

# Product Outline

## Product outline of Flat 35 (Purchase Program)

As of April 1, 2014

Application requirements	<ul style="list-style-type: none"> <li>Those aged less than 70 at the time of application (if the two-generation loan repayment scheme (there are certain requirements) is applied, this loan applies also to people aged 70 years and over).</li> <li>Those who have Japanese nationality, the right of permanent residency in Japan, or a special permanent residence status.</li> <li>Those whose repayments on all loans*, including Flat 35, satisfy the annual DTI (debt to income) ratios set in the following table (income may be combined, but the repayment period may be shortened).</li> </ul>					
	<table border="1"> <thead> <tr> <th>Annual income</th> <th>Less than 4 million yen</th> <th>4 million yen or more</th> </tr> </thead> <tbody> <tr> <td>DTI</td> <td>30% or less</td> <td>35% or less</td> </tr> </tbody> </table> <p>* Besides loans under the Flat 35 program, all loans include those for other housing, cars, education and credit-card loans (including cash advances and purchases of goods by payment in installments) (including income of the co-borrowers, if any).</p> <ul style="list-style-type: none"> <li>In the case that the house and its lot covered by loan is co-owned, the applicant must retain a certain portion of the ownership of the property</li> </ul> <p>(Note 1) The income, in principle, must be based on income stated in the official certificate for the year before the fiscal year in which the application is made (in the case of FY 2014, the income must be based on income between January and December 2013 in principle.). The income stated in the official certificate is as follows:            ① For those other than the above, amount of salary income; or            ② For those other than the above, amount of incomes (a total income from business, real estate, and interest, salary income, and dividend income)</p> <p>(Note 2) The number of applicants is limited to two people including a co-borrower.</p>	Annual income	Less than 4 million yen	4 million yen or more	DTI	30% or less
Annual income	Less than 4 million yen	4 million yen or more				
DTI	30% or less	35% or less				
Purpose of the loan	<ul style="list-style-type: none"> <li>Loans for construction/purchase of a new home or purchase of an existing home for occupation by the applicant or relatives</li> <li>Loans for construction/purchase of a house for weekends (a second house) to be used by the applicant</li> </ul> <p>(Note) This loan cannot be offered for reform of a house.</p>					
House covered by loan	<ul style="list-style-type: none"> <li>Houses that satisfy the technical criteria set by JHFF</li> <li>Have a floor area*1 of 70 m<sup>2</sup> or more for a detached house, a terrace house style including semi-detached house and a flat **style, 2 or 30 m or more for a condominium style, etc.</li> </ul> <table border="1"> <tbody> <tr> <td>Detached house, terrace house style including semi-detached house, flat style</td> <td>70 m<sup>2</sup> or more</td> </tr> <tr> <td>Apartment complex (condominium and similar)</td> <td>30 m<sup>2</sup> or more</td> </tr> </tbody> </table> <p>* 1 In the case of a multipurpose house such as dwelling with shop, the floor area of the residential space must be larger than that of the non-residential space (shop, office, etc.).            * 2 Terrace house style, including semi-detached houses: an architectural style other than a condominium style (a building where two or more houses share corridors, stairs, halls, etc.) that has a row of two or more houses sharing side walls.            Flat style: an architectural style other than a condominium style which has two or more stories and on each of the stories is a suite of rooms for one house.            ** Costs of housing construction (including the land purchased for the house), or a purchase price of 100 million yen and under (including consumption tax).            ● No conditions on the size of land for the house</p>	Detached house, terrace house style including semi-detached house, flat style	70 m <sup>2</sup> or more	Apartment complex (condominium and similar)	30 m <sup>2</sup> or more	
Detached house, terrace house style including semi-detached house, flat style	70 m <sup>2</sup> or more					
Apartment complex (condominium and similar)	30 m <sup>2</sup> or more					
Amount of the loan	One to 80 million yen (in increment of 10 thousand yen), provided that the total LTV (loan to value) ratio is 100% or less of construction or purchase cost (excluding costs for the nonresidential space)*.					
