

長期固定金利型住宅ローン(機構買取型)

【フラット35】の特徴及び注意事項について(英語版)

For those who applied for a loan on or after October 1, 2017

[Translation]

About the Features of and Precautions for “Flat 35” , a Long-term Fixed Interest Rate Housing Loan (Purchase Program)

This housing loan is a long-term fixed interest rate housing loan of Japan Housing Finance Agency (hereinafter referred to as “JHF”) acquiring and securitizing housing loan claims that customers borrowed from financial institutions.

When borrowing this “Flat 35” loan, please read and understand the features of this housing loan from (1) through (7) below and the precautions.

- (1) With respect to the loan interest rate of this housing loan, the interest rate as of the closing of the loan agreement (as of the disbursement) shall be applied, and not the interest rate as of the application for the loan.
- (2) A different loan interest rate shall be applied to this housing loan depending on, among other factors, the repayment period (20 years or less or 21 years or more), loan-to-value ratio (90% or lower or over 90%), and the type of group credit life insurance to be taken out.
The interest rate shall not change even in the cases where the coverage under the group credit life insurance ends or where there has been a change to the details of the coverage, such as in the case where a customer withdraws from the group credit life insurance during the period before the repayment ends, due to reaching the withdrawal age (80 years old), or in the case where a customer who has taken out new JHF group credit life insurance with insurance coverage for the three major diseases reaches 75 years old and consequently the coverage for the three major diseases and nursing care ends, or similar.
- (3) The housing loan claims shall be transferred to JHF simultaneously with the disbursements, and JHF may entrust such transferred housing loan claims to a trust company or similar.
- (4) Following the transfer of the housing loan claims to JHF, there will be no change to the loan terms such as the loan interest rate and repayment period and the financial institution with which the customer carries out procedures such as repayments of the principal and interest, various notifications, and repayment consultation.
- (5) In the case of prepaying the loan amount, please make a request to the financial institution by no later than one month prior to the repayment date. Furthermore, in the case of prepaying a part of the loan amount, the prepayment amount (the principal) shall be one million yen or more, and the prepayment date shall be the monthly repayment date.
Note: In the case of applying for the partial prepayment through “Su My Note” (an internet service for customers who are paying back loans), the amount that may be repaid is 100 thousand yen or more.
- (6) In principle, it is necessary to receive a technical inspection with respect to the housing subject to the loan and to submit the certificate of conformance to the financial institution. Furthermore, the costs for such technical inspection shall be borne by the customer, and such costs may differ depending on the inspection institution.
- (7) The types of group credit life insurance for this housing loan are “new JHF group credit life insurance (general),” “new JHF group credit life insurance (joint life insurance),” and “new JHF group credit life insurance with insurance coverage for the three major diseases,” and the customer shall choose and take out one of them. Furthermore, the group credit life insurance cannot be changed after taking out the insurance.
In the case where a customer does not take out any group credit life insurance due to health reasons or other circumstances, such customer will not receive the coverage of the group credit life insurance even if the customer suffers death, disability or similar.

Borrowing precautions

- This housing loan shall be used for funds for the construction, purchase, or loan refinancing of housing in which the customer himself/herself or his/her relative(s) live, and shall not be used for funds for acquisition of an investment property including but not limited to a property for the purpose of renting to a third party.
Please be fully aware that, in the case where this housing loan is used for funds for the acquisition of an investment property, the customer will be required to make a lump-sum repayment of the outstanding debt of the loan. Furthermore, during the repayment period, actual living of the customer himself/herself or his/her relative(s) in the housing may be confirmed.
- With respect to the loan amount of this housing loan, as the amount of necessary funds subject to this loan shall be the maximum loan amount, and as the loan interest rate to be applied thereto differs depending on the loan-to-value ratio (90% or lower or over 90%), **please be sure that the customer himself/herself confirms the amount of necessary funds and the loan amount. Furthermore, in the case where there is any change to the amount of necessary funds, the loan amount, or the details of the documents to be submitted to the financial institution concerning the amount of necessary funds, it is necessary for the customer to notify such changes without delay.**
Please be fully aware that, in the event that the loan application form or a document to be submitted to the financial institution contains a false statement, the customer will be required to make a lump-sum repayment of the outstanding debt of the loan.
- In the case where a foreign national applies for this housing loan, **it is necessary for such a customer to hold the status of “permanent resident” or “special permanent resident”** , in addition to the ordinary application terms.
Please be fully aware that, in the event it is revealed that such a customer does not hold the status of permanent resident or special permanent resident, the customer will be required to make a lump-sum repayment of the outstanding debt of the loan.