

K.6. HOME GUARANTY CORPORATION

STRATEGIC OBJECTIVES

MANDATE

To guarantee the payment of any and all forms of mortgages, loans and other forms of credit facilities and receivables arising from financial contracts exclusively for residential purposes and the necessary support facilities of HGC guaranteed projects

To assist private developers to undertake socialized, low and medium cost mass housing projects through a viable system of long-term mortgages, guaranties and other incentives

- To promote homebuilding and landownership, giving primary preference to the homeless and underprivileged sectors of the society
- To promote housing by the aided self-help method
- To pursue the development and sustainability of a secondary mortgage market for housing
- To administer the Cash Flow Guaranty System of the Abot-Kaya Pabahay Fund
- To supervise and regulate building and loan associations

VISION

To be the country's premier guaranty institution and indispensable partner in sustainable housing finance

MISSION

To mobilize resources for housing through a viable system of credit guarantees and incentives

KEY RESULT AREAS

Poverty Reduction and Empowerment of the Poor and Vulnerable

SECTOR OUTCOME

Percentage of Filipino population that have permanent housing

ORGANIZATIONAL OUTCOME

Socialized and low-cost housing (guaranteed) as a percentage of total stock of housing

New Appropriations, by Program/Project

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		<u>Current Operating Expenditures</u>			
		<u>Personnel</u>	<u>Maintenance</u>	<u>Capital</u>	<u>Total</u>
		<u>Services</u>	<u>and Other</u>	<u>Outlays</u>	<u></u>
		<u></u>	<u>Operating</u>	<u></u>	<u></u>
		<u></u>	<u>Expenses</u>	<u></u>	<u></u>
PROGRAMS					
300000000	Operations			P 500,000,000	P 500,000,000
	NFO 1 Loan Guaranty Services			500,000,000	500,000,000
	Total, Programs			500,000,000	500,000,000
	TOTAL NEW APPROPRIATIONS			P 500,000,000	P 500,000,000

New Appropriations, by Central/Regional Allocation

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		<u>Current Operating Expenditures</u>			
		<u>Personnel</u>	<u>Maintenance</u>	<u>Capital</u>	<u>Total</u>
		<u>Services</u>	<u>and Other</u>	<u>Outlays</u>	<u></u>
		<u></u>	<u>Operating</u>	<u></u>	<u></u>
		<u></u>	<u>Expenses</u>	<u></u>	<u></u>
REGION					
	Regional Allocation			P 500,000,000	P 500,000,000
	National Capital Region (NCR)			500,000,000	500,000,000
	Total New Appropriations			P 500,000,000	P 500,000,000

Special Provision(s)

1. **Special Provisions Applicable to All Government Corporations.** The special provisions applicable to all government corporations enumerated under the Budgetary Support to Government Corporations-Others shall be observed by the Home Guaranty Corporation.

PERFORMANCE INFORMATION**KEY STRATEGIES**

Expand the guaranty business
Market hard-to-sell assets
Enhance collection efficiency
Refine core business processes and procedures
Disengage from non-core functions

MAJOR FINAL OUTPUTS (MFO) / PERFORMANCE INDICATORS**Targets**

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MFO 1: LOAN GUARANTY SERVICES**Provision of Credit Guaranty to Developers**

Total value of loans guaranteed	P90,849,300,000
Total number of loans guaranteed	91,138
Percentage of loans guaranteed in the last 3 years that were paid	0.0108%
Total value of acquired assets as a percentage of guaranteed loans	0.0300%
Ratio of guaranty issued over authorized guaranty limit	63.70%
Total premium payments received	P 783,000,000
Total guaranty claims paid	P 27,250,000
Percentage of guaranty enrollment applications completed within 15 working days upon receipt of complete required documentation	100%
Percentage of approved guaranty calls paid within 30 calendar days upon receipt of complete required documentation	100%
Percentage of bond interest serviced and bonds redeemed as scheduled	100%

Provision of Credit Guaranty for Abot Kaya Pabahay Fund (AKPF)

Total value of credit guaranty issued for AKPF	P29,605,570,000
Total number of new credit guarantees issued for AKPF	11,931
Percentage of loans guaranteed in the last 3 years that were paid	0.0094%
No. of guaranty calls as a percentage of guarantees issued	0.0139%
Total value of acquired assets as a percentage of guaranteed loans	0.0300%
Ratio of guaranty issued for AKPF over authorized guaranty limit	43.88%
Total guaranty claims paid	P 8,880,000
Percentage of AKPF guaranty enrollment applications completed within 15 working days upon receipt of complete required documentation	100%
Percentage of approved AKPF guaranty calls paid within 30 days upon receipt of complete required documentation	100%

Management of Distressed Assets

Total no. of acquired assets	7,987
Total value of acquired assets	P 9,013,890,000
No. of acquired assets sold	2,314
Rate of return on portfolio of acquired assets	81.30%
Total revenue from sale of acquired assets as against Appraised value of acquired assets sold	98.57%
Percentage change in the no. of acquired assets (net of new additions)	28.97%
Total revenue from sale of acquired assets	P 973,340,000
Total cash inflow from lease payments	P 181,930,000
Total collection of receivables	P 260,950,000
Revenue from management of AKPF housing units/ Book value	129.94%