



NATIONAL HOME MORTGAGE FINANCE CORPORATION



CORPORATE CIRCULAR NO. 078
23 October 2020
Series of 2020



Subject: New Approved Interest Rates for HLRRP-2 or Socialized Housing Loan Take-Out of Receivables (Shelter) Program

Pursuant to the approval of the Executive Management Committee during its 2020-S32 meeting held on 19 October 2020 and confirmation of the Board of Directors on its 2020-08 meeting held on 20 October 2020 per Resolution No. 4021, Series of 2020, the **New Approved Interest Rates for HLRPP-2 SHeLTeR Program** is hereby issued:

I. OBJECTIVE

This Circular aims to meet the following objectives:

- a. To ensure the continuous provision of affordable housing finance to the lowest segment in the society;
- b. To ease the monthly payments of borrowers due to adverse impact of the COVID-19 pandemic; and
- c. To increase the volume of socialized housing receivables offered for purchase by originators.

II. COVERAGE

This Circular shall cover the **purchase of prospective housing loan receivables beginning 03 November 2020** under HLRPP 2- SHeLTeR Program pursuant to the prevailing ceiling price set for Socialized Housing.

III. LOAN TERM AND INTEREST RATES

The maximum loan term is thirty (30) years. The housing loan shall bear a fixed interest rate of 3% per annum for the first five (5) years. After five years, the interest rate shall be 5.5% per annum fixed for the remaining term.

IV. OTHER PROVISIONS

- a. The NHMFC Management reserves the right to impose the applicable interest rates or as may be determined. Issues and conflicts arising from the implementation of this Circular shall be resolved by the Credit

Committee (CRECOM) and shall submit to the Board of Directors a report of subsequent changes on applicable rates.

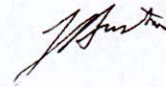
- b. All other terms and conditions that are not in conflict or inconsistent with the provisions and/or purposes of this Circular shall still be effective.

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regulations and other issuances, or part thereof which are inconsistent with the provision of this Circular are hereby repealed, amended or modified accordingly.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

The new approved interest rates under HLRPP 2-SHeLTer Program shall become effective on 03 November 2020.



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FELIXBERTO U. BUSTOS, JR. 
President