

**MINUTES OF THE 04-2021 BOARD MEETING  
OF THE SOCIAL HOUSING FINANCE CORPORATION  
28 APRIL 2021  
Videoconference<sup>1</sup>**

**ATTENDANCE OF BOARD DIRECTORS:**

SEC. EDUARDO D. DEL ROSARIO	-	DHSUD Secretary <i>Chairperson</i>
ATTY. ARNOLFO RICARDO B. CABLING	-	President, SHFC <i>Vice-Chairperson</i>
ATTY. RYAN S. LITA	-	DBM Representative

*Private Sector Representatives:*

MR. LYNDON B. CATULONG, SR.  
ATTY. EMILIANO C. REYES  
MR. RONALD BARCENA  
MR. GEORGE JT D. ALIÑO II.

*Other Officers/Attendees:*

Mr. Carlo Luis Rabat	-	NHMFC Representative
Atty. Angelo Murillo	-	DOF Representative
Ms. Lynnette Redublo	-	DILG Representative
Atty. Junefer Payot	-	SHFC EVP
Atty. Leo Deocampo	-	SHFC OIC-SVP for Operations
Atty. Melanie B. Valenciano	-	SHFC Acting Board Secretary

Other SHFC Vice-Presidents and Managers

**A. CALL TO ORDER**

The Department of Human Settlements and Urban Development (DHSUD) Secretary Eduardo Del Rosario called the 03-2021 Board Meeting to order at 10:33 a.m.

**B. DETERMINATION OF QUORUM**

At the onset, the Acting Board Secretary Atty. Valenciano, announced that out of the eleven (11) Members with one (1) vacancy, there are seven (7) who are present, thus there is a quorum to do business. During the videoconference,<sup>2</sup> the following are the attendees joining the meeting from their respective locations:<sup>3</sup>

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<sup>1</sup> Zoom videoconference platform

<sup>2</sup> Zoom Videoconference platform

<sup>3</sup> SEC Memorandum Circular No.6, Series of 2020

1. Secretary Eduardo Del Rosario joining from DHSUD Building, Quezon City;
2. Atty. Arnolfo Ricardo Cabling from Davao City
3. Atty. Ryan Lita from Paranaque;
4. Mr. Lyndon Catulong Sr. from Davao City;
5. Atty. Emiliano Reyes from Mariveles, Bataan;
6. Mr. Ronald Barcena from Antipolo;and
7. Mr. George JT Aliño II from Davao City

#### **C. DELIBERATION / APPROVAL OF THE AGENDA OF THE 04-2021 BOARD MEETING**

Atty. Cabling manifested to include the matter on Marawi regarding the approval for variation order in the Agenda.

Likewise, Atty. Valenciano manifested to include in the Agenda the GCG reply for the status of NHMFC representation to the Board.

**The Members of the Board approved the Amended Agenda for the 04-2021 Board Meeting.**

#### **D. APPROVAL OF THE MINUTES OF THE 03-2021 BOARD MEETING**

Atty. Valenciano informed the Board that the Minutes of the 03-2021 Board Meeting were sent to the Directors on 20 April 2021.

Secretary Del Rosario had reminded the Members of the Board that they are given seven (7) days from the receipt of the Minutes to comment. If there are no comments or correction, then the Minutes is deemed approved.

**Thereafter, the Members of the Board took upon the Chair's exhortation that *sans* timely comments or correction deems approval of the Minutes of the 03-2021 Board Meeting.**

#### **E. DISCUSSION OF MATTERS-ARISING FROM THE MINUTES OF THE 03-2021 BOARD MEETING AND CONTINUING MATTERS-ARISING**

Executive Vice President (EVP) Atty. Junefe Payot presented the following Actions Taken by the Management on the directives issued by the Board during the 03-2021 Board Meeting as well as the continuing Matters-Arising, thus:

##### ***a) Appraisal of Priority Projects of SHFC***

✓ The Management was directed to do the following:

- 1) Continue negotiations with the Landbank of the Philippines (LBP) and/or the Development Bank of the Philippines (DBP) for the conduct of the land valuation of SHFC projects

Summary of Quotations		
Supplier	Amount	Remarks
Landbank of the Philippines	PhP205,000.00	Lowest but not responsive
<b>Top Consult, Inc.</b>	<b>PhP215,000.00</b>	<b>Recommended</b>
GDD Documentation Services, Inc.	PhP243,267.00	
Lineage Valuation and Allied Services Corporation	PhP278,000.00	

#### Action Taken:

The following are the updates on the matter:

- In compliance with the procurement law, the Management, through the Bids and Awards Committee resorted to small value procurement for the third-party appraisal of SHFC projects.
- The Landbank of the Philippines (LBP) was the lowest bidder at P205,000.00. However, the LBP could not comply with the requirements under RA 9184 (submission of a Certification that the service is within its mandate) In view of this development, the BAC decided to endorse the engagement of the second lowest bidder, Top Consult Inc. (offered amount is P215,000.00 or a difference of P10,000.00) as mandated by RA 9184.

#### ***b) Responsableng Samahang Pampamayanan Village HOAI***

- ✓ The Management was instructed to:
  - Provide an update on the contract negotiations with the CDJ Construction.

#### Action Taken:

The Management Committee met with the representatives of the CDJ Construction on 12 April 2021. The latter was amendable to the provisions of the new contract, including the timelines of the deliverables. They have requested for assistance in their compliance with health protocols as required by the LGU so they could immediately commence the construction. The following day, 13 April, the management informed DHSUD about these developments and request in a meeting and DHSUD promised to help.

To address other future concerns, the Management Committee will present a proposal for the constitution of a Council akin to the AMVA Management Council where the DHSUD will be the lead and the LGU is encouraged to be more involved in the project.

The MOA for the creation of the Council is currently being drafted and will be presented to the DHSUD and the LGU for review.

#### ***c) Gumamela Neighborhood Association Housing Cooperative***

- ✓ The Board tasked Management to:
  - Continue negotiations with the community and the project contractor

- 1           ▪ Communicate to the contractor the instruction of Chairman Del Rosario to provide  
2 open spaces/common facilities in the project site.  
3           ▪ Ensure the execution of the new contract between the community and the  
4 contractor.

5  
6           Action Taken:

7           The Management Committee met with the representatives of the ARCC on 14, 19 and  
8 26 April 2021 and relayed the directions of the Board.

9           The ARCC has agreed to provide open spaces in the project site and has presented the  
10 revised subdivision plan to the Management Committee last 26 April 2021.