Duration of the loan	<ul style="list-style-type: none"> <li>15 years (10 years if the applicant and/or a co-borrower is aged 60 and over at the *1,2 time the application is filed) or over, and whichever is shorter between 1) and 2) below (increment: 1 year)</li> <li>① 80 years minus the age of the applicant at the time the application is filed with the part of the period less than one year counted as one year.</li> <li>* 1 If the two-generation loan repayment scheme (there are certain requirements) is applied, the loan term shall be based on the age of the successor regardless of any co-borrower.</li> <li>* 2 If the two-generation loan repayment scheme (there are certain requirements) is applied, the loan term shall be based on the age of the successor regardless of any co-borrower.</li> <li>② 35 years</li> </ul> <p>(Note 1) The loan is not available if whichever shorter between 1) and 2) is less than 15 years (10 years if the applicant and/or a co-borrower is aged 60 and over).            (Note 2) Customers who have selected a loan of 20 years or less cannot change the period to 21 years or more during the repayment period.</p>					
Borrowing rate	<ul style="list-style-type: none"> <li>Fixed rate*1</li> <li>The borrowing rate differs according to its loan duration (20 years and under, or 21 years and over) and its loan-to-value ratio (90% or lower, or over 90%).</li> <li>* 1 Under Flat 35S, the interest rate is reduced for a certain period (please visit the Flat 35 website for more information).</li> <li>* 2 Loan-to-value ratio is calculated with the following formula:  <math display="block">\text{Loan-to-value ratio} = \frac{\text{Borrowing amount of [Flat 35]}}{\text{Construction or purchase cost of a house (including the land purchased for the house)}}</math> </li> <li>* 3 Different interest rates are set by different financial institutions. Information on the rates is available at financial institutions and the Flat 35 website (www.flat35.com).</li> <li>* 4 The interest rate applied is that on the date of disbursement, not of application. The disbursement date shall be determined by the financial institution.</li> <li>* 5 Some financial institutions offer the same borrowing rate regardless of the loan duration and the loan-to-value ratio.</li> </ul>					
Amortization	<ul style="list-style-type: none"> <li>Monthly principal and interest equal repayment or monthly principal equal repayment.</li> <li>Recipients may choose to repay with bonuses every six months to the limit of 40% of the loan and in the unit of 10,000 yen.</li> </ul>					
Collateral	<ul style="list-style-type: none"> <li>JHFF holds a first-lien mortgage on the house and land to which the loan is extended.</li> </ul> <p>(Note) Fees for closing the mortgage (registration license tax, compensation for an escrow agents, etc.) shall be paid by the borrower.</p>					
Surety	<ul style="list-style-type: none"> <li>Not required.</li> </ul>					
Group credit life insurance	<ul style="list-style-type: none"> <li>The use of JHFF credit life insurance is recommended. It is strongly recommended to prepare for unexpected adverse events.</li> </ul> <p>(Note) A special contract premium shall be paid by the customer. Some customers may not be able to be accepted depending on their health conditions.</p>					
Fire insurance	<ul style="list-style-type: none"> <li>Customers of the scheme must until the end of repayment of the loans take out fire insurance (meaning either a fire insurance provided by an insurance company selected at the discretion of the customer or a mutual aid fire insurance stipulated by laws; the same hereinafter.) for the dwelling that is the purpose of borrowing the loan.</li> <li>The insurance amount must at least equal the loan amount (Note) and the subject of indemnification must be fire damage to the building.</li> <li>(Note) The appraisal amount if the amount (appraisal amount) computed on the basis of the criteria of the insurance company is less than the loan amount.</li> <li>If a mortgage is placed on the lot, the insurance period, premium payment method and requirements for a pledge vary by the financial institution offering the loan.</li> <li>If a mortgage is not placed on the lot, the maturity date of the insurance policy shall be the day of the final repayment or later, the payment method shall be up-front payment for all the insurance term, and JHFF takes a first priority pledge on the recipient's right to obtain fire insurance benefits.</li> <li>(Note) A fire insurance premium shall be paid by the customer. JHFF's special fire insurance is not applicable.</li> </ul>					
Fees for the Origination of the loan Fees for the inspection of the property	<ul style="list-style-type: none"> <li>Origination fees *1,2 may differ between financial institutions offering loans.</li> <li>Different institutions/experts that certify suitability impose different fees for inspecting properties.*2</li> <li>* 1 Information on origination fees is available at financial institutions and the Flat 35 website (www.flat35.com).</li> <li>* 2 Origination fees and property inspection fees shall be paid by the borrower.</li> </ul>					
Guarantee Fee and Prepayment penalty	<ul style="list-style-type: none"> <li>Not required.</li> </ul> <p>(Note) When the loan is prepaid partially, the day of the payment shall be on the monthly payment day. There is a minimum amount for prepayment partially which is one million yen.            Since July 2014, the amount of repayment will have been 100,000 yen or more when applying for prepayment of a part of loan through "Su-My Note" (an online service for customers during their repayment period).</p>					

