

Efforts to Support Recovery from the Great East Japan Earthquake

We would like to express our deepest condolence and sympathies to all those affected by the Great East Japan Earthquake.

JHF is providing loans to rebuild or repair disaster-affected houses. JHF also provides consultations regarding possible modification to borrowers of JHF/former GHFC, including borrowers of "Flat 35" (Purchase Program). We are striving to serve all those who have been affected by the disaster and wish for the earliest possible recovery.

Options to Support Disaster Victims

* Program details and up-to-date interest rate information is available on the JHF website.

[Loans for disaster mitigation]

With the passing of the government's FY 2011 Supplementary Budget, JHF is expanding programs such as the interest-rate reduction on the base loan amount under the loans for disaster mitigation.

Examples of Interest-Rate Reductions on Base Loans for the Building and Purchase of Housing by Individuals

		Standard loans for disaster mitigation	Changes for Great East Japan Earthquake disaster victims	
Initial 5 years		1.77% per annum	0.00% per annum	Regardless of the regular interest rate, a reduction to <u>0.00% interest</u>
From 6th year to 10th year			1.24 % per annum	A reduction of <u>0.53%</u> on the regular <u>interest rate</u>
In and after 11th year			1.77% per annum	

* The interest rate is as of July 21, 2011. The interest rate is revised each month, and the interest rate on the date of application applies.

The latest interest rate information is available on the JHF website.

[Loans for Disaster-affected Lot]

With the passing of the Act for Extraordinary Expenditure and Assistance to Cope with the Great East Japan Earthquake on May 2, 2011, JHF has established a new type of financing to support repair work in cases where the residential lot suffered damage but the housing was intact.

[Modification of Loan Terms]

With the passing of the government's FY 2011 Supplementary Budget, in relation to the Great East Japan Earthquake, JHF expanded its programs for the modification of loan terms as follows.

1. Borrowers of JHF (former GHLC), including borrowers of "Flat 35" (Purchase Program), who are affected by the Great East Japan Earthquake are eligible for a grace period and/or extension of maximum maturity up to five years (it was three years before the expansion).
2. During the grace period, the interest rate reduction was expanded from a "maximum reduction of 1.5%" to the lower of "the level after maximum reduction of 1.5%" or "the level of 0.5%"

[Group Credit Life Insurance]

The following special measures are available to Great East Japan Earthquake disaster victims.

1. About the special contract premium for group credit life insurance:
 - For customers who find it temporarily difficult to pay in the premium, the payment period can be extended to a maximum of March 31, 2012.
 - Customers who paid the special contract premium after February 28, 2011 can have this premium temporarily refunded upon request.
2. Group credit life insurance coverage shall be paid with the cooperation of life insurance co-underwriters for simplified and quick implementation.

Efforts to Support Disaster Victims

[Establishment of a Disaster Response Headquarters]

JHF has set up a disaster response headquarters led by the President, and the General Manager of the Tohoku Branch Office has set up a local disaster response headquarters in order to quickly and smoothly provide consultations and other support activities to disaster victims with respect to special loans and modification programs

(Main Packages)

- Increase the number of call center staff so that customers do not have to wait for service.
- Dispatched employees to Sendai City Hall and other locations to expand consultation services.
- Began accepting applications of loans for disaster mitigation at accredited financial institutions in addition to application by post mails to JHF.

[Coordination with National and Local Government Units]

JHF is working with local financial institutions and local government units to create a user-friendly environment for applications for loans for disaster mitigation and repayment term modifications.

Moreover, we are carrying out public relations activities via press releases and Public Relations Office, Government of Japan, to inform the disaster victims about our programs and contact points for consultation services.

Examples of Press Releases

March 14, 2011	Notice regarding the acceptance of applications of Loans for disaster mitigation and modifying repayment terms for JHF loans (including "Flat 35")
May 2, 2011	Notice regarding the expansion of the loans for disaster mitigation program and modification on loan repayment terms
May 31, 2011	Applications for loans for disaster mitigation for houses and lots are accepted at accredited financial institutions

(as of July 1, 2011)

Contact points for consultations

We have set up the following contact points for consultation services for disaster victims.