11  
12           **Thereafter, the Board took due cognizance of the Matters-Arising reported by the**  
13 **Management and specifically discussed the following, to wit:**

14  
15           **I. Appraisal of Priority Projects**

16  
17           **The Board instructed the Management to present the reply of the Landbank as well as**  
18 **the profile of the Top Consult, Inc.**

19  
20           **At the end of the meeting, the Management briefly presented the said requirements of the**  
21 **Board.**

22  
23           **Director Aliño then commented that for small value transaction with less than PhP1**  
24 **Million to be posted in PhilGeps, there would be less firm that would be interested to join**  
25 **the bid because of its small value. Hence, he suggested SHFC to bid simultaneously with**  
26 **the firms if SHFC has identified a lot of projects. This will let the value to go higher than**  
27 **PhP1 Million. Hence, it will undergo normal bidding so more firms will be interested.**  
28 **This will make the price cheaper.**

29  
30           **Mr. Duman then explained that what the Management did was that they posted to**  
31 **PhilGeps and they sent the quotations which includes the Terms of Reference to the**  
32 **companies listed as accepted by BSP.**

33  
34           **II. Responsableng Samahang Pampamayanan**

35  
36           Secretary Del Rosario asked why there is a need for DHSUD's assistance considering that the  
37 contractor can simply comply with the health protocols. Atty. Payot answered that there is a  
38 concern with respect to the cost for swabbing and the contractor is thinking if they could  
39 probably get assistance with respect to the free swab test through the LGU.

40           Secretary Del Rosario then asked hypothetically on what is happening with the contractor that  
41 even the compliance with health protocol will be shouldered by SHFC. He then added that this  
42 project is a failure. The contractor assured SHFC that they can complete the project and yet the  
43 contractor cannot do on its own the compliance on health protocol. He further added that he  
44 thinks that it is just a step to delay the compliance with SHFC's requirements. There should be  
45 a deadline already however until now SHFC continues negotiating.

46           Atty. Payot explained that the Management is proposing to create a council akin to what they  
47 did in AMVA to address such concerns and other future concerns.

1 Secretary Del Rosario then commented that SHFC has been engaging with the same contractor  
2 for the last four (4) years and yet nothing has been happening. Ever since he assumed the  
3 chairmanship of Housing and Urban Development Coordinating Council, this has already been  
4 an issue.

5 Atty. Cabling then explained that the contractor's request is not just the free swab testing. It is  
6 also that they are worried about the local restrictions and some protocols such as the fourteen  
7 (14)- day quarantine that have been imposed by the Local Government hence, the contractor is  
8 requesting assistance that there will be coordination with the LGU. He added that the contractor  
9 wants assistance on the negotiation with the LGU considering that there has been a problem  
10 with the LGU of San Jose Del Monte Bulacan because from time to time he is receiving text  
11 messages from other projects such as the Samahang ng Maralitang Pamayanan HOAI relaying  
12 that they are having trouble again with the LGU. Hence, with the recent discussion with Usec.  
13 Meynard Sabili of DHSUD, it was proposed to come up with a council akin to what they did  
14 with AMVA to put the LGU on board and to discuss and address the issues with the LGU  
15 especially the demand for allocation for the local ISFs of the LGU as well as the request for  
16 riprapping and slope protection. This council will be headed by DHSUD through Usec. Sabili  
17 considering that the latter is actively involved with all the projects and he is very interested  
18 with the creation of a council. Another issue is with respect to other projects wherein they are  
19 already completed but the LGU still is not issuing Certificate of Occupancy.

20 Atty. Payot mentioned that the Management received a letter from the Community Association  
21 (CA) which says that the CA wants another contractor which is not CDJ nor Ron Daniell.

22 Secretary Del Rosario commented that he would rather recommend Asec. Leira Buan to head  
23 the council because she is very good at handling issues like this. Meanwhile, Usec. Sabili will  
24 be the adviser of the council considering that he cannot probably go to the ground because he  
25 is very strict with the health protocol.

26 Atty. Cabling then assured the Board that the Management will come up with the proposed  
27 Memorandum of Agreement next Board Meeting.

28 Secretary Del Rosario then asked what will they do with the contractor in the meantime.  
29 Director Aliño then interjected that he agrees to the proposal to make a council so that all  
30 parties will be involved. He then recalled that one of his conditions since last year is to secure  
31 first a communication from Ron Daniell relaying that the latter is amenable to the termination  
32 of the contract. He then mentioned that he is always saying to prioritize the CA to avoid wasting  
33 their efforts. He then asked who will be the contractor considering that the CA does not want  
34 CDJ nor Ron Daniell to complete the project. Even if there is a new arrangement it is not certain  
35 that the new contractor will be amenable with the amount of the project.

36 Atty. Cabling answered that it would be part of the discussion with the LGU and the LGU will  
37 probably help SHFC considering that there may be a local contractor in the locality that would  
38 be willing to undertake the project. He then added that they will assess everything and they will  
39 commit to fastrack these issues through the council. He then informed the Board that Ron  
40 Daniell already issued a conformity relaying that he will not be involved anymore with the  
41 project. With respect to the CA, he recalled that there was already a document coming from  
42 the CA that they have chosen CDJ as the contractor. However, just two days ago, the CA wrote  
43 the Management again communicating that they do not want both contractors anymore  
44 considering that there has been a long delay already.

1 Director Aliño then told the Board that he supports the creation of the council. He then  
2 commented that these issues will drag the completions of the projects longer. Hence, he  
3 suggested to resolve the issues with respect to the CA through the council so that the CA can  
4 already choose the contractor so that the project can move forward. Atty. Cabling assured the  
5 Board that the Management will do it.

6 Secretary Del Rosario then asked what are the legal repercussion if the project will be given to  
7 another contractor because the present contractor is not complying with the requirements of  
8 SHFC and the project is already delayed. Atty. Cabling admitted that it is really one of the  
9 problems considering that an overpayment has been made. This will also be discussed with the  
10 communities to tell that them there will be problems and there will be consequences of their  
11 decisions.

12 Secretary Del Rosario then asked if this project can be classified as abandoned development  
13 project. Atty. Cabling answered that they will have to check first.

14 **The following are the instructions to the Management, to wit:**

- 15 **a. To submit a proposed Memorandum of Agreement (MOA) on the establishment**
- 16 **of a RSP council, which shall be reported in the next Board Meeting;**
- 17 **b. To recommended feasible solutions to the requested assistance of the project**
- 18 **contractor, CDJ, on the health protocols;**
- 19 **c. To review the legal implications on the concerns raised by the community to**
- 20 **replace the CDJ contractor;**

21  
22 **The following matters pertain to SHFC projects in the locality of San Jose del Monte,**  
23 **Bulacan (SJDM).**

24  
25 **The Board agreed with the Management recommendation on the creation and**  
26 **establishment of a Council to oversee concerns of SHFC projects in San Jose del Monte,**  
27 **Bulacan.**

28 **The council membership shall be composed of the following:**

- 29 • **To be headed by DHSUD - Office of Asec. Leira Buan, and Usec. Sabili as adviser;**
- 30 • **With the designated representatives from SHFC, DILG and LGU-San Jose del**
- 31 **Monte Bulacan and the community representatives' of these projects in the area.**

### 32 33 **III. Alyansa ng Mamamayan sa Valenzuela (AMVA)**

34  
35 **The Board instructed the Management to find out if the CA President of AMVA is duly**  
36 **evicted.**

### 37 38 **IV. Gumamela Neighborhood Association Housing Cooperative**

39  
40 Secretary Del Rosario asked regarding the ratio of open space in the projects. Atty. Cabling  
41 answered that it is supposed to be 70:30 ratio. But then there is an order that the ratio can be  
42 more than that and that there should be more green spaces so it can become 60:40 ratio to  
43 provide more green spaces.

