Scorecard. In this regard, the Board is reminded that any unilateral action to release the PBB will be considered as a violation of the Board's fiduciary duty to protect the assets of the GOCC as provided under Section 19 of Republic Act No. 10149.<sup>3</sup>

Consequently, pursuant to GCG M.C. No. 2021-01,<sup>4</sup> failure to qualify for the PBB means that the Appointive Members of the Governing Board of the SHFC shall not be qualified to receive the Performance-Based Incentive (PBI).

FOR SHFC'S INFORMATION AND GUIDANCE.

Very truly yours,  
  
Justice ALEX L. QUIROZ (ret.)  
Chairperson

ATTY. GIDEON D.V. MORTEL, D.C.I.  
Commissioner

ATTY. GERALDINE MARIE B.  
BERBERABE-MARTINEZ  
Commissioner

cc: COA Resident Auditor – SHFC

<sup>1</sup> Code of Corporate Governance for GOCCs, dated 28 November 2012.

<sup>2</sup> Interim Performance-Based Bonus (PBB) dated 25 July 2019.

<sup>3</sup> GOCC Governance Act of 2011.

<sup>4</sup> Interim Performance-Based Incentive (PBI) System for the Appointive Directors of GOCCs covered by GCG for CY 2020 and for the Years Thereafter, dated 28 January 2021.

**“Upholding a Transparent and Responsive GOCC Sector for the Filipino People”**

SOCIAL HOUSING FINANCE CORPORATION (SHFC)  
Validation Result of 2021 Performance Scorecard

Component					Target	Submission <sup>1</sup>		GCG Validation		Supporting Documents	GCG Remarks
Objective/Measure	Formula	Weight	Rating System		2021	Actual	Rating	Score	Rating		
SO 1 Improve the Quality of Life of the Informal Settler Families											
SM 1	Increase Number of ISFs Provided with Housing Finance Assistance	Actual Accomplishment	35%	(Actual/Target) x Weight	60,000	14,693	8.57%	14,693	8.57%	Community Mortgage Program (CMP) Projects: a. Breakdown of CMP Taken-out Projects (January - December 2021) b. House Construction - Billing Statements c. Lot Acquisition - Checks, Disbursement Vouchers, Budget Utilization Request, Check Release Form for Take Out d. Site Development - Checks, Disbursement Vouchers, Budget Utilization Request, Official Receipts  High Density Housing (HDH) Projects: a. Breakdown of High-Density Housing (January - December 2021) b. Phase 1: Sample Disbursement Voucher c. Phase 2 and 3: Checks, Disbursement Vouchers, Budget Utilization Request  Marawi Projects:	Target not met.  The request to reduce the target to 15,000 ISFs due to limited budget allocation is <b>DENIED.</b> The proposed target was not substantiated by sufficient documentation.

<sup>1</sup> The rating is based on the submission of SHFC.

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Component				Target	Submission <sup>1</sup>		GCG Validation		Supporting Documents	GCG Remarks	
Objective/Measure	Formula	Weight	Rating System	2021	Actual	Rating	Score	Rating			
	rating of at least satisfactory / Total number of respondents		If less than 80% = 0%		gave either a "very satisfied" or "satisfied" rating				h. Training Report i. Training Manual j. Observation and Clearing/Debriefing Report k. Fieldwork Progress, Supervision, and Spot-checking Report l. Back-checking report m. Data Quality Control Report	survey before its implementation.  Consistent with the previous year's validation, the Governance Commission noted that the period to which respondents were asked to evaluate the services of the SHFC covered 2020 instead of 2021.	
	<i>Subtotal</i>					9.73%		0%			
SO 3 Enhance Financial Viability											
FINANCE	SM 3	Improve Collection Efficiency Rate	Cumulative Collection / Cumulative Billing (Current and Delinquent Accounts Only)	10%	(Actual / Target) x Weight	90.11% CER	10%	Unverifiable	0%	a. Collection Efficiency Report b. Ten (10) samples of billing statements (statement of account, abstract of collection, CMP remittance report, CMP Receipt)	The reported accomplishment cannot be objectively validated due to Commission Audit's (COA) adverse opinion on SHFC's 2021 Financial Statements

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Component					Target	Submission <sup>1</sup>		GCG Validation		Supporting Documents	GCG Remarks
Objective/Measure	Formula	Weight	Rating System		2021	Actual	Rating	Score	Rating		
SM 4 Improve Status of Problematic Accounts	[(Current Year's Number of Problematic Accounts - Prior Year's Number of Problematic Account) / Prior Year's Number of Problematic Accounts] x 100%	10%	(Actual / Target) x Weight		10% Reduction of Problematic Accounts	3.09% reduction in problematic accounts	3.09%	3.09% reduction in problematic accounts	3.09%	a. Status of Problematic Accounts as of 31 December 2021 b. Quarterly status of problematic account CY 2021 c. System-generated report	Target not met.
SM 5 Increase Gross Revenue	Total Revenues	5%	(Actual / Target) x Weight		₱787.48 Million	₱611.91 Million Gross Revenue	3.89%	₱619.71 Million Gross Revenue	3.93%	a. Gross Revenues as of 31 December 2021 b. 2021 Annual Audit Report c. Unaudited Financial Statements	Target not met. Moreover, SHFC's request for reconsideration to lower the target of this measure is <u>DENIED</u> . The purpose of the inclusion of this measure is to respond to the projected net loss of the corporation and boost SHFC's efforts in generating its revenues. The increase in gross revenues, as a measure, captures the overall efforts of the corporation in increasing its profit.