● Telephone Consultation Service

■ JHF Customer Call Center

Dedicated Support Line for Disaster Victims

 **0120-086-353**

- * Please note that the above telephone line is strictly for the use of disaster victims.
- * If you cannot access the above line from an IP phone, etc. please use the following number. (TEL: 048-615-0420)
- * Telephone consultations are available from 9:00-17:00 daily, including Saturdays and Sundays.

■ Borrowers with outstanding balance

JHF has a variety of options for modifying repayment terms in accordance with the level of damages. Please ask the financial institutions at which you are serviced.

● Website

■ JHF website referring to the Great East Japan Earthquake

<http://www.jhf.go.jp/shinsai>

■ Mobile website

<http://www.jhf.go.jp/i>



QR code



Special website referring to the Great East Japan Earthquake

Measures related to Economic Stimulus Packages of GOJ

JHF has expanded its programs in accordance with governmental economic Stimulus Packages

JHF has expanded its programs in accordance with a series of economic Stimulus Packages starting with the Comprehensive Immediate Policy Package to Ease Public Anxiety (announced on August 29, 2008), to provide liquidity to mortgage market and real estate industries.

JHF is contributing to the support of the housing market through an expansion of its programs made possible by the following economic stimulus packages.

Major efforts related to the Comprehensive Immediate Policy Package to Ease Public Anxiety (announced on August 29, 2008)

《Efforts related to securitization business ([Flat 35])》

- (1) Review of requirements for the support scheme for acquiring high-quality housing ([Flat 35] S)(reduction from two requirements to just one)
- (2) Expansion of the loan limit for remodeling within a certain period after the purchase of a used house

Major efforts related to the Economic Policy Package: Measures to Support People's Daily Lives (announced on October 30, 2008), the Immediate Policy Package for Revitalization of the Housing and Real Estate Markets (announced on December 15, 2008) and the Immediate Policy Package to Safeguard People's Daily Lives (announced on December 19, 2008)

《Efforts related to securitization business ([Flat 35])》

- (1) Extension of the interest cut period in the support scheme for acquiring high-quality housing([Flat 35]S)(from the first 5 years to the first 10 years)
- (2) Inclusion of existing houses to the support scheme for acquiring high-quality housing([Flat 35]S)

《Efforts related to town development loans (short-term business funds)》

- (1) Relaxation of the requirements for open spaces in the Useful Open-space Promotion Project (reduction from the legal open-space ratio + 20% to legal open-space ratio + 10%)
- (2) Comprehensive design cooperation and area-planning conformity projects (Limited to reconstruction → also applicable to new construction)
- (3) Addition of areas with high housing demand to the list of areas that require improvement by regional requirements

* The underlined items are temporary measures until March 31, 2012.

Major efforts related to the Policy Package to Address the Economic Crisis (announced on April 10, 2009)

《Efforts related to securitization business ([Flat 35])》

- (1) The loan-to-value ratio was increased from 90 to 100% (Purchase Program)
- (2) Expansion of the range of expenses subject to loans (Purchase Program and Guarantee Program)
- (3) Extension of initial interest rate reduction (0.3%) period from 10 to 20 years for long-life housing by introduction of Flat 35 S (20-year interest rate-cut type) (Purchase Program and Guarantee Program)
- (4) Inclusion of refinance loans (Purchase Program)

《Efforts related to housing loan insurance》

- (1) Establishment of the 100% coverage ratio type in addition to the 90% type
- (2) Abolition of the assessment rate of collateral for the 100% coverage ratio type (special personal loan insurance [private financial institution loan type]) and inclusion of miscellaneous expenses as a subject of insurance
- (3) Reduction of the insurance premium
- (4) Inclusion of refinance loans

《Efforts related to town development loans (short-term business funds)》

- (1) Relaxation of the site-area requirement in the Useful Open-space Promotion Project (from 500 m² or more to 300 m² or more)
- (2) Relaxation of the required ratio of the housing part in relation the entire building (from over 1/3 to 1/4 or more)
- (3) Relaxation of the required ratio of the used floor-area ratio in the legal floor-area ratio (from 1/2 or more to 1/3 or more)

* The underlined items are temporary measures until March 31, 2012.