44 Secretary Del Rosario commented that the ratio 60:40 is okay with him as long as there are  
45 open spaces in between to have common facilities and to avoid congestion in the area.



1 Atty. Payot mentioned that the contractor also indicated a space for potential elementary and  
2 high school buildings. Secretary Del Rosario remarked that the elementary buildings are okay  
3 but not the high school buildings.

4 Atty. Payot explained that the contractor said that according to the National Building Code,  
5 there must be a certain space for one or two high school classrooms after a certain number of  
6 inhabitants. Secretary Del Rosario then remarked that it must be coordinated first with the  
7 Department of Education (DepEd) considering that they may have a high school facilities near  
8 the project.

9 Prior to the presentation of the ARCC, Director Aliño manifested that he maintains his position  
10 that he does not support the new proposal. Instead, his position is what was approved in  
11 February that the 600 units will cost PhP450,000 per unit with the additional of PhP98,000 for  
12 additional works while the amount of remaining units will be negotiated with the new CA. He  
13 said that he is okay if the Management will present this. However, if this project is for approval,  
14 he will stand by his position that he will object to the approval of the project considering that  
15 there are a lot of requirements which are not yet complied. He then asked what will happen if  
16 the other members of the Board will also object. He then recommended to defer this to the  
17 Executive Committee to discuss the issues.

18 Secretary Del Rosario informed the Board that the presentation of ARCC is for the provision  
19 of open space. He assured the Board that they will not be approving anything and he would  
20 just like to see the open space with respect to the subdivision plan. He also instructed the  
21 Management that the requirements must be completed first prior to the presentation to the  
22 Board for approval.

23 The Project Director of ARCC, Mr. Rolando Lalo, presented the proposed Subdivision Plan of  
24 the project.

25 Secretary Del Rosario asked Mr. Lalo if it is possible to put in the center the provision of the  
26 school to decongest the preponderance of units in one area and to benefit everybody. Mr. Lalo  
27 answered that it will not be possible considering that most of the housing in the area are already  
28 erected with 70% to 90% completion rate.

29 Secretary Del Rosario then asked what area can still be tweaked. Mr. Lalo then answered that  
30 most units were already erected in site 1 and site 2 as well as the roads. Hence, they tweaked  
31 in the site 3.

32 Secretary Del Rosario then suggested that the Committee should discuss all the issues regarding  
33 the project including its pricing which should be within the price ceiling so that the project can  
34 move forward. He then instructed the Management to have a meeting with the contractor and  
35 the concerned committee wherein the concerned members of the Board will be present.

36 Atty. Cabling then reiterated their previous proposal that for Gumamela Cluster, they will be  
37 proposing PhP570,000 per unit which they could present the Bill of Quantity (BOQ) later on.  
38 The justification of which is the depreciation and dilapidation cost. The details will be  
39 submitted later. Meanwhile, in the Intramuros Cluster, they will be proposing PhP600,000 per  
40 unit because that is the budget being offered by the Intramuros Authority. With respect to the  
41 third cluster, there is no proposal yet and maybe SHFC could follow the standard of  
42 PhP750,000 per unit wherein the BOQ and the designs will be checked later on. He then

1 mentioned that there is enough budget for the completion of the Gumamela Cluster. He then  
2 recommended that it is best to endorse this project to the council created.

3 Secretary Del Rosario then asked the primary consideration for the increase in pricing from  
4 PhP450,000 to PhP570,000 per unit. Atty. Cabling then answered that the Management will  
5 submit the itemized budget upon presentation of the project. There are additional works such  
6 as the requirement for tiles, finished painting and others which will be provided later on. This  
7 is over and above the depreciation cost.

8 With respect to the cost of the additional works, Atty. Cabling mentioned that he does not have  
9 with him the said document. It is still with the contractor. He then explained that in his  
10 understanding, the contractor, and the Department of Engineering (DOE) kept changing the  
11 agreement that is why he told them to peg the price to PhP570,000 considering the current cost.  
12 However, the Management is still not ready for the details considering that the previous  
13 instruction of the Board is just to present the subdivision plan.

14 Secretary Del Rosario then instructed the Management to discuss this project in detail in the  
15 Committee level so that everybody is aware of the reason for the increase. There should be a  
16 justification in detail for the items that are considered for the increase. In the meeting, the Board  
17 of Directors should be present as well as the DOE and the contractor.

18 Director Aliño then reiterated that previously his mind was very close to strictly follow the  
19 contract. However, when the Management explained that the amount of PhP300,000 to  
20 complete the project is not really enough, he was willing to negotiate. He then added that his  
21 requirement is very basic which is to present the communication letter from the CA that they  
22 are willing to negotiate. He then reiterated that he is willing to negotiate with respect to the  
23 new contract with the new CA in Intramuros Cluster and LGU SJDM Cluster because it is a  
24 new project. With respect to the increase in pricing of Gumamela Cluster, he is asking for legal  
25 protection for the Board considering that there might be legal implication with the GCG and  
26 the Commission of Audit considering that the new amount will exceed the 2014 price ceiling.

27 Atty. Cabling answered that they appreciated the sentiment of Director Aliño. He then assured  
28 the Board that the Management will follow the instruction of the Board to negotiate with the  
29 CA and to get conformity for the PhP570,000 per unit. He then expressed his worries on the  
30 computation because the computation of the contractor and the DOE does not reconcile. He  
31 then commented that the meeting with the Committee is the best venue to discuss the problems  
32 with ARCC and the DOE.

33 Secretary Del Rosario then recommended that the Committee should meet prior to the next  
34 Board meeting so that they can move forward. Atty. Valenciano will include the discussion of  
35 this matter in the agenda of the next Executive Committee Meeting because that is the  
36 appropriate board committee to discuss the project.

37  
38 **The Board instructed the following:**

39  
40 **Site Development**

- 41  
42 **1) The Construction of the Highschool building should be coordinated with DEPED.**  
43



## **Pricing of the Project**

- 1) This matter will be discussed in the Executive Committee to be spearheaded by the Management and to include the Department of Engineering, the Contractor, and the Committee Members;
- 2) Justify in detail the increase in pricing cost;
- 3) The Committee will meet prior to the next Board Meeting; and
- 4) The result of the meeting will be presented to the Board.

