



NATIONAL HOME MORTGAGE FINANCE CORPORATION



NHMFC Corporate Circular No. 073  
07 January 2020  
Series of 2020

**SUBJECT: Implementing Guidelines of the Borrowers' Incentive and Rewards Program**

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In view of the approval of BALAI Incentives and Rewards Program realizable via a **BALAI APP**, the following implementing guidelines are hereby issued:

**I. ELIGIBILITY AND ENTITLEMENT**

1. **Updated accounts or those with zero (0) arrearages** at any given billing period shall be considered as active BALAI Rewards borrowers;
2. **Fully Updated and Restructured Non-Performing Loans (NPL)** shall be considered as active BALAI Rewards borrowers upon full settlement of arrearages and approval of the restructuring application, respectively;
3. **New accounts**, new take-outs under HLRPP, Shelter, and any future portfolio shall become active BALAI Rewards borrowers after 12 consecutive months of installment payment without delay.
4. **Converted or rehabilitated NPLs** through SAMOR/BIDA and other future programs where there is a new borrower or there is a change in ownership or terms on existing NHMFC account, shall likewise be granted their active BALAI Rewards status after 12 consecutive months of installment payment without delay (provided that a COS has already been issued in the case of SAMOR/BIDA, or other proof of acceptable mode of extinguishing a delinquent loan under future programs).

## II. HOW TO EARN POINTS

1. A BALAI Rewards eligible borrower shall earn point/s every time the **monthly amortization** is paid on or before due date, each on time payment is equivalent to 1 point. (**Substantial Payments or those to be advanced to principal shall not be assigned a point**);
2. Whenever an active BALAI Rewards borrower earns 12 points, he/she shall be entitled to a gift check, notwithstanding if said points are earned earlier than 12 months. However, the next BALAI point/s shall have to wait until after the 12<sup>th</sup> billing is exhausted to avoid overlap;
3. The BALAI Rewards eligible borrower must earn the 12 points within a period not exceeding 15 months;

## III. FORFEITURE, DEACTIVATION, AND REACTIVATION

1. Once the BALAI Rewards borrower exceeded the 15-month period stated in **II.3**, his/her BALAI Rewards eligibility shall be deactivated and all points earned forfeited.
2. The BALAI Rewards eligibility status may be reactivated after a 6-month payment of amortization without a single incidence of delay following full updating. Upon reactivation, 6 points corresponding to the 6 months payment shall be credited as borrower's BALAI Rewards points. This provision shall not apply in cases where a borrower updates the loan under STUMP.
3. An active BALAI Rewards borrower that gets deactivated 3 times in 3 years shall be automatically deactivated. Reactivation is only possible after 12-month payment of amortization without a single incidence of delay.

## IV. INCENTIVES

1. Every time an active BALAI Rewards borrower earns 12 points, he/she shall be entitled to a gift check worth Php1,000.00;
2. A BALAI Rewards borrower who qualifies for a third straight incentive shall earn additional 12 points or additional Php1,000.00 gift check;

3. If at the time of full settlement, the earned point credit is 12 or at least 6, the borrower or his assignee-in-interest, or a qualified heir shall be entitled to a gift check worth Php2,000.00 or Php1,000.00, respectively, to be given upon release of the TCT.

#### **V. RAFFLE DRAW**

All BALAI Rewards eligible borrowers in active status as of given cut-off date, except for accounts tagged as "For Reactivation" (these are deactivated accounts on the process of complying with the 6 months or 12 months payment without any incidence of delay), shall be entitled to an electronic raffle draw. The awarding shall coincide with NHMFC's anniversary celebration. Prizes for the raffle shall be:

- 1<sup>st</sup> Prize, Php200,000.00
- 2<sup>nd</sup> Prize, Php100,000.00
- 3<sup>rd</sup> Prize, Php50,000.00
- 3 Consolation Prizes, Php15,000

Prizes shall be applied to winning borrower's principal balance. Any excess after application to principal balance shall be awarded to the borrower.

In the event where there is a remaining balance after the deduction of the prize, the remaining balance shall be paid within the remaining terms.

#### **VI. CLAIMING OF PRIZES**

Gift checks and Raffle Prizes may be claimed from the respective collection teams.

#### **VII. OTHERS**

- A. The following shall be excluded from the BALAI Rewards Incentive Program
  1. SAMOR and BIDA accounts where the corresponding Certificate of Sales (COS) are yet issued and annotated;
  2. Restructured accounts with pending formal documentation under Deed of Sale with Assumption of Mortgage (DOSAM).

Upon finality of the required documentation, however, above accounts, provided they remain in current status, are automatically considered active BALAI Rewards eligible accounts/borrowers.

- B. In case the delay in amortization payment is due to force majeure or similar circumstance beyond the borrower's control, consideration will be accorded, subject to the approval of the group head.

The BALAI Rewards points may be verified via NHMFC Kiosks located within NHMFC offices, NHMFC website ([www.nhmfc.gov.ph](http://www.nhmfc.gov.ph) >>Online Services>>BALAI Rewards) or direct from the NHMFC Counsellors. Each point earned shall be represented by the NHMFC logo.

Qualified borrowers under this incentive program shall start to earn points effective January 2020. The initial implementation period is 36 months.



**DR. FELIXBERTO U. BUSTOS, JR.**

President