

Home Guaranty Corporation
2013 STRATEGIC INITIATIVES

I. STRATEGIC INTIATIVE PROFILE 1

1. **Name of Project:** Revitalizing the Bankers-Builders-Buyers (BBB) Program
2. **Contact Person/Project Team Head:** VP Melinda M. Adriano/Mr. Frank Lloyd C. Gonzaga/Mr. Levi M. Espinosa/Mr. Lloyd A. Sioson
3. **Project Description:** The Bankers-Builders-Buyers (BBB) Program is an enhancement of HGC's mandate as Fund Mobilizer for Housing. The program aims to bring together bankers, builders and buyers in a housing finance circle complementing each other's needs and functions.
The program aims to:
 - a. Assist partner banks promote housing loan products to builders and home buyers;
 - b. Bring builders to banks for project financing and promote their housing units to prospective buyers; and
 - c. Guide homebuyers to self-qualify for housing loans and provide them with home-buying options according to their financial capacities and other preferences such as types of housing unit, location, etc.
4. **Project Milestones:**

Activities	Timeline		Budget	Funding Source	Status	
	Start	End			as of June 30, 2013	as of September 30, 2013
Expand the number of participants in the Program including Micro-Finance Institutions (MFIs) and brokers	July 2013	Dec 2013				-List and identity of HGC accredited brokers submitted to MISD. -Database of accredited Brokers created. Developed a separate website section on Brokers Profile and properties for sale. An online integrated search engine for both properties and brokers were

Activities	Timeline		Budget	Funding Source	Status	
	Start	End			as of June 30, 2013	as of September 30, 2013
						developed and ready for deployment after 3 rd Party review.
Firm up commitments with partners	July 2013	Dec 2013				<p><u>Developers who submitted the conforme letter:</u></p> <ol style="list-style-type: none"> 1. Green Estate Realty & Development Corporation 2. Century City Development Corporation 3. Century Limitless Corporation 4. Goldrich Realty & Development Corporation 5. Urban East Developments, Inc. <p>* Primex Realty Corp. has not submitted the conforme letter yet.</p> <p><u>Banks & Financial Institutions</u> Still awaiting confirmation from them</p>
Enhance the BBB website	May 2013	Dec 2013			<p>A. Incorporate new functions/ enhance website design</p> <ul style="list-style-type: none"> - Completed the design options and presented to Execom the proposed changes to the major sections of the website. <p>B. Develop tracking/ monitoring system of website visits and feedback mechanism</p> <ul style="list-style-type: none"> - Ongoing 	<ul style="list-style-type: none"> -New functions added: Property Finder and BBB Broker's Page. -On-going coding and programming of additional modules <p>Completed. Website tracking/</p>

Activities	Timeline		Budget	Funding Source	Status	
	Start	End			as of June 30, 2013	as of September 30, 2013
					<p>C. Review/ revise website content for search engine optimization -Ongoing</p> <p>D. Periodic website update -BDAED and MISD came up with process flow charts and templates to facilitate regular updating of BBB Partners' web pages.</p>	<p>monitoring systems in place: October 2012 – host CPanel activated. Web Statistics and reports customized. November 2012- Google Analytics statistics and reports customized</p> <p>SEO activities jointly undertaken by MISD and Corplan.</p> <p>- CorPlan is developing new website contents twice a month; or - More frequent content updating is being considered.</p>
Popularize the BBB Program	July 2013	Dec 2013			<p>A. Create official B-B-B account on FB and Twitter</p> <p>Completed. The following were created by BDAED and turned over to CorPlan: BBB FB Account: January 8, 2013 Twitter Account: January 11, 2013</p>	<p>CorPlan regularly monitors both accounts and implements a weekly Twitter plan. As of September 30, the BBB has 1,050 followers on Twitter.</p> <p>B. Conduct promo activities - Procurement of Prizes initiated by BDAED. Procurement</p>

Activities	Timeline		Budget	Funding Source	Status	
	Start	End			as of June 30, 2013	as of September 30, 2013
					<p>C. Require HGC employees to contribute to popularizing the BBB website</p> <ul style="list-style-type: none"> - Completed. All HGC personnel were briefed by Corplan during the ICT Policy Orientation sessions: June 18, 2013 	<p>Completed by Admin.</p> <p>D. Initiate aggressive marketing: print, radio, TV, write-ups, blog entries</p> <ul style="list-style-type: none"> - Integrated in HGC's PR Plan <p>E. Tie-up with Philippine Overseas Employment Administration (POEA)- Pre-Departure Orientation Seminar (PDOS)</p> <ul style="list-style-type: none"> - For further study
Total			P0.12mn			