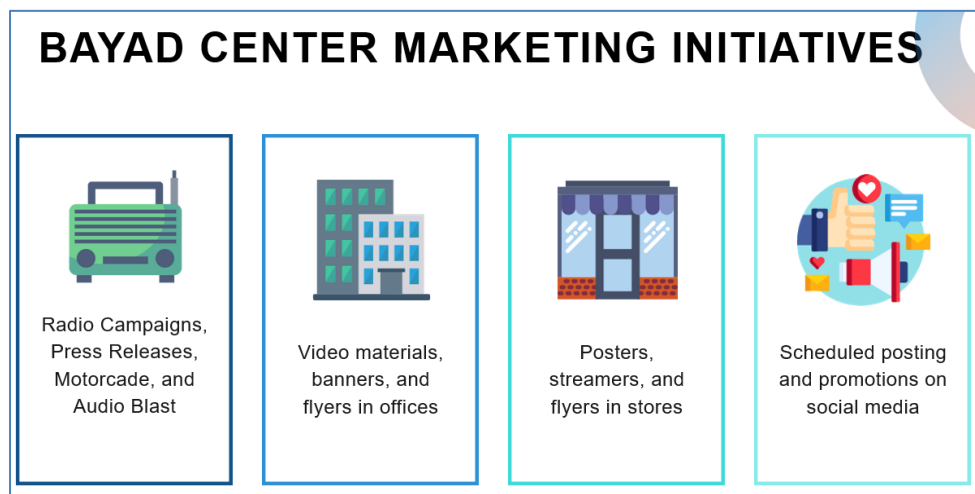
## **V. FOR DELIBERATION**

### **1. APPROVAL OF ADDITIONAL PAYMENT CHANNELS – CORPORATE INFORMATION SOLUTIONS (CIS)**

The Management, through OIC-VP for Treasury Mr. Jason Yap, presented the proposal to engage the services of CIS Bayad Center as additional payment channels with PhP8.00 initial service fee per transaction as well as the authorization of Atty. Arnolfo Ricardo Cabling to sign the following:

- Non- Disclosure Agreement (NDA)
- Payment Collection Service Agreement with Data Sharing (DSA)
- Other related forms and documentary requirements

The following are his presentation:



## **Outlet and Channels Nationwide**



Secretary Del Rosario then asked how much per transaction would cost in E-Wallet, Paymaya, Gcash, 711 and other Bayad Centers. Mr. Yap answered that all is Php8 per transaction except Ecpay/711 considering that Ecpay has been approved first. If the Bayad Center has also been approved, SHFC can appeal with Ecpay to lower the rate.

Secretary Del Rosario then asked the number of MBs that are utilizing Paymaya as well as the Bayad Centers. Mr. Yap answered that he does not have the data right now. The Ecpay was only activated two months ago while GCash was only activated last month. The Management is targeting to activate Paymaya next month.

Secretary Del Rosario then informed the Board that a proponent suggested to them to have their own application which is called Balai SHFC Pay which is intended for Key Shelter Agencies (KSAs). This will entail cheaper payment rate which is a better alternative. If we could have their own application that could be used as payment schemes which can be cheaper than Php8 pesos. He then asked who is shouldering the payment.

Mr. Yap answered that it is the MB who shoulders the payment fees considering that if it will be the agency then it will be subjected to R.A 9184. He also added that after the activation of the Bayad Centers, they could explore the establishment of SHFC's own application.

Director Catulong then clarified if it is still Php8 pesos per transaction with respect to the RD Pawnshop regardless of the amount considering that the RD pawnshop charges its clients higher depending on the transaction amount. Mr. Yap answered affirmatively.

Mr. Yap also explained that the Bayad Center charges Php8 regardless of the amount while Ecpay stated last week that they will not accept transactions amounting to Php10,000 and above because of the risk of handling cash.

Atty. Reyes then recalled that he raised previously in the GPNCOM the issue on non-disclosure agreement. He then asked if the Legal Department has finished reviewing the said agreement. Mr. Yap answered in negative. The Php8 per transaction will still be included in the contract and that will be reviewed by the Legal Department. They will then request the contract certificate and Complete Staff Work certificate from the Legal Department as required by the Board.

Atty. Reyes then instructed the Management to include the suggestion of the Good Secretary on the establishment of the own application.

Mr. Yap affirmed the said instruction of Atty. Reyes considering that the Ecpay and Bayad Centers are already requiring Application Program Interface which is already in the process of

1 establishment by the ICTD. Once it is available it will improve the transaction process for  
2 payment.

3 Director Catulong then noticed the wording used by Mr. Yap on his prayer particularly the  
4 word “initial”. He added that he wanted it fixed to Php8 pesos and not to be changed later on  
5 considering that there might be a problem if there are changes. He added that if it will change  
6 later on then “parang hindi tayo matino doon sa mga MBs”. Mr. Yap explained that during  
7 their negotiation with the service provider, the latter said that their service fees are due for  
8 increase even with other KSAs. He added that it should have been Php10 service charge.  
9 However, Pagibig Fund assisted SHFC to get a lower rate by endorsing them to the service  
10 provider.

11 Atty. Cabling then recommended to charge Php8 for a term of one year. After a year it will be  
12 subject to negotiation.

13 Director Catulong then noted that the said disclosure should be presented to the committee first  
14 and not to the Board. Mr. Yap explained that there was a proposal that SHFC will renegotiate  
15 with other KSAs to have a common rate across DHSUD. He further explained that when they  
16 were negotiating with the Management of Bayad Center, he agreed with Php8. However, after  
17 a day, the Manager said that the Php8 will only be up to a period of six months considering  
18 that they already approved the increase of the service fee for all the KSAs across DHSUD. This  
19 was after the last meeting of the GPNCom before this Board Meeting. He also mentioned that  
20 the Bayad Center will increase anytime to Php10 after a period six months or one year.

21 Director Catulong commented that he thinks he is okay with that. The prayer should be  
22 amended by including the term of six months or one year whichever is appropriate.

23 Secretary Del Rosario then instructed the Management that they will not agree to the increase.  
24 He added that the service provider will take it or leave it. It should stay at Php8 considering  
25 that the system has already been in place and that there is no additional cost anymore. The  
26 service provider is earning from the Php8. He added that anyway, there are plenty of Bayad  
27 Centers. He firmly instructed the Management to stick to its position that it should be Php8 or  
28 less. Atty. Cabling added that it is subject to renegotiation because it could be reduced  
29 considering that SHFC will negotiate together with other KSAs.

30 Secretary Del Rosario instructed the Management to tell Bayad Center that if they do not like  
31 their term of Php8 or lower then take it or leave it. He added that if the service provider will  
32 see that SHFC is strong on its stand, then they will back off and they will not demand further.  
33 He also instructed the Management to include the said position in the Non-Disclosure  
34 Agreement.

35 Mr. Yap said that they will put the said position in the contract. Atty. Cabling added that SHFC  
36 will not agree in the increase subject to negotiation.

37 Secretary Del Rosario again reiterated that it is not subject to increase after six months  
38 considering that SHFC can get this at a cheaper rate. There are so many payment channels  
39 authorized by the Government. He then asked if the service provider is accredited by the  
40 Government. Mr. Yap answered that it is the same provider being used by Pagibig Fund, NHA,  
41 NHMFC and NBI.

Secretary Del Rosario directed the Management that the fee should not increase for all the KSAs. It must be Php8 or lower.

**After thorough deliberation, the Board approved the following:**

**a. To engage CIS Bayad Center Inc. as additional payment collection partner with the service fee of Php8.00 per transaction for the period of six (6) months, without any increase on the fee;**

**b. The authority of the SHFC President to sign the following documents:**

- **Non-Disclosure Agreement (NDA);**
- **Payment Collection Service Agreement with Data Sharing Agreement (DSA);**
- **Other related forms and documentary requirements;**

**c. The foregoing documents shall also stipulate that there shall be no further increase on the service fee even after the lapse of the period of six (6) months;**

**Additional recommendations, are herein as follows:**

**a. To coordinate with all KSAs, and negotiate with the collection payment centers, that there shall be a common rate at Php8.00 or lower per transaction amongst KSAs; no further increases shall be implemented;**

**b. Study the feasibility to have a BALAI/DHSUD payment application (payment app) for all KSAs.**

**The Board sternly reminded the Management that SHFC will not agree to the increase in the service fee. It will be on a “take it or leave it” scheme which the Management will propose to the service provider.**

## **2. CORPORATE WORK PLAN AND CORPORATE OPERATING BUDGET (COB) for CY 2022**

The Management, through OIC-VP for Planning Mr. Florencio Carandang Jr., presented the proposed 2022 Corporate Work Plan and Strategies.

