

HOME GUARANTY CORPORATION

January to March 2018 Accomplishment Report

I. Guaranty Operations

The Home Guaranty Corporation (HGC) surpassed all Guaranty targets for the first quarter of the year. Accomplishment in New Enrollments reached 698.60% and 497.57% of the targets in terms of number of housing units and value, respectively.

The remarkable accomplishment in New Enrollments is due to the high volume of enrollments by BDO Unibank, Inc. in March after securing a P25 billion guaranty line from HGC in the last quarter of 2017.

High volume of enrollments also resulted to Premium exceeding its target by 64.51%.

Table 1. Summary of Guaranty Accomplishments

Indicators	Target		Actual		% to Target	
	No. of Units	Value (Php Mn)	No. of Units	Value (Php Mn)	No. of Units	Value
New Enrollment	3,000	P6,000	20,958	P29,854	698.60%	497.57%
Renewal	25,450	P36,930	28,022	P39,953	110.11%	108.19%
Outstanding Guaranty	94,490	P150,172	113,124	P180,544	119.72%	120.22%
Premium		P364.90		P600.30		164.51%

As of end of March 2018, the allocation of Guaranty Enrollments for Socialized and Low-cost housing packages is already at 79.84% in number of housing units and 68.95% in value.

Table 2. New Guaranty Enrollments per Housing Package

Indicators	No. of Units	% to Total	Value (Php Mn)	% to Total
Socialized (P450,000 and below)	18	0.09%	P4.59	0.02%
Low-cost (above P450,000 to P3M)	16,714	79.75%	P20,578.78	68.93%
Medium-cost (above P3M to P4M)	3,225	15.39%	P6,135.88	20.55%
Open housing (above P4M)	1,001	4.78%	P3,134.69	10.50%
Total	20,958	100.00%	P29,853.93	100.00%

For 2018, HGC is targeting to earmark at least 70% of the value of Outstanding Guaranty to Socialized and Low-cost housing loans.

HGC is closely monitoring the distribution of its Outstanding Guaranty across housing packages to attain this.

II. Management and Disposition of Acquired Assets

HGC was able to sell 29 housing units, or 116% of the targeted 22 housing units to be sold in the first quarter of 2018.

While the target for the number of housing Units was surpassed, accomplishment in terms of Sales Value is only at 90.63%. This means that other acquired assets with lower sales value were the ones sold instead of the targeted acquired assets with higher sales value.

Table 3. Summary of Asset Disposition Accomplishments

Asset Classification	Units	Sales Value (Php Mn)
Developmental Projects	21	24.05
APC Projects	1	55.21
Retail Accounts	3	1.66
Others (CMP, CHP, BLISS, Relocation)	4	1.10
TOTAL	29	82.03
Q1 2018 Target	22	90.51
% of Accomplishment to Target	116%	90.63%

As of end of March 2018, the remaining acquired assets in the inventory is at 8,872 units with sales value of P18,273.07 million.

HGC also has 1,464,500 shares from Harbour Centre Port Terminal, Inc. (HCPTI) with par value of P1,464.50 million.

Table 4. Remaining Inventory of Acquired Assets

Asset Classification	Units/Shares	Sales Value (Php Mn)
Developmental Projects	1,166	949.44
APC Projects	2,884	16,540.29
Retail Accounts	336	137.08
Others (CMP, CHP, BLISS, Reloc.)	4,486	646.26
Subtotal	8,872	18,273.07
Other Assets (HCPTI shares)	1,464,500	1,464.50
TOTAL	1,473,372	19,738.99

HGC continuously cleans up assets with legal infirmities to make them saleable in the market.

III. Collection of Receivables from Acquired Assets

HGC's collection efficiency for Current Accounts and New Sales is at 95.51%. This is higher than the collection efficiency of 94.69% for the same period last year.

Table 5. Amortization Collection

Particulars	No. of Accounts	Outstanding Loan Balance (Php Mn)	Collection Target (Php Mn)	Actual Collection (Php Mn)	Collection Efficiency
Current Accounts and Lease Receivables (0-3 months payment arrears)					
Lease of Acquired Asset	55	N/A	64.78	62.30	96.17%
Guaranty Called Accounts	431	150.33	11.73	10.84	92.41%
BLISS Accounts	323	92.07	5.14	5.14	100.00%
Coop/ CMP	148	12.48	1.01	0.87	86.14%
Abot-Kaya/ Resettlement Projects	35	9.07	1.66	1.41	84.94%
SUB-TOTAL	992	263.95	84.32	80.56	95.54%
New Sales	-	-	-	-	-
Lease of Acquired Asset	0	N/A	0.00	0.00	0.00%
Guaranty Called Accounts	3	0.56	0.21	0.21	98.89%
BLISS Accounts	13	11.64	0.32	0.30	93.75%
Coop/ CMP	9	1.89	0.27	0.23	85.06%
Abot-Kaya/ Resettlement Projects	0	0.00	0.00	0.00	0.00%
SUB-TOTAL	25	14.09	0.80	0.74	92.18%
GRAND TOTAL	1,017	278.04	85.12	81.30	95.51%

To improve collection and ensure that Current Accounts (with 0-3 months payment arrears) remain current, HGC is implementing the following strategies:

1. Close monitoring of accounts. Proven as an effective strategy last year, current accounts are being closely monitored to prevent any delinquency or default in amortization payment. Statements of Account (SOA) of clients are sent to their registered addresses on a regular basis. Clients are also encouraged to avail themselves of the on-line collection facility of Land Bank of the Philippines (LBP) for easier payments.

2. Monthly reminders to buyers/lessees. Clients are given calls before the due dates of their payments.
3. Encourage buyers to take-out their loans from financing institutions like HDMF and banks that offer lower interest than HGC.

For Delinquent Accounts (more than 3 months payment arrears), the following strategies are applied to bring them to Current status:

1. Implementation of the 15-year restructuring program. Under the program, delinquent buyers/lessees are given the option to restructure their total obligation under the following terms:
 - Total obligation payable over a period of one year with no interest on amortized payments, or
 - Total outstanding obligation payable over a maximum term of 15 years or the remaining term of the loan: minimum down payment of 10% of the total obligations, payable in six (6) months without interests. Balance payable over 15 years or remaining term of the loan with interest at 6%, 9% or 12% depending on the amount of outstanding obligation. A discount of 1% on the interest rate is given for payments that are settled on or before the due date.
2. Engagement of additional collection agents. Clearance/approval is still pending with the Commission on Audit (COA).
3. Endorsement of delinquent accounts to Legal and ultimately to the collection agent for collection services, if necessary.
4. Negotiated/approved acceptable payment options for delinquent/ undocumented accounts.