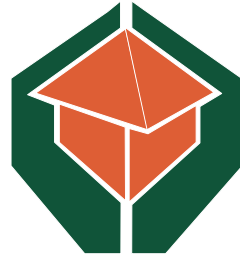


HOME GUARANTY CORPORATION



“ENHANCING COUNTRYSIDE HOMELENDING”

Presented during the 61st Annual National Convention of the
Rural Bankers Association of the Philippines
SMX Convention Center, Davao City
May 22, 2014

By: Tito A. Butardo

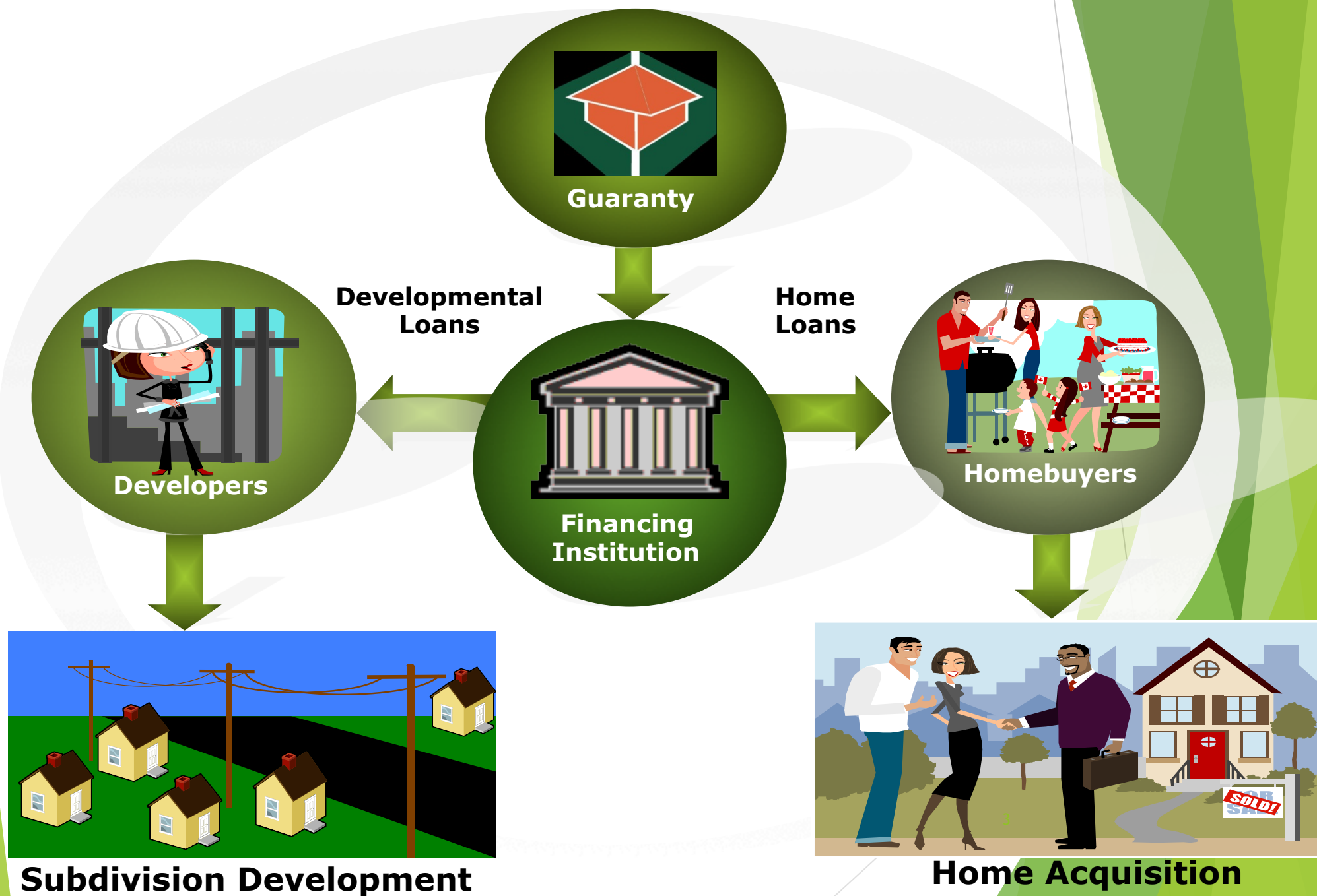


Who are we?

- ✓ A guaranty institution for housing that is in operation for more than 6 decades
- ✓ Operates a guaranty system that allows would-be homebuyers to have access to funds for home acquisition
- ✓ Ensures the recovery of the funds that the funding institutions have lent out for housing acquisition and development



Guaranty Concept





Do you know that:

- ✓ you can increase your profit from home lending?
- ✓ your housing loans may be classified as zero-risk assets?
- ✓ your housing loan portfolio can be excluded from the computation of the Real Estate Loan Limit prescribed by the BSP?