Please note that the loan application may be rejected according to the results of underwriting conducted by the originating financial institution or JHFF which purchases the loan. In addition, if loan-to-value ratio exceeds 90%, JHFF more carefully examines repayment certainty and other matters than cases with the ratio of 90% or lower.

# Product outline of Flat 35 (Loan Refinance)

As of April 1, 2014

<p><b>Application requirements</b></p>	<ul style="list-style-type: none"> <li>In principle, the applicant for loan refinance is the same person as the borrower of the outstanding loan. However, a co-borrower can be added at the time of refinancing (the number of borrowers is limited to two people).             <ul style="list-style-type: none"> <li>If a borrower is added or if the proportion of the ownership to the house is changed at the time of refinancing, please consult with the local tax office or a tax accountant on housing loan tax credit and tax.</li> </ul> </li> <li>In the case that the house or its lot covered by loan is co-owned, the applicant must retain a certain portion of the ownership.</li> <li>Those aged less than 70 at the time of application (if the two-generation loan repayment scheme is applied (there are certain requirements), this loan applies also to people aged 70 years and over).</li> <li>Those who have Japanese nationality, the right of permanent residency in Japan, or a special permanent residence status.</li> <li>Those whose repayments on all loans, including* Flat 35, satisfy the annual DTI (debt to income) ratios set in the following table (income may be combined)</li> </ul> <table border="1" data-bbox="304 322 871 371"> <thead> <tr> <th>Annual income</th> <th>Less than 4 million yen</th> <th>4 million yen or more</th> </tr> </thead> <tbody> <tr> <td>DTI</td> <td>30% or less</td> <td>35% or less</td> </tr> </tbody> </table> <ul style="list-style-type: none"> <li>Besides loans under the Flat 35 program, all loans include those for other housing, cars, education and credit-card loans (including cash advances and purchases of goods by payment in installments) (including the income of the co-borrower, if any).</li> <li>Those who have not missed a repayments on an outstanding loan for at least one year from the loan agreement date (*) to the refinancing application date.             <ul style="list-style-type: none"> <li>The loan agreement date is the date when a new borrower is registered in case the original borrower is changed due to inheritance or other reason (excluding the addition of a borrower).</li> </ul> </li> </ul> <p>(Note 1) The property subject to the loan must be owned by the applicant and must be occupied by the applicant or relatives.          * Eligible for loan refinancing are also dwellings used as second residences (dwellings that are used during temporary long-distance job transfers or on weekends but are not rented out) provided that the applicant is the owner and the dwelling is used by the applicant.          (Note 2) The income of the year before the year of application (between January and December 2013 in the case of FY 2014) shall be examined in principle. The income stated in the official certificate is as follows:          ① For those with only salary income, amount of salary income; or          ② For those other than the above, amount of incomes (a total income from business, real estate, and interest, salary incomes, and dividend income)</p>	Annual income	Less than 4 million yen	4 million yen or more	DTI	30% or less	35% or less
Annual income	Less than 4 million yen	4 million yen or more					
DTI	30% or less	35% or less					
<p><b>Purpose of the loan</b></p>	<ul style="list-style-type: none"> <li>Refinancing for the housing loan of either ① or ② outlined below             <ul style="list-style-type: none"> <li>Construction/purchase of a house that is owned and occupied by the applicant</li> <li>Eligible for loan refinancing are also dwellings used as second residences (dwellings that are used during temporary long-distance job transfers or on weekends but are not rented out) provided that the applicant is the owner and the dwelling is used by the applicant.</li> </ul> </li> <li>Construction/purchase of a house that is owned by the applicant and occupied by relatives</li> </ul> <p>(Note) Loans other than housing loans, e.g., multi-purpose loans and investment loans, are not eligible for refinancing, nor are housing loans for housing improvements.</p>						
<p><b>Requirements for the housing loan and house that are subject to refinancing</b></p>	<ul style="list-style-type: none"> <li>The amount of the original loan taken out at the acquisition of a house shall meet the following requirements:             <ul style="list-style-type: none"> <li>80 million yen or less</li> <li>The total LTV (loan to value*1, *2) ratio is 100% or less.                 <ul style="list-style-type: none"> <li>*1 The cost for acquiring the lot is included.</li> <li>*2 The charges incurred at the acquisition of the house is excluded.</li> </ul> </li> <li>The cost for the construction or purchase of a house (including the lot purchased for the house) is 100 million yen or less (including consumption tax).