The following are his presentation:

## BACKGROUND

Submission of budget request for FY 2022 on or before May 11, 2021, pursuant to the DBM Corporate Budget Memorandum No. 43

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## GUIDING PARAMETERS FOR THE 2022 TARGETS

- ✓ Modified Top to Bottom Target-Setting Approach
- ✓ SHFC Management 5-Year Plan of Take-out Targets
- ✓ Improvement of SHFC's Financial Bottomline
- ✓ Preparation for the devolution of housing service function to the LGUs based on the Local Government Code of 1991
- ✓ General socio-economic implication of COVID-19 Pandemic

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4



### Mandate


Develop and implement social housing programs for the low-income families in the informal and formal sector.

### Take-out Targets 2019 to 2023

2019	2020	2021	2022	2023	TOTAL 2019-2023
25,000	35,000	60,000	60,000	70,000	250,000

Five-year target will address 29% of the Estimated Housing Need of the ISFs (849,218) in 2023.

5



# PROPOSED 2022 CORPORATE WORKPLAN

SOCIAL IMPACT			Wt
SM 1: Provision of Shelter Security and Improved Housing Quality			35%
<ul style="list-style-type: none"> <li>60,000 Informal Settler Families provided with housing loans and grants</li> </ul>			
<b>Subtotal</b>			<b>35%</b>
STAKEHOLDERS	Wt	FINANCE	Wt
SM 2a: Percentage of Satisfied Customers (Pre-Takeout)	5%	SM 3: Improve Collection Efficiency Rating of SHFC Program Loans	10%
		<ul style="list-style-type: none"> <li>91% Modified CER</li> </ul>	
SM 2b: Percentage of Satisfied Customers (Post-Takeout)	5%	SM 4: Improve status of problematic accounts	5%
		<ul style="list-style-type: none"> <li>10% Reduction of Problematic Accounts</li> </ul>	
SM 5: Improve the Financial Bottomline	5%	SM 5: Improve the Financial Bottomline	5%
		<ul style="list-style-type: none"> <li>Net Operating Income P144 Million</li> </ul>	
SM 6: Improve Budget Utilization Rate	5%	SM 6: Improve Budget Utilization Rate	10%
		<ul style="list-style-type: none"> <li>Disbursed/Released Not Less Than 90% of the GAA Allocation for CMP</li> </ul>	
<b>Subtotal</b>		<b>Subtotal</b>	<b>30%</b>
INTERNAL PROCESS	Wt	ORGANIZATION	Wt
SM 7: Turnaround Time of Processes as Prescribed in the Ease of Doing Business Act	5%	SM 9: Attain Quality Management Certification	5%
		<ul style="list-style-type: none"> <li>Pass ISO Surveillance Audit (Head Office and 1 Regional Office)</li> <li>ISO Certification for two (2) Regional Branches</li> </ul>	5%
SM 8: Enhance Support Systems for Effective and Efficient Processes	5%	SM 10: Improve Competency Baseline of the Organization	5%
		<ul style="list-style-type: none"> <li>100% Implementation of the Updated ISSP Phase I</li> <li>Increase corporate competency level</li> </ul>	
<b>Subtotal</b>		<b>Subtotal</b>	<b>15%</b>

## 2022 CORPORATE ENABLING STRATEGIES





## 2022 STRATEGIC INITIATIVES/ACTIVITIES



### SOCIAL IMPACT & STAKEHOLDERS

- *Pro-active partnerships with LGUs, NGAs, and others*
- *Responsive and appropriate programs*
- Genderized Livelihood assistance
- Improving accessibility to services through digital platforms
- Enforcement of policies and sanctions
- Continuous feedback
- Improving processes in light of external factors
- Grassroots initiated project development while adhering to minimum public health standards

### FINANCE

- *Seek other funding sources and investment options*
- *Improve accounts* through full implementation of remedial actions (reactivation and restructuring of accounts)
- Build big and more projects (budget utilization)
- Financial responsibility among MBs
- *Corporate-wide Collection activities* engaging all SHFC personnel in conducting collection activities
- *Identify different strategies for each type of accounts*

### INTERNAL PROCESS

- Adherence to ARTA Law
- *Review and enhance IT-related processes*
- Enhance compliance to company policies

### ORGANIZATION

- Continuous implementation of QMS
- *Strengthen human resource capital*



## Moving Forward



**Patuloy na  
Kaagapay ng  
Komunidad sa  
Maginhawang  
Pamumuhay**

### Strategies

Figure 12.1 Strategic Framework to Build Safe and Secure Communities

- Housing Provision is a development commitment under the Philippine Development Plan (PDP) and the Sustainable Development Goals (SDG 11);
- Housing was identified as among the aspirations of most Filipinos based on the results of the national survey for AmBisyon Natin 2040;
- Adequate Housing was reinforced as a **FUNDAMENTAL RIGHT** of the poor in the Magna Carta of the Poor (RA 11291).
- Housing / SHFC Programs are an integral part of the PDP development framework of *Pagbabago, Malasakit at Patuloy na Pag-unlad* that will lead to the Administration's Goal of a *Matatag, Maginhawa at Panatag na Buhay*

The Management, through Ms. Jasmin Luyun of the Finance and Comptrollership Department, presented the proposed Corporate Operating Budget CY 2022.

The following are her presentation:

Assumptions/ Targets

<b>TAKE-OUT TARGET</b>	<b>Amount</b> (in Millions)
<b>1) Total</b>	<b><u>11,977.133</u></b>
CMP	7,837.283
HDH	829.721
DOTr	2,800.129
INTRAMUROS	410.000
AKPF	100.000
<b>Collection Target</b>	<b>Amount</b> (in Millions)
<b>2) Total</b>	<b><u>1,606.314</u></b>
CMP	1,500.000
HDH	106.314
<b>3) CER</b>	<b><u>91%</u></b>
<b>4) Net Income</b>	<b><u>144</u></b>
5) Personnel Services' Budget is based on the old approved T.O with 255 plantilla positions	
6) DBM shall allocate funds for the implementation of CMP and HDH projects for CY 2022	

1

2 CY 2022 Sources and Uses of Funds (in millions)

<b>Sources</b>	
1. Fund Balances Beg. (all funds)	2,674.290
2. CMP Subsidy	8,249.147
3. HDH Subsidy	829.721
4. DOTr Funds	3,000.000
5. Intramuros	410.000
6. AKPF	134.765
7. Collections (Amortization)	1,606.314
8. Other Income/Receipts	56.491
Total	<b><u>16,960.728</u></b>
<b>Uses</b>	
Loans Outlay, Capex, Operational Expenses, and Subsidies	
CMP	9,112.194
HDH	966.382
DOTr	3,000.000
Intramuros	410.000
AKPF	134.765
Total	<b><u>13,623.341</u></b>
<b>Cash Balance, End</b>	<b><u>3,337.387</u></b>