Major efforts related to the Emergency Economic Countermeasures for Future Growth and Security (approved by the Cabinet on December 8, 2009)**《Efforts related to securitization business ([Flat 35])》**

Expansion of the interest rate reduction from 0.3% to 1.0% for the first 10 years in the support scheme to facilitate for acquiring high-quality housing Flat 35S (Purchase Program and Guarantee Program)

- * Temporary measures for customers applying by December 30, 2010

《Efforts related to housing loan insurance》 Premium reduction

- * Temporary measures for customers applying by December 30, 2010

Efforts in Light of the “Three-Stage Economic Measures toward a New Growth Strategy” (approved by the Cabinet on September 10, 2010)**《Programs under secondary market operations ([Flat 35] Related)》**

The interest rate reduction from 0.3% to 1.0% for the first 10 years of the support scheme to facilitate acquiring high-quality housing (“Flat 35S”) has been extended by one year (under Purchase Program and Guarantee Program).

- * Temporary measures for customers applying by December 30, 2011
- * There is a ceiling on the funds available for “Flat 35S”, and the program will be terminated when applications are expected to reach that ceiling. The deadline for applications will be announced on the “Flat 35” website (www.flat35.com) three weeks in advance.

Efforts to Improve Housing Quality and Address Environmental Problems, etc.

● Contribute to Quality Housing through “Flat 35S”

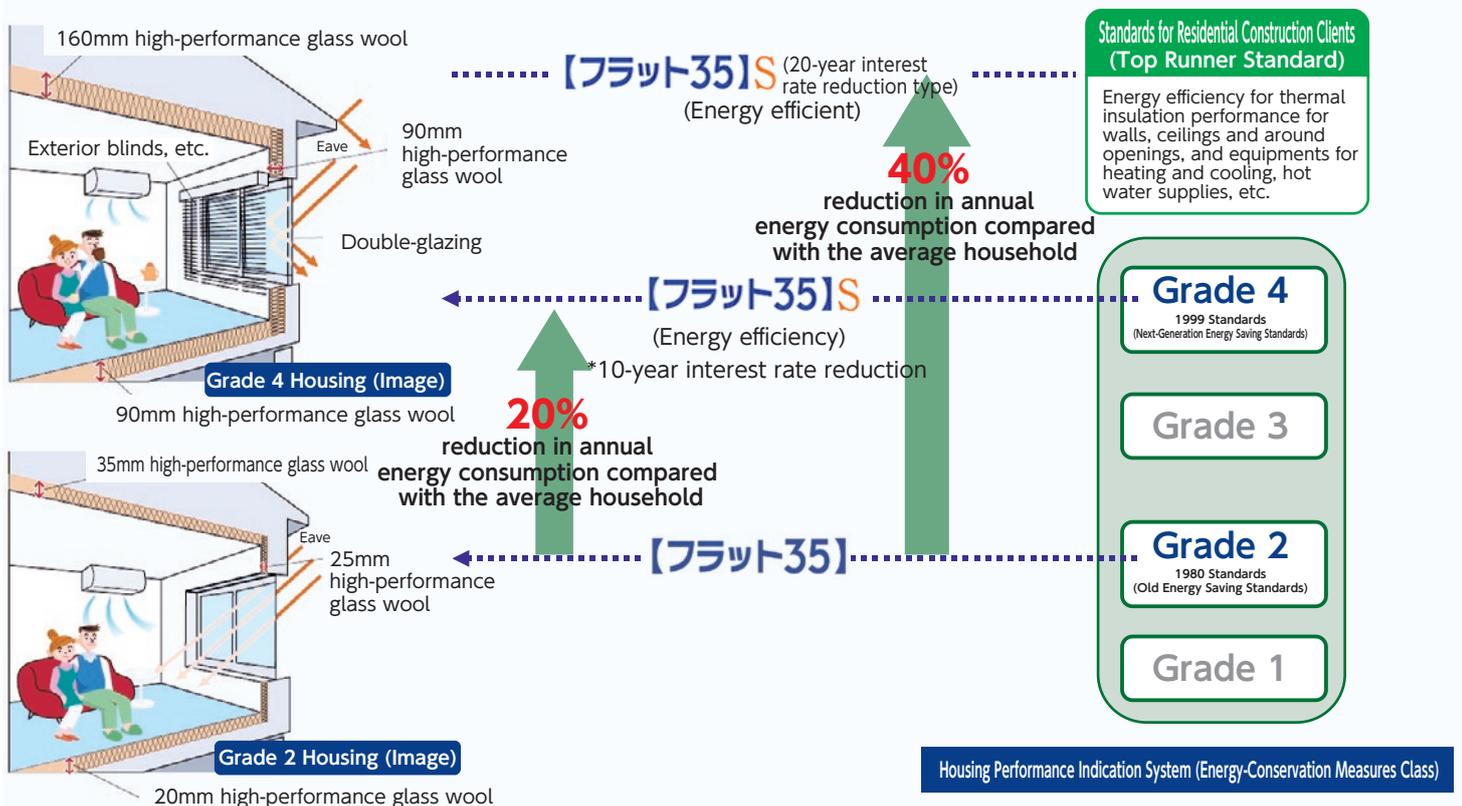
When a person applying for a “Flat 35” purchases a house that is energy efficient, with enhanced durability or with other high quality, JHF provides a special product, “Flat 35S” at a lower interest rate for a certain period.

