



**BOARD RESOLUTION NO. 453, SERIES OF 2015  
 APPROVAL OF THE 2015  
 SHFC-GCG PERFORMANCE AGREEMENT**

WHEREAS, the GCG issued Memorandum Circular 2013-02 dated 29 April 2013 in re: Performance Evaluation System for the GOCC Sector to provide the framework for setting organizational targets of GOCC as a basis for: a) determining the grant of Performance-Based Incentives; b) determining, as one of the component criteria, whether Appointive Directors are eligible for re-appointment; and c) ascertain whether such GOCC should be reorganized, merged, streamlined, abolished or privatized;

WHEREAS, in compliance thereto, the GCG and SHFC conducted a Performance Agreement Negotiation on 01 October 2014 to discuss SHFC's 2015 Performance Targets;

WHEREAS, a Performance Agreement was reached between GCG and SHFC which embodies all targets agreed upon by the parties, including SHFC's counterproposals, except for the weights for Strategic Measure 9 (SM9) and Strategic Measure 10 (SM10) which carries GCG's initial proposal of 5% each instead of SHFC's counterproposal of 3% for SM9 and 7% for SM10, 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% 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% 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  | 5%            | Actual/Target% 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                              | 5%            | Actual/Target% 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% weight (but not to exceed assigned weight) | 85%  |
|               | SM 7      | EBITDA Margin  | 10%           | Actual/Target% weight (but not to exceed assigned weight) | 35%  |
|               | SO 5-A    | Design Non-Traditional Financing Schemes   |               |   |  |
|               | SM 8      | Conceptual Framework/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 30% balanced housing |

|                     | COMPONENT   | WEIGHT      | RATING SYSTEM  | 2015 TARGET   |
|---------------------|---|-------------|--|---|
| INTERNAL PROCESS    | <b>SO 5-B Develop Other Long Term Funding Sources</b>                               |             |  |   |
|                     | SM 9 Issuance of CMP Asset Backed Securities  | 5%          | All or nothing   | Issuance of CMP ABS   |
|                     | <b>Sub-total</b>  | <b>30%</b>  |  |   |
|                     | <b>SO 6 Create Non Mortgage-Based Products</b>                                      |             |  |   |
|                     | SM 10 Number of projects with usufruct arrangements                                 | 5%          | Actual/Target(a weight (but not to exceed assigned weight))                              | 8 SHFC projects with usufruct arrangements financed   |
|                     | <b>SO 6-A Design, Develop and Deliver FAIR Shelter Solutions</b>                    |             |  |   |
|                     | SM 11 Develop new framework for financing schemes                                   | 5%          | All or nothing   | Wholesale lending conceptual framework developed and approved by the Board  |
|                     | <b>SO 6-B Integrate and Upgrade Support Systems</b>                                 |             |  |   |
|                     | SM 12 Automation of system processes through ISSP                                   | 5%          | All or nothing   | 80% 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 HOA           | 5%          | $(1 - \frac{Actual - Target}{Target}) \times Weight$ (but not to exceed assigned weight) | 120 working days  |
| <b>Sub-total</b>    | <b>20%</b>  |             |  |   |
| LEARNING AND GROWTH | <b>SO 7 Develop a Responsive Organization</b>                                       |             |  |   |
|                     | SM 14 ISO Certification for SHFC front-line 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  |
|                     | <b>SO 8 Elevate Personnel Competency</b>  |             |  |   |
|                     | 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 |
| <b>Sub-total</b>    | <b>15%</b>  |             |  |   |
|                     | <b>Grand Total</b>  | <b>100%</b> |  |   |

WHEREAS, the Governance Committee in its Committee Report 2015-04 hereby endorses for Board Approval the hereinbefore presented Performance Agreement for 2015 between SHFC and GCG;

WHEREAS, after thorough review and deliberation of Management's presentation, the Board finds the instant subject matter to be in order and impressed with merit;

NOW THEREFORE, be it resolved as it is hereby resolved, that the Board approves as it has hereby approved, the SHFC-GCG 2015 Performance Agreement

**APPROVED** by the Board in its 104<sup>th</sup> Board Meeting held on 29 June 2015 at the SHFC 5<sup>th</sup> Floor Board Room, Paseo de Roxas, Makati City.

(Vacant)  
Chairman, HUDCC  
Chairperson

  
**MS. MA ANA R. OLIVEROS**  
President, SHFC  
Vice Chairperson

  
**DR. FELIXBERTO U. BUSTOS, JR.**  
President, NHMFC  
Member

*(Vacant)*  
DOF Representative  
Member

  
**AUGUSTO C. LOPEZ-DEE**  
BSP Representative  
Member

*(Vacant)*  
DILG Representative  
Member

*(Absent)*  
**USEC. LUZ M. CANTOR**  
DBM Representative  
Member

  
**ATTY. RODOLFO MA. A. PONFERRADA**  
Private Sector Representative  
Member

  
**JOVITO C. LABAJO**  
Private Sector Representative  
Member

  
**DAMASO C. VERTIDO**  
Private Sector Representative  
Member

*(Vacant)*  
Private Sector Representative  
Member

Attested by:

  
**ATTY. JOSE D. MELGAREJO**  
Board Secretary