5. Measures Affected:

- a. Total value of loans guaranteed
- b. Total number of loans guaranteed
- c. Percentage of guaranty enrollment applications completed within 15 working days upon receipt of complete required documentation
- d. Total premium payments received

II. STRATEGIC INITIATIVE PROFILE 2

1. **Name of Project** : Development of Online Filing of Guaranty Call
2. **Contact Person/Project Team Head** : VP Melinda M. Adriano/Ms. Mariflor France Pelayo-Reyes/Mr. Lloyd A. Sioson
3. **Project Description**: This initiative aims to harness ICT resources for simplified and expedient dealings with clients. This paperless filing of calls will reduce costs for both HGC and its clients, particularly those who are outside of Metro Manila.
4. **Project Milestones**:

Activities	Timeline		Budget	Funding Source	Status	
	Start	End			as of June 30, 2013	as of September 30, 2013
Determine requirements for online processing with MIS	May 2013	July 2013		Corporate Budget	Discussed the requirements for online call processing with MIS on June 21, 2013; list of activities of online processing of call in Excel file submitted to MIS on July 23, 2013	
Develop a Manual in coordination with MIS	Aug 2013	Aug 2013				Draft presented by Genietech Incorporated (GTI) to Guaranty Group on August 2013
Develop Online Filing of Call	Aug 2013	Sept 2013				For uploading to host server and beta testing by GTI
Online Testing	Oct 2013	Oct 2013				
Present the developed system to the Executive Committee	Nov 2013	Nov 2013				
Inform clients about the Online Filing of Guaranty Call	Dec 2013	Dec 2013				
Total						

5. Measures Affected:

- a. Total guaranty claims paid
- b. Total AKPF guaranty claims paid
- c. Percentage of approved guaranty calls paid within 30 calendar days upon receipt of complete required documentation
- d. Percentage of approved AKPF guaranty calls paid within 30 calendar days upon receipt of complete required documentation

III. STRATEGIC INITIATIVE PROFILE 3

- 1. **Name of Project:** “Priced Right” Policy in Disposing Assets
- 2. **Contact Person/Project Team Head:** VP Rafael P. de los Santos/Ms. Caridad L. Calingo, VP Danilo C. Javier/Ms. Marichu A. Lazaro
- 3. **Project Description:** The initiative aims to adopt an appropriate pricing scheme for acquired assets to make them more saleable. The scheme considers the legal impediments, physical state, location of the asset and other factors.
- 4. **Project Milestones:**

Activities	Timeline		Budget	Funding Source	Status	
	Start	End			as of June 30, 2013	as of September 30, 2013
Classify HGC assets according to legal impediments, physical state, location and other factors to make them more saleable	May 2013	July 2013	P3.38mn	Corporate Budget	Ongoing	After a number of failed biddings, re-evaluation of hard-to-sell assets was undertaken. Additional discounts were granted and the Minimum Disposition Price (MDP) was

Activities	Timeline		Budget	Funding Source	Status	
	Start	End			as of June 30, 2013	as of September 30, 2013
Set Minimum Selling Price using HGC's own appraisal as basis and justify the same with the Commission on Audit	June 2013	July 2013	P3.38mn		Ongoing	adjusted using the Net Effective Return (NER) formula wherein the carrying cost and projected appreciation or depreciation of the appraised value of the assets were considered. The Asset Management Department (AMD) was able to dispose the commercial area of Pinesville Subdivision (Block 14 Lot 26) in cash. The disposition of Hacienda Valley, Paco Mall Land, Peace Village, Bonahomes and Legacy Memorial Estate under negotiated sale is currently in process.
Determine the most advantageous mode of disposition	July 2013	Sept 2013				
Submit the proposal to the HGC Board for approval/ confirmation of the pricing and mode of disposition	Aug 2013	Dec 2013				
Total			P3.38mn			

5. Measures Affected:

- a. Sales Value of assets sold
- b. Percentage of sales document executed within 30 days from receipt of payment

IV. STRATEGIC INITIATIVE PROFILE 4

1. **Name of Project:** Sale of Hard-to-Sell Retail Assets Through Negotiated Sale
2. **Contact Person/Project Team Head:** VP Rafael P. de los Santos/Ms. Caridad L. Calingo, VP Danilo C. Javier/Ms. Marichu A. Lazaro
3. **Project Description:** The initiative aims to use the alternative method of “Negotiated Sale” in selling hard-to-sell assets. With the sale of these assets in 2013, the corporation can recover its exposure and save on maintenance costs and other related fees.
4. **Project Milestones:**