To promote “Flat 35S”, JHF holds seminars and offers printed materials to explain matters related to technical criteria on energy efficiency and durability of houses in order to increase awareness of housing industry and consumers.

Since energy efficient houses reduce the amount of energy consumption for heating and cooling, the volume of household CO2 emissions decrease accordingly. Houses with enhanced durability extend the period at the end of which the houses is to be demolished and hence reduce the volume of construction waste.

By promoting the improvement of quality of houses through “Flat 35S”, JHF is contributing to addressing environmental problems and global warming issues.

【フラット35】S Energy-Saving Effect (Support Scheme to Facilitate for Acquiring High-quality Housing)



* The energy-saving rate is our provisional calculation based on the annual energy consumption of a standard household in the Tokyo Metropolitan Region, which is the total energy used for heating/cooling, ventilation, lighting, electrical appliances and cooking (source: Design Guidelines for Low-Energy Housing with Validated Effectiveness) while applying the “Web Program for Calculating Main Criteria for Residential Construction Projects”.

* The thicknesses for thermal insulation (high-performance glass wool) are the values for Zone IV (Tokyo’s 23 Wards).

● Efforts to address global warming

JHF formulated the “Plan to address Global Warming” in October 2008 and strives to prevent global warming (CO₂ reduction).

《“Plan to address Global Warming” (excerpt)》

[Purpose of the plan]

In light of its public status, JHF formulated a plan to address global warming, and aims to contribute to the achievement of Japan’s greenhouse gas emission target and the conservation of the Earth’s environment.

[Principle of the plan]

JHF has already made behavioral and operational efforts to reduce CO₂ emissions, including the implementation of Cool Biz, lights-out during lunch break, turning off lights after using rest rooms, and reducing the quantities of paper for copying. In the future, efforts related to facility operation are expected to produce a significant reduction in CO₂ emissions. Accordingly, JHF plans to strengthen such efforts as the introduction and replacement of cost-effective, energy-saving facilities in the head office building, which generates 70% of the agency’s total CO₂ emissions, while continuously making behavioral and operational efforts, including turning off lights appropriately, maintaining proper room temperatures and controlling facility run-time.

[Period of the plan]

This plan is implemented for the period of FY 2008 to FY2012, to be reviewed are made as necessary based on the implementation status and technological advancement.