Do you know that:

- ✓ you can increase your loanable amount for housing without incurring additional risk?
- ✓ you can recover your exposure on housing loans in case of borrower's default?
- ✓ you can prevent the accumulation of your non-performing housing loans?
- ✓ you can have a hassle-free disposition of defaulted housing loans?

YES!

THE HOME GUARANTY CORPORATION (HGC)



CAN PROVIDE YOU THE ANSWER!



Incentives & Privileges

- ✓ you can increase your profit from home lending
- **Because interest income from housing loans up to 11% is exempt from all forms of taxes (Sec. 19, R.A. 8763)**



Incentives & Privileges

- ✓ your housing loans are classified as zero-risk assets
- If covered by HGC Guaranty per BSP Circular 280 s.2001
- HGC guaranty carries the Sovereign Guaranty (Section 18, R.A. 8763)



Incentives & Privileges

- ✓ your housing loan portfolio is excluded from the computation of the Real Estate Loan Limit prescribed by the Bangko Sentral ng Pilipinas
- **If covered by HGC Guaranty per Sec. 1. c., BSP Circular 600 s. 2008**



Incentives & Privileges

- ✓ you can increase your loanable amount for housing without incurring additional risk
- **Up to 90% of appraised value of collateral (BSP Circular 343 s. 2002)**
- **Exempted from SBL (Sec. 1.E BSP Circular 425 s. 2004)**



Incentives & Privileges

- ✓ you can recover your exposure on housing loans in case of borrower's default
- ✓ you can prevent the accumulation of your non-performing housing loans

• **In case of borrower's default, HGC pays:**

100% of the outstanding principal obligation

+

Interest up to 11%



Incentives & Privileges

- ✓ you can have a hassle-free disposition of defaulted housing loans
- In case of default, Administrative Burdens (Collection, Foreclosure, Redemption Period & TCT Transfer) are shifted to HGC.



Guaranty Programs

- **Retail Guaranty Program** - covers individual housing loans secured by:
 - Real Estate Mortgage
 - Contracts-to-Sell
 - Sales Contract Receivables
- **Developmental Guaranty Program** - covers developer's loan for:
 - Development of Residential Subdivision, Condos, Apartment
 - Working Capital



Guaranty Programs

- **Guaranty for Securitization Program** - ensures financial instruments issued for housing-related purposes, such as:
 - Bonds, Commercial Papers, A/MBS
- **Guaranty for Small Loans for Housing** - ensures unsecured housing-related loan transactions, such as:
 - Microfinance Housing Loans
 - Salary Loans, Multi-purpose loans to be used for housing



GUARANTY FOR SMALL LOANS FOR HOUSING

- ✓ Covers unsecured small loans for housing-related purposes
- ✓ Provides regulatory relief and incentives
- ✓ Minimal risk cover
- ✓ Premium : 2%
- ✓ Rebate: 1% of premiums paid if without guaranty call



If you want to be HGC's Partner

You must:

1. Have a CAMELS rating of at least “3”;
2. Be financially sound
 - ✓ Compliant with the BSP's CAR Requirement
 - ✓ With Profitable Operation
 - ✓ Collection Efficiency
3. Have an NPL ratio of not more than 10%;
4. Have the capability in loan and risk management, administration, and collection.

BBB Program (Bankers, Builders and Buyers)





BBB: A Free Service Portal that allows:

Banks: To promote their housing loan products and post their assets for sale.

Builders: To showcase their completed and ongoing housing projects for sale.

Buyers: To easily find available housing units in any location and the possible funder for their financing requirement.



Rural Bank Partners

NCR:

- AMA Bank
- Banco Alabang
- 1st Macro Bank
- Bank of Makati

Region I:

- Rural Bank of Rosario (La Union)
- Rang-Ay Bank

Region II:

- Rural Bank of Cauayan

Region III:

- Rural Bank of Porac (Pampanga)
- Zambales Rural Bank

Region IV-A:

- Lipa Bank
- Rural Bank of Pagbilao
- Rural Bank of Tanza
- Rural Bank of Mabitac (Laguna)
- Mount Carmel Rural Bank
- Quezon Capital Rural Bank
- Bangko Kabayan

Region V:

- Rural Bank of Guinobatan
- Rural Bank of San Jose (Cam. Sur)

Region VI:

- Rural Bank of Bacolod

Region XIII:

- Cantilan Bank



HGC CHANGES LIVES!

YOU TOO CAN BE PART OF IT!

Visit us at:
Home Guaranty Corporation
335 Sen. Gil Puyat Avenue, Makati City
Tel. No. +63 2 8964116
www.hgc.gov.ph