Activities	Timeline		Budget	Funding Source	Status		
	Start	End			as of June 30, 2013	as of September 30, 2013	
Draft proposed guidelines	June 2013	July 2013	P0.30mn	Corporate Budget	Ongoing	Beneficial Land Use Scheme was adopted, instead, for the following projects: -Pinesville Subdivision Phases 2 & 3 -BF Bernabe -CMP Projects -Sapari MRB -BF Martinville	
Present the guidelines to the HGC Board for approval	Aug 2013	Aug 2013					
Conduct Negotiated Sale (publication, solicitation of offers, and evaluation of offers)	Sept 2013	Dec 2013					
Total			P0.30mn				

5. **Measures Affected:**
 - a. Sales Value of assets sold
 - b. Percentage of sales document executed within 30 days from receipt of payment

V. STRATEGIC INITIATIVE PROFILE 5

1. **Name of Project** Sale of assets under JVA using the “Swiss Challenge” process with big developers or with former developers and land owners
2. **Contact Person/Project Team Head:** VP Rafael P. de los Santos VP/Ms. Caridad L. Calingo, VP Danilo C. Javier/Ms. Marichu A. Lazaro
3. **Project Description:** The sale of assets under JVA to big developers and or with former developers and land owners would give the maximum yield/recovery to HGC. The assets to be sold under this initiative are Subic Bay Properties and Old Bilibid Compound.
4. **Project Milestones:**

Activities	Timeline		Budget	Funding Source	Status	
	Start	End			as of June 30, 2013	as of September 30, 2013
Draft “Swiss Challenge” guidelines and parameters of JVA with previous developers/land owners	May 2013	July 2013	P0.40mn	Corporate Budget	Ongoing	On – hold. The HGC Management & Board of Directors prefer cash sale instead of JVA to minimize collection risk for the corporation. The JVA however, is still an option for assets which cannot be disposed through other modes.
Present the guidelines to the HGC Board for approval	July 2013	July 2013				
Meet with previous developers/Secure unsolicited proposals	July 2013	Nov 2013				
HGC Board approves the proposed terms and conditions of the JVA	Aug 2013	Dec 2013				
Total			P0.40mn			

5. **Measures Affected:**
 - a. Sales Value of assets sold
 - b. Percentage of sales document executed within 30 days from receipt of payment

VI. STRATEGIC INTIATIVE PROFILE 6

1. **Name of Project:** Establishment of commitment lines from financial institutions to provide credit facilities to prospective buyers
2. **Contact Person/Project Team Head:** VP Rafael P. de los Santos/Ms. Caridad L. Calingo, VP Danilo C. Javier/Ms. Marichu A. Lazaro
3. **Project Description:** In order to assist buyers of HGC's properties, a credit facility must be established with the help of financial institutions. The target properties are developmental assets which are for sale this 2013.
4. **Project Milestones:**

Activities	Timeline		Budget	Funding Source	Status as of September 30, 2013
	Start	End			
Meet with financial institutions for the drafting of guidelines	July 2013	Sept 2013	P0.10mn	Corporate Budget	MSD met with HDMF to discuss the possibility of a tie-up between HGC and HDMF wherein purchase of retail acquired assets shall be thru the take-out mechanism of HDMF. Per last meeting, HDMF advised HGC to just make use of their existing take-out windows for retail buyers.
Present the guidelines to the HGC Board for approval	Oct 2013	Dec 2013			
Sign contract with financial institutions	Nov 2013	Dec 2013			
Total			P0.10mn		

5. **Measures Affected:**
 - a. Sales Value of assets sold
 - b. Percentage of sales document executed within 30 days from receipt of payment

VII. STRATEGIC INITIATIVE PROFILE 7

1. **Name of Project:** Sale of assets to existing occupants using the “Beneficial Land Use” scheme
2. **Contact Person/Project Team Head:** VP Rafael P. de los Santos/Ms. Caridad L. Calingo, VP Danilo C. Javier/Ms. Marichu A. Lazaro
3. **Project Description:** The project aims to sell illegally occupied assets to their existing occupants adopting the “Beneficial Land Use” scheme to determine the total selling price. The scheme imposes an interest for the beneficial use of the land on top of the original selling price. The imposition is analogous to rental payment. This scheme shall apply to the sale of the following: Pinesville Subdivision in Baguio City, SAPARI MRB (Manila), and BF Bernabe (Parañaque).
4. **Project Milestones:**

Activities	Timeline		Budget	Funding Source	Status	
	Start	End			as of June 30, 2013	as of September 30, 2013
<i>Pinesville Subdivision</i> 1. Validate existing occupants in coordination with homeowners’ association and LGU	June 2013	July 2013	P0.20mn	Corporate Budget	On-going	
2. Compute individual financial package	July 2013	Aug 2013				<i>- KUMAI Kias United Mountaineer Association Inc.</i> Continuous coordination with the Beneficiary Associations.