[Scope of the plan]

This plan is implemented in all office work and projects carried out by the agency except for commissioned work.

[Goal]

10% reduction of average greenhouse gas (CO₂) emissions between FY 2010 and FY 2012 from FY2006 levels

[Efforts to reduce greenhouse gas emissions (items)]

- Thoroughly effective operation and control of facilities in the head office/branch office buildings
- Introduction and replacement of energy-saving facilities in the head office building
- Eco-friendly approach to the purchase and use of commodities
- Other efforts to reduce greenhouse gas emissions
- Employee education

〈CO ₂ emissions (results)〉		
CO ₂ emissions in FY 2007 (t-CO ₂ /year)	CO ₂ emissions in FY2008 (t-CO ₂ /year)	CO ₂ emissions in FY2009 (t-CO ₂ /year)
2,198.0	2,155.4	2,115.6

● **Koraku Ryokudo (greenway): Landscape Creation Prize of the 9th Fumi no Miyako Urban Landscape Award**

Koraku Ryokudo, which is maintained and managed by the JHF and four other organizations (Toyota Motor Corporation, Mori Building, Tokyo Metropolitan Government Bureau of Sewerage and Court Resident Tower Management Association), received the Landscape Creation Prize of the 9th Fumi no Miyako Urban Landscape Award from Tokyo's Bunkyo Ward in February 2010.

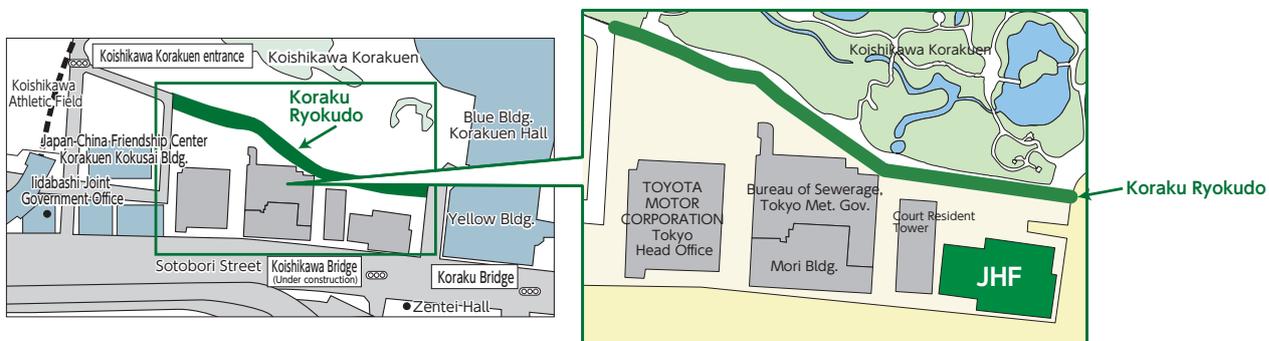
Koraku Ryokudo is maintained and managed by a management council comprised of the five organizations adjacent to Koishikawa Korakuen Garden, which used to be the garden of the Mito Tokugawa family's city residence and has been designated as a special place of scenic beauty and a special historic site by the national government. The prize was given to Koraku Ryokudo, which was appreciated as a pleasant, convenient building area surrounded by the green landscapes of Koishikawa Korakuen Garden.

JHF cooperates with the four other organizations to install roofed mud-walls and information boards in consideration of the cultural asset.



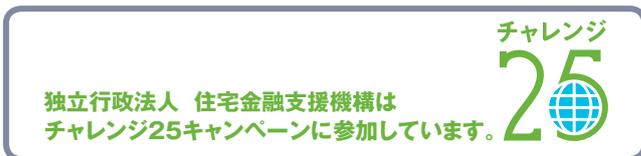
* Fumi no Miyako Urban Landscape Award

In order to promote the development of beautiful landscapes in the 21st century and raise the awareness of local residents and businesses regarding landscape formation, Bunkyo Ward has given awards to buildings and local activities contributing to landscape formation since 2001. These include the Landscape Creation Prize, Furusato Landscape Prize, Landscape Development Prize and Landscape Advertisement Prize. The Landscape Creation Prize is given to buildings, roads and parks that create landscapes suitable for the local townscape.