3

4

2022 COB SUMMARY (with comparative figures) (In Millions)					
PROGRAMS	2022	2021	2020	% INCREASE/(DECREASE)	
	PROPOSAL	BUDGET	ACTUAL	2022 BUDGET	2021 ACTUAL
CMP	9,112.194	11,076.590	2,394.959	-18%	280%
HDH	966.382	1,252.430	184.590	-23%	424%
DOTr	3,000.000	3,000.000	1.654	0%	181329%
MRRRP	0.000	12.157	109.532	-100%	-100%
INTRAMUROS	410.000	0.000	0.000		
AKPF	134.765	134.878	8.559	0%	1474%
TOTAL	<u>13,623.341</u>	<u>15,476.055</u>	<u>2,699.294</u>	<u>-12%</u>	<u>405%</u>

1

2022 COB SUMMARY			
PROGRAMS	PROPOSED BUDGET	% LOANS	% OPERATIONS
			(PS, MOOE, CO)
CMP	9,112.194	86%	14%
		7,837.283	1,274.911
HDH	966.382	86%	14%
		829.721	136.661
DOTr	3,000.000	93%	7%
		2,800.129	199.871
INTRAMUROS	410.000	100%	0%
		410.000	0.000
AKPF	134.765	74%	26%
		100.000	34.765
TOTAL	<u>13,623.341</u>	88%	12%
		<u>11,977.133</u>	<u>1,646.209</u>

2

3

<b>2022 BUDGET FOR SHFC (CMP &amp; HDH)</b>					
<i>(In Millions)</i>					
PARTICULARS	2022	2021	2020	% INCREASE/(DECREASE)	
	PROPOSED BUDGET	BUDGET	ACTUAL	2021 BUDGET	2020 ACTUAL
Personnel Services	359.274	360.853	280.826	-0.4%	28%
MOOE	1,009.759	868.082	320.548	16%	215%
Capital Outlay	42.540	173.071	52.914	-75%	-20%
Loans	8,667.004	10,927.014	2,045.006	-21%	324%
<b>TOTAL</b>	<b>10,078.576</b>	<b>12,329.020</b>	<b>2,699.294</b>	<b>-18%</b>	<b>273%</b>

<b>2022 PERSONNEL SERVICES BUDGET (CMP &amp; HDH)</b>					
<i>(In Millions)</i>					
PARTICULARS	2022	2021	2020	% INCREASE/(DECREASE)	
	PROPOSED BUDGET	BUDGET	ACTUAL	2021 BUDGET	2020 ACTUAL
Salaries & Wages	<u>151.915</u> 42%	<u>149.755</u> 42%	<u>131.113</u> 47%	1%	16%
Other Compensation	<u>93.078</u> 26%	<u>97.599</u> 27%	<u>77.466</u> 28%	-5%	20%
Personnel Benefit Contributions	<u>36.924</u> 10%	<u>36.597</u> 10%	<u>25.362</u> 9%	1%	46%
Other Personnel Benefits	<u>77.356</u> 22%	<u>76.901</u> 21%	<u>46.884</u> 17%	1%	65%
<b>TOTAL</b>	<b><u>359.274</u></b>	<b><u>360.853</u></b>	<b><u>280.826</u></b>	<b><u>-0.4%</u></b>	<b><u>28%</u></b>

2022 MOOE BUDGET (CMP & HDH)					
(In Millions)					
PARTICULARS	2022	2021	2020	% INCREASE/(DECREASE)	
	PROPOSED BUDGET	BUDGET	ACTUAL	VS 2021 BUDGET	VS 2020 ACTUAL
Professional Services	<u>308.269</u> 31%	<u>472.050</u> 54%	<u>210.682</u> 66%	-35%	46%
Rent Expenses	<u>19.633</u> 2%	<u>37.336</u> 4%	<u>12.390</u> 4%	-47%	58%
Supplies and Materials	<u>15.292</u> 2%	<u>34.367</u> 4%	<u>10.967</u> 3%	-56%	39%
Others MOOE*	<u>482.349</u> 48%	<u>148.095</u> 17%	<u>20.608</u> 6%	226%	2241%
Capacity Building	<u>26.203</u> 3%	<u>19.203</u> 2%	<u>3.449</u> 1%	36%	660%
Communication Expenses	<u>14.895</u> 1%	<u>14.895</u> 2%	<u>6.714</u> 2%	0%	122%
Repairs & Maintenance	<u>8.664</u> 1%	<u>12.664</u> 1%	<u>2.209</u> 1%	-32%	292%
Advertising	<u>8.060</u> 1%	<u>13.060</u> 2%	<u>2.142</u> 1%	-38%	276%
Others	<u>126.394</u> 13%	<u>116.413</u> 13%	<u>51.387</u> 16%	9%	146%
<b>TOTAL</b>	<b><u>1,009.759</u></b>	<b><u>868.082</u></b>	<b><u>320.548</u></b>	<b><u>16%</u></b>	<b><u>215%</u></b>

\*Includes Technical Assistance of P391M which will be part of the Subsidy

2022 CAPITAL OUTLAY BUDGET (CMP & HDH)					
(In Millions)					
PARTICULARS	2022	2021	2020	% INCREASE/(DECREASE)	
	PROPOSED BUDGET	BUDGET	ACTUAL	VS 2021 BUDGET	VS 2020 ACTUAL
Office Equipment	<u>1.812</u> 4%	<u>1.812</u> 1%	<u>1.183</u> 2%	0%	53%
IT Equipment & Software	<u>14.905</u> 35%	<u>80.993</u> 47%	<u>29.634</u> 56%	-82%	-50%
Transportation Equipment	<u>13.200</u> 31%	<u>21.000</u> 12%	<u>0.032</u> 0%	-37%	2%
Office Building/Improvement	<u>8.000</u> 19%	<u>49.125</u> 28%	<u>6.554</u> 12%	-84%	22%
Others	<u>4.623</u> 11%	<u>20.141</u> 12%	<u>15.511</u> 29%	-77%	-70%
<b>TOTAL</b>	<b><u>42.540</u></b>	<b><u>173.071</u></b>	<b><u>52.914</u></b>	<b><u>-75%</u></b>	<b><u>-20%</u></b>
	100%	100%	100%		

<b>2022 MOOE BUDGET (CMP &amp; HDH)</b>					
(In Millions)					
PARTICULARS	2022	2021	2020	% INCREASE/(DECREASE)	
	PROPOSED BUDGET	BUDGET	ACTUAL	VS 2021 BUDGET	VS 2020 ACTUAL
Taxes, insurances and premiums	<u>84.497</u> 8%	<u>71.220</u> 8%	<u>16.016</u> 5%	19%	428%
Utilities	<u>12.500</u> 1%	<u>12.500</u> 1%	<u>6.953</u> 2%	0%	80%
Traveling	<u>8.500</u> 1%	<u>8.500</u> 1%	<u>13.515</u> 4%	0%	-37%
Training	<u>5.444</u> 1%	<u>5.444</u> 1%	<u>0.476</u> 0%	0%	1044%
Membership dues	<u>4.374</u> 0%	<u>4.374</u> 1%	<u>5.855</u> 2%	0%	-25%
Subscription expenses	<u>4.367</u> 0%	<u>4.367</u> 1%	<u>0.962</u> 0%	0%	354%
Financial expenses	<u>2.163</u> 0%	<u>5.461</u> 1%	<u>3.170</u> 1%	-60%	-32%
Others	<u>4.548</u> 0%	<u>4.548</u> 1%	<u>4.440</u> 1%	0%	2%
<b>TOTAL</b>	<b><u>126.394</u></b>	<b><u>116.413</u></b>	<b><u>51.387</u></b>	<b><u>0.000</u></b>	<b><u>0.000</u></b>