Activities	Timeline		Budget	Funding Source	Status	
	Start	End			as of June 30, 2013	as of September 30, 2013
3. Present financial package and terms of sale to occupants	Aug 2013	Sept 2013				- ALAI Apugan Livelihood Association Inc. (Phase 3) - with final number and names of beneficiaries validated by HOA President, Barangay Captain of Kias of LGU Baguio (122 beneficiaries for documentation)
4. Award the lots and document the sale	Sept 2013	Oct 2013				- KBHAI beneficiaries (Pinesville) - awaiting final survey for submission to HGC
SAPARI MRB (Manila) 1. Validate existing occupants in coordination with homeowners' association and LGU	June 2013	August 2013			On-going	
2. Compute individual financial package	July 2013	Sept 2013				Initial list of existing occupants for completion and further validation
3. Present financial package and terms of sale to occupants	Aug 2013	Oct 2013				
4. Award the lots and document the sale	Sept 2013	Nov 2013				
BF Bernabe	May	June			On-going	

Activities	Timeline		Budget	Funding Source	Status	
	Start	End			as of June 30, 2013	as of September 30, 2013
(Parañaque)	2013	2013				
1. Validate existing occupants in coordination with homeowners' association and LGU						
2. Compute individual financial package	June 2013	July 2013			On-going	
3. Present financial package and terms of sale to occupants	July 2013	Aug 2013				- Number and names of beneficiaries already identified. Meetings held with HOA officers and members to discuss the new pricing under the Beneficial Land Use Scheme and individual financial packages.
4. Award the lots and document the sale	Aug 2013	Sept 2013				- HGC received payments from 67 beneficiaries representing down payments and monthly amortizations; documentation of sale is on-going.
		Total	P0.20mn			

5. **Measures Affected:**

- a. Sales Value of assets sold
- b. Percentage of sales document executed within 30 days from receipt of payment

VIII. STRATEGIC INITIATIVE PROFILE 8

1. **Name of Project :** HGC-LGU Partnership in disposing Rural BLISS and trusteeship projects
2. **Contact Person/Project Team Head :** VP Rafael P. de los Santos/Ms. Caridad L. Calingo, VP Danilo C. Javier/Ms. Marichu A. Lazaro
3. **Project Description:** HGC will explore arrangements with local government units (LGUs) where rural BLISS and trusteeship projects are located. HGC will outsource the documentation and collection to LGUs who will act as service providers.
4. **Project Milestones:**

Activities	Timeline		Budget	Funding Source	Status	
	Start	End			as of June 30, 2013	as of September 30, 2013
Meet and negotiate with LGUs	May 2013	Dec 2013	P0.50mn	Corporate Budget	Ongoing	<p>Finasia With the change in LGU administration, 2 HOAs expressed their interest to purchase property thru CTS instead of CMP. The HOAs will shoulder all survey costs to identify the size of property occupied by their members, as required by HGC.</p> <p>Rural BLISS Projects With regards to Rural BLISS projects, MOA for Sta. Barbara RB1 and San Fabian RB1 were already finalized; awaiting the Resolution on the authority of the respective mayors to sign the MOA. Letters to LGUs were sent following up our request for assistance in gathering documents pertinent to the turn-over of RB1 projects.</p>
Draft Memorandum of Agreement	May 2013	Dec 2013			Ongoing	
Sign MOA with LGUs	May 2013	Dec 2013			Ongoing	
Total			P0.50mn			

5. Measures Affected:

- a. Sales Value of assets sold
- b. Percentage of sales document executed within 30 days from receipt of payment

IX. STRATEGIC INTIATIVE PROFILE 9

- 1. **Name of Project:** Bringing Delinquent Account to Current State
- 2. **Contact Person/Project Team Head:** VP Corazon G. Corpuz/Ms. Patricia B. Bernal
- 3. **Project Description:** The project aims to reduce the number of delinquent accounts by 44% by yearend of 2013. More affordable payment schemes will be developed to entice delinquent accountholders to update their payments. Additional collection agents will also be hired and accredited. To ensure the success of this project, adherence to the prescribed timeline and implementation of policies will be strictly monitored.
- 4. **Project Milestones:**