● **Participation in the Challenge 25 Campaign**

JHF is a participant in the Challenge 25 Campaign (secretariat: Global Environment Bureau, Ministry of the Environment), which is a national movement for the reduction of CO2 emissions through the proposal of concrete measures and their implementation.



● **Procurement of eco-friendly goods**

In accordance with the provisions of Article 7 of the Act on Promoting Green Purchasing (Act concerning the Promotion of Procurement of Eco-Friendly Goods and Services by the State and Other Entities, Act No. 100 of 2000), the JHF formulates and releases a procurement policy each year to promote the procurement of goods/services contributing to the reduction of environmental burdens (eco-friendly goods, etc.). The procurement policy and the results are outlined on the JHF website (<http://www.jhf.go.jp/teikyo/index.html>).

This booklet is also made of paper that satisfies requirements by the Act on Promoting Green Purchasing.

Efforts on Finance Facilitation

Strengthening of the business system in light of the enactment of the Small and Medium Sized Enterprises Finance Facilitation Law

In light of the enactment of the Act on Temporary Measures concerning the Facilitation of Financing for Small and Medium-Sized Enterprises (Act No. 96 of 2009, hereinafter referred to as the “Small and Medium Sized Enterprises Finance Facilitation Law”), JHF reveals its business policies and strengthens the system based on the policies to provide more appropriate consultations on housing loans for customers.

【Business policies】

1. JHF fully recognizes its role as a safety net for customers who have difficulty in repaying their housing loans, provides consultations on repayment and presents better repayment alternatives.
2. JHF pays due attention on the sustainability of the borrower after the modification.
3. JHF provides detailed explanations to customers regarding repayment condition changes such as the increase of aggregate payment as a result of repayment changes.

【Strengthening of the implementation framework (From December 2009)】

Establishment of new positions and a new section to support customers who have difficulty making repayments

1. Newly-established positions and section at the head office
 - Executive Vice President in charge of workout plans shall supervise overall customer relations.
 - Director General in charge of workout plans shall support Executive Vice President as deputy
 - Secretariat in the department responsible for customer support to facilitate the supply of services
2. Newly-established positions at branch offices
 - Deputy Branch Manager in charge of workout plans shall supervise overall customer relations regarding mitigation measures in the branch offices.
 - Leader and sub-leader are assigned as directors in charge of workout plans.
3. Newly-established position responsible for customer support management at the Head Office
 - Director General in charge of customer relations is assigned as the supervisor for customer support with regard to workout plans, and the call center responds to queries from borrowers in this regard.

【Implementation status】

1. Implementation status of measures in line with Article 4 of the Small and Medium Sized Enterprises Finance Facilitation Law (Dec. 4, 2009 - Mar. 31, 2011)

Number of applications for loan modifications and their amount (in case borrowers are small and medium sized enterprises)		
	Number of loans	Amount (million yen)
Number of applications for loan modifications and their amount	314	60,489
Of which, the number of accepted applications and their amount	243	47,489
Of which, the number of rejected applications and their amount	32	6,445
Of which, the number of applications under underwriting and their amount	22	4,105
Of which, the number of withdrawn applications and their amount	17	2,450

2. Implementation status of measures in line with Article 5 of the Small Business Finance Facilitation Law (Dec. 4, 2009 - Mar. 3, 2011)

Number of applications for loan condition changes and their amount (in case borrowers are individuals with mortgage obligation)		
	Number of loans	Amount (million yen)
Number of applications for loan modifications and their amount	45,695	591,613
Of which, the number of accepted applications and their amount	31,303	406,622
Of which, the number of rejected applications and their amount	1,664	22,550
Of which, the number of applications under underwriting and their amount	3,123	40,503
Of which, the number of withdrawn applications and their amount	9,605	121,938