Atty. Lita commented that he cannot understand the rationale of limiting the budget utilization rate of the subsidy for CMP considering that for 2021 there is no subsidy given. For the proposal in 2022, it is still not certain if a subsidy will be allocated for the CMP. He then asked what is the purpose of the said measure. Mr. Carandang answered that this was part of the negotiations with GCG. Previously, it was the whole Corporate Operating Budget that was being measured. However, unfortunately the COB was only being finalized by the DBM later in the given year. The Management then asked the GCG if they would just remove the measure of the Budget Utilization Rate (BUR). The GCG then answered in the negative considering that there should have a measure for the said BUR and if there will be budget allocated the Management should just ensure that 90% of that will be utilized. The Management then asked if there will be no budget allocated then what will happen. The GCG replied then that the 10% should be distributed within the other targets in the finance perspective.

Atty. Lita then remarked that the measure of BUR is not only limited to the budget of subsidy provided by the General Appropriations Act (GAA). It is supposed to measure how effective a corporation utilizes its budget. He then added that it is known for a fact that the budget being allocated by the National Government to SHFC is very limited and the bulk of which is to fund the CMP. And if SHFC is being true to its commitment to improve the finance rating then they should really look into measuring properly the BUR and not just limit it to GAA allocation. He then recalled that they approved to limit the BUR to GAA allocations was because it would be hard to expand to COB. However, given the rate, the weight of measure is being useless considering that in 2021 there was no budget allocated for CMP. He then recommended to at least either cover the budget for CMP to include both GAA and COB or to cover the GAA allocation of both CMP and HDH.

Mr. Carandang noted the observation and suggestion of Atty. Lita. He then commented that for the years that there is no budget allocation for CMP, they could distribute the 10% to other measure. Likewise, if the COB will be included in the measure, then the review of the COB should be expedited by DBM considering that the GCG noted that the approval of COB Budget by DBM is “medyo sa huli nangyayari”, hence it is not simultaneous with the utilization of SHFC.



1 Atty. Reyes then interjected if the Management could appraise the Board on the 2021 target  
2 with respect to the collection. Ms. Luyun answered that for 2021 COB, there will be a revised  
3 COB to be presented again to the Board considering that they are being required by the DBM  
4 to revise it because in the original proposal SHFC is requesting for a funding support of Php9.8  
5 Billion and yet the DBM gave none.

6 Atty. Lita then reiterated his previous recommendation for SM6 to cover the whole GAA and  
7 COB for CMP because the delay in the review of the budget is not a reason for not including  
8 the COB. He then added that he cannot reconcile their reason for this considering that the SM6  
9 will measure how effective their utilization of their budget for the projects. Likewise, if the  
10 Management's proposal is to just distribute this in other areas, then might as well delete this if  
11 they do not want to measure the utilization rate. He further added that the work plan will be  
12 self-serving just to get a higher rate.

13 Mr. Carandang explained that the SM6 cannot be deleted because this is an imposed target of  
14 GCG. Ms. Luyun also recalled that the inclusion of the COB to the SM6, there was an argument  
15 that SHFC is obliged to spend 90% of the COB and the cost saving efforts will be put aside.

16 Atty. Lita then commented that is the reason why it is 90% and not 100%. If there will be  
17 savings and SHFC is still able to reach its target, then they can justify it that it should not be  
18 included in the universe in the determination of the utilization rate. He added that if SHFC is  
19 not fully confident that the COB will be utilized then why are they proposing it in the first  
20 place. He then recommended to further study the work plan at least for the purpose of SM6.  
21 He further added that he does not want to put pressure on the Management to reach the  
22 utilization rate. He just wanted the reasonable rate.

23 Atty. Lita also remarked that the ideal percentage is 90% of whole COB. However, SHFC can  
24 flexible enough not to use the whole COB considering that even National Government  
25 Agencies including DBM have difficulties in the utilization of their budget for any other  
26 reasons such as procurement and delay in projects. It is known for a fact. That is why the  
27 measure is only 90%. In the previous years, they are amenable to limit it to CMP subsidy under  
28 GAA but in 2021 there was no subsidy allocated for CMP under GAA. Hence, he said that  
29 "nababalewala ang measure na ito".

30 With respect to the question if there will be allocation in the GAA for CMP in 2022, Atty. Lita  
31 also commented that he is not saying there will be none but then last year they proposed for the  
32 budget but it was not considered. He added that Atty. Cabling promised that he will talk with  
33 the DBM Secretary to appeal for the budget allocation for 2022.

34 Atty. Lita then again recommended two proposals. The first option is that the BUR will include  
35 the whole CMP Budget whether GAA or COB. The second option is the subsidy under GAA  
36 to include CMP and HDH.

37 Atty. Cabling commented that the first option will be better which is to utilize the 90% budget  
38 for CMP which includes the GAA and COB.

39 Atty. Lita remarked that he is okay with that. This is with the understanding that the budget  
40 allocated under GAA will be included in the computation.

41 Secretary Del Rosario then recommended the inclusion of HDH to the measure. Atty. Lita then  
42 answered that he thinks the Management would want to measure first the BUR of the budget

for CMP both GAA and COB. Atty. Cabling added that the program managed by SHFC is CMP. The HDH is just actually additional one which is only temporary and not actually a program in the Government Plans. There is no GAA for HDH. He further added that they believe that the CMP is a continuing program because it is enshrined in the Magna Carta for the Urban Poor and it is also included in the Philippine Development Plan.

After thorough deliberation, the Board approved the following:

1. The 2022 Corporate Work Plan (CWP) - subject to the recommendation to study further and revise Strategic Measure (SM6) - Improve Budget Utilization Rate with the following recommendation as follows: “Disbursement and/or Release of Not Less than 90% of the GAA allocation for CMP and Corporate Operating Budget”; and

2. The CY2022 Corporate Operating Budget in the amount of P13.623 Billion pesos with the following breakdown:

CMP	P 9.112 B
HDH	0.966
DOTr	3.000
INTRAMUROS	.410
AKPF	.135
<b>TOTAL</b>	<b><u>13.623 B</u></b>

## OTHER MATTERS

### 5. MARAWI PROJECT

The Management, through VP for Recovery Projects Ms. Annicia Villafuerte, presented the request for approval for the Variation Order and Grant of Extension for the completion of Marawi Phase II Projects (Wahab Rudi Property).