Activities	Timeline		Budget	Funding Source	Status	
	Start	End			as of June 30, 2013	as of September 30, 2013
Formulate “more affordable” payment schemes allowable by law	May 2013	Dec 2013			Ongoing	On-going. Sent out 1,788 notices to delinquent buyers. Continuous preparation of the remaining notices for the other delinquent buyers.
Cancel and foreclose accounts that remained delinquent (“hardliners”)	May 2013	Dec 2013			Ongoing	On-going. As of August 31, 2013 59 accounts became current 227 accounts issued Notarial Act of Cancellation (NAOC)

Activities	Timeline		Budget	Funding Source	Status	
	Start	End			as of June 30, 2013	as of September 30, 2013
						8 accounts still within Redemption Period 80 accounts that have been cancelled or with expired redemption period will be endorsed to AMDG for disposition 23 accounts under litigation
Clean-up documentation of delinquent accounts - endorse delinquent accounts to Legal Group - contract out redocumentation to Collection Agent (upon recommendation of Legal) - engage additional accredited Collection Agents	June 2013	Dec 2013			Ongoing	On-going. 64 delinquent accounts endorsed to Legal. 31 accounts were endorsed by Legal to CAs. The remaining 33 accounts are being handled by Legal. For implementation. Awaiting opinion from Legal Group whether the scheme can be applied to Delinquent Accounts
Advertise HGC's need for collection agents	Sept 2013	Dec 2013				On-going. Proposals received from the following CAs are for evaluation:

Activities	Timeline		Budget	Funding Source	Status	
	Start	End			as of June 30, 2013	as of September 30, 2013
Accredit more collection agents	Sept 2013	Dec 2013				1. Cases Corpus & Associates Law Office; and Vision Credit and Collection Services, Inc.
Total						

5. Measures Affected:

- a. Collection Efficiency
- b. Total collection of receivables

X. STRATEGIC INTIATIVE PROFILE 10

1. **Name of Project:** Ensuring “current accounts” remain current and preventing buyer’s delinquency
2. **Contact Person/Project Team Head:** VP Corazon G. Corpuz/Ms. Patricia B. Bernal
3. **Project Description:** Current accounts will be closely monitored to prevent any delinquency or default in amortization payment. The efficient and prompt delivery of billing statements to buyers is a key feature of this initiative. Promotional giveaways will also be given to clients as an incentive for keeping their accounts current.

4. **Project Milestones:**

Activities	Timeline		Budget	Funding Source	Status	
	Start	End			as of June 30, 2013	as of September 30, 2013
Closely monitor current accounts	June 2013	Dec 2013			Ongoing	<p>On-going.</p> <p>Notified buyers to avail of the On-line Collection facility of Land Bank of the Philippines (LBP). Statements of Account (SOA) sent on a monthly basis.</p> <p>156 accounts (out of 1,547 current accounts) are currently depositing their monthly amortization at LBP. As of this report, the total deposit amounts to P2,175,747.17.</p>
Deliver billings promptly and effectively	June 2013	Dec 2013		Corporate Budget	Ongoing	<p>On-going.</p> <p>Although the updating of buyers' information applies to all, priority is given to those buyers whose delivered/mailed SOAs returned to HGC.</p> <p>Scouting for companies that offer motorized delivery services</p> <p>Requested the Administrative Department to schedule a meeting with Globe Telecom to discuss the possible availment of automatic texting facility. No schedule yet.</p> <p>Establishing contacts with other</p>

Activities	Timeline		Budget	Funding Source	Status	
	Start	End			as of June 30, 2013	as of September 30, 2013
						network providers (i.e., Sun Cellular, Smart Communications, Inc.)
Explore tie-up with Cebuana Lhuillier for amortization payment of HGC properties	Oct 2013	Dec 2013				On-going. Coordinated with Cebuana Lhuillier. However, Cebuana Lhuillier can only start reviewing HGC's accreditation by next year due to the upgrading of its software system. Meeting held with Universal Storefront Services Corporation (USSC), agent of Western Union Money Transfer on September 25, 2013. Awaiting submission of USSC Company Profile together with its letter proposal.
Distribute promotional giveaways	Dec 2013	Dec 2013				
		Total				

5. Measures Affected:

- a. Collection Efficiency
- b. Total collection of receivables