



NATIONAL HOME MORTGAGE FINANCE CORPORATION



CORPORATE CIRCULAR NO. 077
22 October 2020
Series of 2020



Subject: New Approved Interest Rates for HLRPP-1 or Purchase of Originated Economic/Low-Cost Housing Receivables (HOME) Program

Pursuant to the approval of the Executive Management Committee during its 2020-S27 meeting held on 14 September 2020 and confirmation of the Board of Directors on its 2020-08 meeting held on 20 October 2020 per Resolution No. 4019, Series of 2020, the **New Approved Interest Rates for HOME Program** is hereby issued:

I. OBJECTIVE

This Circular aims to promote the development and increase the liquidity support to the primary market, ease the monthly payments of borrowers due to the adverse impact of the COVID-19 pandemic and to contribute in spurring the economic activity in the housing industry.

II. COVERAGE

This Circular shall cover the **purchase of prospective housing loan receivables beginning 03 November 2020** under HLRPP-1 or HOME Program.

III. LOAN TERM AND INTEREST RATE

- a. All prospective loans covered by this Guidelines shall be charged with the following interest rates and shall be amortized equally over the term of the loan:

FIXED TERM	7 YRS	10 YRS	15 YRS	20 YRS	25 YRS	30 YRS
Interest Rates	4.7	4.8	5.2	5.5	5.9	6.2

- b. Said pricing model shall be subject for review and adjustment by the management on an annual basis or as necessary depending upon the market and economic conditions.
- c. The housing loan shall be repaid at a maximum term of thirty (30) years and shall, in no case, exceed the difference between age seventy (70) and the present age of the principal borrower.

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IV. OTHER PROVISIONS

- a. The existing Systematic Classification of Originator's Rating and Evaluation (SCORE) under the modified pricing model shall be part of the accreditation and performance monitoring of the Corporation, and the applicable interest rates based on the classification of originators are hereby modified accordingly;
- b. A pricing structure of the housing loan and contract receivables of the originator's portfolio for bulk purchases of a minimum of 50 accounts or a housing portfolio of 50 Million, or as may be determined by the Credit Committee, shall be recommended prior to purchase and the Management reserves the right to impose the applicable interest rates or as may be determined/agreed upon by the parties;
- c. All other terms and conditions that are not in conflict or inconsistent with the provisions and/or purposes of this Circular shall still be effective.

V. REPEALING CLAUSE


All orders, circulars, memoranda, rules, regulations and other issuances, or part thereof which are inconsistent with the provision of this Circular are hereby repealed, amended or modified accordingly.

VI. EFFECTIVITY


This Circular shall take effect on 03 November 2020.



Digitally signed by Bustos
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FELIXBERTO U. BUSTOS, JR. 
President

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