The following are her presentation:

SUMMARY		
ITEM NO.	DESCRIPTION	TOTAL
I	MOBILIZATION/DEMOL/TEMP. FACILITIES-SERVICES	PhP899,023.27
II	EARTHWORK	PhP5,213,104.01
III	ROAD NETWORK	PhP14,283,694.14
IV	DRAINAGE AND OPEN CANAL	PhP3,603,978.12
VI	ELECTRICAL SYSTEM	PhP1,712,000.00
VI	WATER SYSTEM (Centralized Deepwell)	PhP4,500,000.00
VII	BOX CULVERT	PhP5,296,610.17
<b>TOTAL DIRECT COST</b>		<b>PhP35,508,409.71</b>
I	PROFIT (8% of direct cost)	PhP2,799,926.92
II	OCM (10% of direct cost)	PhP3,460,938.64
III	VAT (12% of [DC+PROFIT+OCM])	PhP5,012,313.03
<b>TOTAL INDIRECT COST</b>		<b>PhP11,273,178.59</b>
<b>TOTAL PROJECT COST (DIRECT and INDIRECT COST)</b>		<b>PhP46,781,588.30</b>

ESTIMATED DIRECT COST (EDC)	INDIRECT COST % FOR OCM AND PROFIT		TOTAL INDIRECT COST % FOR OCM AND PROFIT
	OCM (% OF EDC)	PROFIT (% OF EDC)	
Up to P2Milion	15	10	25
Above P2M up to P50M	12	8	20
Above P50M up to P150M	10	8	18
Above P150M	8	8	16

1 Secretary Del Rosario informed the Board that he was told that the contractor has not been paid  
2 that is why the construction has been stopped. Hence, the contractor needs SHFC's support to  
3 resume the construction. Ms. Villafuerte clarified that Engr. Gilbang has already resolved this  
4 issue with the contractor and the Management is now processing the payment to the contractor.  
5 She then added that the construction has stopped because the contractor had Covid-19 then he  
6 had to undergo quarantine. This is over and above the Ramadan Festivities. This is also the  
7 reason why the contractor is requesting for extension.

8 Secretary Del Rosario then commented that he is okay with the extension. However, the  
9 problem now is that it is more than one month that the construction has been stopped. It cannot  
10 move forward because of the payment delays. Atty. Cabling assured the Board that the payment  
11 is already in process. Ms. Villafuerte added that they already communicated with FIAT and  
12 that the Management already commitment to them.

13 Secretary Del Rosario then instructed the Management to expedite the process of payment to  
14 avoid slippage of the project. For continuity, the Management should ensure that they pay on  
15 time and immediately.

16 **After thorough deliberation, the Board approved the following:**

- 17  
18 1) **Issuance of Variation Order amounting to PhP46,781,588.30 due to**  
19 **reduction of the project area for MSP Phase II to justify the reduction of**  
20 **the contract price; and**  
21 2) **Extension of the completion of project until 20 May 2021.**  
22

23 **The Board reminded the Management to expedite the payment to the contractor and to**  
24 **ensure that SHFC pays on time.**  
25

26 **6. GCG REPLY REGARDING THE NHMFC REPRESENTATION TO THE**  
27 **BOARD**  
28

29 The Management, through the Acting Board Secretary Atty. Melanie Valenciano, presented  
30 the reply of the Governance Commission for Government Owned or Controlled Corporation  
31 (GCG) on the NHMFC representation to the Board.  
32

33 The following are her presentation:  
34



22 April 2021

**SECRETARY EDUARDO D. DEL ROSARIO**

*Chairman*

**ATTY. ARNULFO RICARDO B. CABLING**

*President*

**SOCIAL HOUSING FINANCE CORPORATION (SHFC)**

BDO Plaza 2737 Paseo De Roxas,  
Makati City 1226, Philippines

**RE: NHMFC REPRESENTATIVE IN THE SHFC GOVERNING BOARD**

Dear Secretary Del Rosario and President Cabling,

This pertains to the letter dated 23 March 2021<sup>1</sup> of **SOCIAL HOUSING FINANCE CORPORATION (SHFC)** Acting Board Secretary Atty. Melanie B. Valenciano inquiring about the "requirements and processes of the appointment of the new [National Home Mortgage Finance Corporation] NHMFC representative to the SHFC Board" and "the status of NHMFC's representation to the SHFC Board during the period of processing the requirements of the new NHMFC's representative."

As clarified by the Governance Commission in our letters to SHFC dated 05 May 2014 (*Annex A*) and 29 April 2015 (*Annex B*), the position of NHMFC Representative in the SHFC Board of Directors is an Appointive Director seat based on Republic Act (R.A.) No. 10149.<sup>2</sup> Thus, any individual designated by the NHMFC to the said position shall be subject to the selection and nomination process of GCG for appointment by the President of the Philippines.

The nominee must submit the documentary requirements provided under Section 3.2.2 of GCG Memorandum Circular No. 2012-04.<sup>3</sup> If found to be qualified under GCG M.C. No. 2012-05,<sup>4</sup> he/she shall be included in the shortlist of nominees to be submitted to the President. Pending the formal appointment of the NHMFC Representative in the SHFC Board, the said position is considered vacant.

**FOR YOUR INFORMATION AND GUIDANCE.**

Very truly yours,

  
Digitally signed by:  
CHAIRMAN SAMUEL G. DASPIN, JR.

  
Digitally signed by:  
COMMISSIONER MICHAEL P. CLORIBEL

  
Digitally signed by:  
COMMISSIONER MAIKEL P. NOLASCO

Secretary Del Rosario then asked the percentage of NHMFC's ownership of SHFC. Atty. Valenciano answered that NHMFC owns 99% of SHFC's stocks and NHMFC represent the majority of the stockholders.

Secretary Del Rosario then informed the Board that in the NHMFC Board Meeting yesterday, they already approved the designation of the NHMFC President to sit as the NHMFC Representative to the SHFC Board. He then asked if that will suffice as a requirement for the GCG appointment of NHMFC Representative to the SHFC Board. Atty. Valenciano answered that Mr. Rabat cannot officially receive administrative matters such as per diem and other representation and considering the position of GCG that he will still be subject to the nomination process.

Secretary Del Rosario then instructed the Management to inform GCG that the NHMFC Board already designated its President to represent NHMFC to the SHFC Board according to the fact that NHMFC owns 99% of SHFC. He added that the GCG will see now the logic why it is mandatory that the NHMFC is represented in SHFC Board. He further instructed to attach the said Board Resolution pertaining to the said designation.

1 Mr. Rabat expressed his gratitude to the Good Secretary. He added that he will be coordinating  
2 with Atty. Valenciano regarding the GCG concern to comply with the requirements to GCG.

3 **After thorough deliberation the Board instructed the Management to write GCG**  
4 **informing them that the NHMFC Board already designated their President, Mr. Carlo**  
5 **Luis Rabat, as their official representative to the SHFC Board and to include in the letter**  
6 **the Board Resolution of the NHMFC stating as such.**

7  
8 **7. ADJOURNMENT**  
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10 There being no additional other matters for discussion, SHFC's 04-2021 Board Meeting was  
11 adjourned at 1:19 p.m.  
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16 **ATTY. MELANIE B. VALENCIANO**  
17 Acting Board Secretary