</li> <li>Have either of the following floor area : *1</li> </ul> <table border="1" data-bbox="304 824 1062 875"> <tbody> <tr> <td>A detached house, a terraced house (including a semi-detached house) and a flat**</td> <td>70 m<sup>2</sup> or more</td> </tr> <tr> <td>A condominium, etc.</td> <td>30 m<sup>2</sup> or more</td> </tr> </tbody> </table> <ul style="list-style-type: none"> <li>*1 In the case of a multipurpose house such as dwelling with shop, the floor area of the residential space must be larger than that of the non-residential space (shop, office, etc.).</li> <li>*2 Terrace house style, including semi-detached houses: an architectural style other than a condominium style (a building where two or more houses share corridors, stairs, halls, etc.) that has a row of two or more houses sharing side walls.                  Flat style: an architectural style other than a condominium style which has two or more stories and on each of the stories is a suite of rooms for one house.</li> <li>No conditions on the size of land for the house</li> <li>Houses that satisfy the technical criteria etc. set by JHF.</li> </ul> </li></ul>	A detached house, a terraced house (including a semi-detached house) and a flat**	70 m <sup>2</sup> or more	A condominium, etc.	30 m <sup>2</sup> or more		
A detached house, a terraced house (including a semi-detached house) and a flat**	70 m <sup>2</sup> or more						
A condominium, etc.	30 m <sup>2</sup> or more						
<p><b>Amount of the loan</b></p>	<ul style="list-style-type: none"> <li>One to 80 million yen. The lower of the outstanding amount of the current housing loan or 200% of the* assessment rate of collateral by JHF (in increment of 10 thousand yen)</li> <li>The following costs can be included: ① costs for stamp duty affixed on the loan contract; ② origination fees for the refinance; ③ costs for registration and inundation of mortgage (registration license tax); ④ compensation for escrow agent who files the mortgage; ⑤ special premium for JHF's group credit life insurance (for the first year); and ⑥ costs for Flat 35 criteria inspection (fees for inspection of a house).</li> </ul>						
<p><b>Duration of the loan</b></p>	<ul style="list-style-type: none"> <li>15 years (10 years if the applicant and/or a co-borrower is aged 60 and over * 1, 2 at the time the application is filed) or over, and whichever is shorter between ① and ② below for the upper limit (unit: 1year)             <ul style="list-style-type: none"> <li>80 years minus the age of the applicant at the time the application is filed * 1, 2, with the part of the period less than one year counted as one year.                 <ul style="list-style-type: none"> <li>1 If there is a co-borrower who uses over 50% of their annual income for debt repayments, the loan term shall be based on the age of whichever is higher between that of the applicant and that of the co-borrower.</li> <li>2 If the two-generation loan repayment scheme is applied (there are certain requirements), the loan conditions shall be based on the age of the successor regardless of any co-borrower.</li> </ul> </li> <li>35 years less the month elapsed on the outstanding mortgage rounded at one year increment                 <ul style="list-style-type: none"> <li>1 Starting date of the calculation is the date of closing on the outstanding mortgage</li> <li>2 This treatment may not be applicable at some financial institutions. Please ask the financial institution originating the loan.</li> </ul> </li> </ul> </li> </ul> <p>(Note 1) Loan refinancing is not applicable if whichever shorter between ① and ② is less than 15 years (10 years if the applicant and/or a co-borrower is aged 60 and over).          (Note 2) Borrowers who have selected a loan term of 20 years or less cannot change the term to 21 years or more during the repayment period.</p>						
<p><b>Borrowing rate</b></p>	<ul style="list-style-type: none"> <li>Fixed rate</li> <li>The borrowing rate *1,2 applicable to loans of 20 years and under is different from the rate applicable to loans of 21 years*3 and over.             <ul style="list-style-type: none"> <li>1 Different interest rates are set by different financial institutions. Information on the rates is available at financial institutions and the Flat 35 website (www.flat35.com).</li> <li>2 The interest rate applied is that on the date of disbursement, not of application. The disbursement date when the recipient takes out the loan shall be determined by the financial institution.</li> <li>3 Some financial institutions offer the same borrowing rate regardless of the duration of the loan.</li> </ul> </li> </ul>						
<p><b>Amortization</b></p>	<ul style="list-style-type: none"> <li>Monthly principal and interest equal repayment or monthly principal equal repayment.</li> <li>Recipients may choose to repay with bonuses every six months to the limit of 40% of the loan and in the unit of 10,000 yen.</li> </ul>						
<p><b>Collateral</b></p>	<ul style="list-style-type: none"> <li>JHF holds a first-lien mortgage on the house and land to which the loan is extended.</li> </ul> <p>(Note) Fees for filing the mortgage at the title recording office (registration license tax, compensation for an escrow agent, etc.) shall be paid by the borrower.</p>						
<p><b>Surety</b></p>	<ul style="list-style-type: none"> <li>Not required.</li> </ul>						