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Component				Target	Submission <sup>1</sup>		GCG Validation		Supporting Documents	GCG Remarks		
Objective/Measure	Formula	Weight	Rating System	2021	Actual	Rating	Score	Rating				
SM 6	Improve Budget Utilization Rate	Total Disbursement / Total GAA Allocation for SHFC Program	10%	All or Nothing	Not less than 90% but not more than 100% of the GAA Allocation for SHFC's Programs	No chargeable SARO and NCA to SHFC's CY 2021 GA	-	No reported accomplishment	0%	a. FY 2021 GAA Budget Utilization Report b. Annual Audit Report c. Corporate Operating Budget d. Gross Revenues as of 31 December 2021 e. Statement of Appropriations, Allotments, Obligations, Disbursements and Balances f. Unaudited Financial Statements	The request of SHFC to reconsider its reported accomplishment due to the circumstances raised is <b>DENIED</b> . It should be noted that the purpose of the target is to ensure that government offices are efficient in the use of resources.	
	<i>Subtotal</i>		35%				16.98%		7.02%			
SO 4 Integrate and Update Support Systems and Processes												
INTERNAL PROCESS	SM 7	Percentage of Loan Applications Processed Within Prescribed Period	Number of Loan Applications Processed Within Prescribed Period <sup>2</sup> / Total Number of Applications	5%	(Actual / Target) x Weight	100%	100% loan applications processed within prescribed time (55 out of 55 loan applications were processed within 20 days)	5%	Unverifiable	0%	a. Summary of transactions from January to December 2021 (Community Mortgage Program, High Density Housing Program, North-South Commuter Railway Extension Taken-Out Project/DOTr Projects, Marawi	Unverifiable. The request of SHFC for reconsideration on the computation of the turnaround time is <b>DENIED</b> .

<sup>2</sup> The prescribed period for the processing of loans should be consistent and in compliance with the Republic Act No. 11032, otherwise known as the Ease of Doing Business and Efficient Government Service Delivery Act of 2018.

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Component				Target	Submission <sup>1</sup>		GCG Validation		Supporting Documents	GCG Remarks
Objective/Measure	Formula	Weight	Rating System	2021	Actual	Rating	Score	Rating		
									Projects, Intramuros Project from January - December 2021) b. Database/Excel File	
SM 8	Enhance Support Systems for the Effective and Efficient Processes	Actual Accomplishment	5%	100% Attainment of the ISSP Deliverables in the DICT - Approved by / Submitted to DICT = 2.5%	Three (3) out of the three (3) deliverables in the DICT- approved ISSP 2016-2020 were already implemented (Budget Management System, MIS-Report writer Tool, MIS-Dashboard)	5%	100% Attainment of the ISSP Deliverables in the DICT- Approved 2018-2020	5%	For 100% Attainment of the ISSP Deliverables in the DICT- Approved 2018-2020: a. Information Communication Technology Division - Project Status Report on ZEUS Program (i.e. Budget Management System, MIS - Reportwriter Tool, MIS - Dashboard, ISSP 2022-2024) b. Screenshot of the Finance Management Information System (FMIS), Management Information System, Zeus Administration System c. User Acceptance and Release Notice for Budget Management System, Management Information System - ReportWriter Tool, Management Information System - Dashboard For ISSP 2022-2024 Approved by/Submitted to DICT: a. Board-Approved ISSP 2022-2024 b. Notarized Secretary's Certificate for Board Resolution No. 958, s. 2021 Approval of the Information Systems Strategic Plan (ISSP) for CY 2022-2024 c. Letter to DICT transmitting the SHFC ISSP 2022-2024 received by the DICT on 03 December 2021	Acceptable

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Component				Target	Submission¹		GCG Validation		Supporting Documents	GCG Remarks	
Objective/Measure	Formula	Weight	Rating System	2021	Actual	Rating	Score	Rating			
	Subtotal	10%				10%		5%			
SO 5 Implement Quality Management Systems											
SM 9	Attain Quality Management Certification	Actual Accomplishment	5%	Pass ISO Surveillance Audit (Head Office and 1 Regional Office) or Attain ISO Certification for 2 Regional Branches = 2.5%	Pass ISO Surveillance Audit (Head Office and 1 Regional Office)	The Surveillance Audit for the Head Office and ISO 9001:2015 Certification for the Regional Branch will be conducted in FY 2022.	0%	-	0%	a. Narrative on accomplishment of the measure b. Expression of Interest to Development Academy of the Philippines (DAP) c. Reply letter from DAP dated 17 March 2021 informing SHFC that other agencies have been prioritized to be the beneficiary agencies of the Program for 2021 d. Briefer on SHFC's Quality Management System Accomplishments and Proposed SHFC QMS Activities for 2022-2023	Target not met.
SO 6 Elevate Personnel Competency											
SM 10	Improvement of the Competency of the Organization	Competency Baseline 2021 - Competency Baseline 2020	5%	All or Nothing	Improvement in the Competency Baseline of the Organization	Competency Baseline increased by 2.01618% in 2021.	5%	Unverifiable	0%	a. Report on the Corporate Competency Level for 2021 b. Competency Evaluation Forms of the 80 Employees	Unverifiable. The CGO-A cannot determine the actual competency level of SHFC due to insufficient supporting documents.

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Component					Target	Submission <sup>1</sup>		GCG Validation		Supporting Documents	GCG Remarks
Objective/Measure	Formula	Weight	Rating System		2021	Actual	Rating	Score	Rating		
										c. Competency Assessment Report for 2020 and 2021-02 d. Excel file of the Computation of Competency Baseline for 2020 and 2021 e. List of Interventions Conducted f. Official Receipts and Disbursement Vouchers (payment to training providers)	
	Sub-total	10%					5%		0%		
	Total	100%					50.28%		20.59		

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