<p><b>Group credit life insurance</b></p>	<ul style="list-style-type: none"> <li>The use of JHF credit life insurance is recommended. It is strongly recommended to prepare for unexpected adverse events.</li> <li>If the group credit life insurance is applied to the loan to be refinanced, the insurance will be terminated at the time of refinancing. Those who wish to have JHF credit life insurance must take out a new policy. However, some customers may not be able to take out a new policy depending on the results of inspections by insurance companies.</li> </ul> <p>(Note 1) A special contract premium shall be paid by the customer. Some customers may not be able to be accepted depending on their health conditions.          (Note 2) If customers who have JHF credit life insurance withdraw due to the discretionary early redemption, JHF refunds the customers the amount equivalent to unexpired guaranteed months of their prepaid fees as JHF set for a special contract premium. However, this may not be the case according to the period of withdrawal, etc.</p>						
<p><b>Fire insurance</b></p>	<ul style="list-style-type: none"> <li>Customers of the scheme must until the end of repayment of the funds take out fire insurance (meaning either a fire insurance provided by an insurance company selected at the discretion of the borrower or a mutual aid fire insurance stipulated by laws; the same hereinafter) for the dwelling that is the purpose of borrowing loan.</li> <li>The insurance amount must at least equal the outstanding loan amount (Note) and fire damage to the building must be the subject of indemnification.</li> <li>(Note) The appraisal amount if the amount (appraisal amount) computed on the basis of the criteria of the insurance company is less than the outstanding loan amount.</li> <li>Insurance periods and insurance premium payment methods differ depending on the handling financial institution. If no mortgage has been established on the lot, the fire insurance must have a payment mode whereby insurance premiums are paid in an up-front payment for all the insurance term to ensure that the date of insurance maturity falls on or after the end of the final repayment of the refinancing loan. Moreover, with respect to the right to claims to the fire insurance money, a first-ranking right of pledge must be established for the Japan Housing Finance Agency as pledge.</li> <li>If a mortgage is placed on the lot, the insurance period and premium payment method and requirements for a pledge vary by the financial institution offering the loan. If a mortgage is not placed, the maturity date of the insurance policy shall be the day of the final repayment or later, the payment method shall be long-term lump-sum payment, and JHF takes a first priority pledge on the recipient's right to obtain fire insurance benefits.</li> <li>If the fire insurance that was already taken out before refinancing meets requirements prescribed as above, the customer can keep the policy. However, if a mortgage is not registered on the lot, and if the maturity date of the insurance taken out before refinancing is the day before the final repayment of the refinancing loan or if the maturity date comes after the final repayment of the refinancing loan with yearly payment of insurance premium, the fire insurance shall be cancelled and a new policy with an up-front payment for all the insurance term shall be taken out so that the maturity date shall be the day on the final repayment or later. In addition, JHF takes a first-priority pledge on the recipient's right to obtain fire insurance benefits.</li> </ul> <p>(Note) A fire insurance premium shall be paid by the customer. JHF's special fire insurance is not applicable.</p>						
<p><b>Fees for loan origination and property inspection</b></p>	<ul style="list-style-type: none"> <li>Origination fees *1,2 may differ between financial institutions offering loans.</li> <li>Fees for the inspection of the property are*2 necessary to certify the conformity with technical standards prescribed by JHF in a document. Different institutions/ experts that certify suitability impose different fees for inspecting properties*2.</li> <li>*1 Information on origination fees is available at financial institutions and the Flat 35 website (www.flat35.com).</li> <li>*2 Origination fees and property inspection fees shall be paid by the borrower.</li> </ul>						
<p><b>Guarantee Fee and Prepayment penalty</b></p>	<ul style="list-style-type: none"> <li>Not required.</li> </ul> <p>(Note) When the loan is prepaid partially the day of the payment shall be on the monthly payment day. There is a minimum amount for prepayment partially which is one million yen.          Since July 2014, the amount of repayment will have been 100,000 yen or more when applying for prepayment of a part of loan through "Su-My Note" (an online service for customers during their repayment period).</p>						
<p><b>Special matters in the case of refinance</b></p>	<ul style="list-style-type: none"> <li>Flat 35 S is not applicable to loan refinancing.</li> <li>If the lot is located within the land adjustment project lot which is not completed and where lien upon the property cannot be registered until the completion of the project, refinancing is not available.</li> </ul>						

Please note that the loan application may be rejected according to the results of underwriting conducted by the originating financial institution or JHF which purchases the loan.

About JHF

Topics

Corporate Governance

Details of JHF Business

Financial Data

# Product outline of Loans for Recovery from Disasters (Great East Japan Earthquake)

As of April 1, 2014

<b>Purpose</b>	Fund to build, purchase or repair own housing or housing of parents damaged by disaster ※Also covers housing to be leased to people affected by disasters. ※Cannot be used to refinance housing loans.
<b>Loan Amount</b>	<p>The loan amount is the lower amount of the total of each required amount or the total loan limit of the following (in increment of ¥100,000, at least ¥100,000)</p> <p>◆Construction</p> <p>①Basic loan amount (construction fund) : ¥15 million <sup>(Note1)</sup> (Land acquisition fund) : ¥9.7 million <sup>(Note2)</sup> (Land leveling fund) : ¥4 million</p> <p>②Special added amount (construction fund) : ¥4.6 million</p> <p>(Note 1) The loan limit when living with an affected relative is ¥20.7 million. "Living with an affected relative" refers to circumstances in which the candidate borrower and their lineal relative, previously living apart from the borrower, were both affected and now live together in a newly built house. (Note 2) The basic loan amount (Land acquisition fund) is up to ¥5.8 million when the candidate borrower obtains a leasehold right. Although the deposit for a fixed-term leasehold is also eligible for loans provided certain conditions are met, the basic loan amount (Land acquisition fund) in such cases is up to ¥3.8 million.</p> <p>※The total basic loan amount (construction fund) and special added amount (construction fund) is up to the construction cost. ※The basic loan amount (Land acquisition fund) and basic loan amount (Land leveling fund) are each up to the required cost amount. ※The basic loan amount (Land acquisition fund) and basic loan amount (Land leveling fund) can be borrowed together with the basic loan amount (construction fund) ※The cost to remove damaged houses can be included in the construction cost. ※The basic loan amount (Land acquisition fund) is available only when the candidate borrower obtains land after the disaster. ※The basic loan amount (Land leveling fund) is available for removing accumulated soil, earth cut, earth fill, or retaining wall construction, etc. ※The loan amount for those who receive subsidies for housing construction from national or municipal governments may be reduced.</p> <p>◆Purchase</p> <p>●Purchase a new house</p> <p>①Basic loan amount (purchase fund) : ¥24.7 million <sup>(Note 1), (Note 2)</sup> ②Special added amount (purchase fund) : ¥4.6 million</p> <p>●Purchase an existing (second-hand) house</p> <p>①Basic loan amount (purchase fund): good existing houses, good existing condominiums: ¥24.7 million <sup>(Note 1), (Note 2)</sup> existing houses, existing condominiums: ¥21.7 million <sup>(Note 1), (Note 2)</sup> ②Special added amount (purchase fund): ¥4.6 million</p> <p>(Note 1) The basic loan amount (purchase fund) includes land acquisition funding of ¥9.7 million. As the land acquisition fund when the leasehold right is acquired is up to ¥5.8 million, the basic loan limit (purchase fund) differs from the above amount. Although the deposit for a fixed-term leasehold is also eligible for loans provided certain conditions are met, the basic loan amount (Land acquisition fund) in such cases is up to ¥3.8 million and the basic loan limit (purchase fund) differs from the above amount.</p> <p>(Note 2) When the candidate borrower lives with an affected relative and the lot is possessory, the loan amount for purchasing a new house, good existing house or condominium is up to ¥30.4 million and that for an existing house or condominium is up to ¥27.4 million. "Living with an affected relative" refers to circumstances in which the borrower and their lineal relative, previously living apart from the borrower, were both affected and live together in the newly purchased house. ※The total basic loan amount (purchase fund) and special added amount (purchase fund) is up to the purchase price. ※The land acquisition fund cannot be borrowed by itself. ※The loan amount for those who receive subsidies for purchasing a house from national or municipal governments may be reduced.</p> <p>◆Repair</p> <p>Basic loan amount (repair fund) : ¥6.6 million (Relocation fund) : ¥4 million <sup>(Note)</sup> (Land leveling fund) : ¥4 million <sup>(Note)</sup></p> <p>Special added amount (Land leveling fund) : ¥2.1 million</p> <p>(Note) When the candidate borrower borrows both a basic loan (relocation fund) and basic loan (Land leveling fund), the total is up to ¥4 million. ※The loan limits of basic loan account (repair fund), basic loan amount (Land leveling fund), and basic loan amount (relocation fund) is the required amount in each case. ※The basic loan amount (repair fund) is also available for extension work and gate repairs carried out alongside the repair of the damaged part. ※The basic loan amount (Land leveling fund) is available for removing accumulated soil, cut earth, earth fill, or retaining wall construction, etc. ※The basic loan amount (Land leveling fund) and the basic loan amount (relocation fund) can be borrowed alongside the basic loan amount (repair fund). ※The special added amount (Land leveling fund) can be borrowed for the portion that exceeds the basic loan amount (Land leveling fund). ※The loan amount for those who receive subsidies for housing repair from national or municipal governments may be reduced. ※The loan amount may not be that the candidate borrower is expecting following the screening.</p>
<b>Repayment Period</b>	<p>The maximum repayment period is the shorter one of ① or ② below (one-year units.)</p> <p>①Maximum repayment period under the application category and structure of housing</p> <p>◆Construction or purchase of new house</p> <ul style="list-style-type: none"> <li>Fireproof, semi-fireproof, wooden (durability): 35 years, wooden (ordinary): 25 years</li> </ul> <p>◆Purchase of an existing (second-hand) house</p> <ul style="list-style-type: none"> <li>Good existing house or condominium: 35 years</li> <li>Existing house or condominium: 25 years</li> </ul> <p>◆Repair: 20 years</p> <p>※The principal repayment deferment period (payment of interest only) can be set for up to five years (in one-year units) from the date of execution of the loan agreement when building or purchasing a house and the repayment period is extended for the deferment period. The principal repayment deferment period (payment of interest only) can be set for up to one year from the date of execution of the repair loan agreement (with no extension of the repayment period.)</p> <p>②Maximum repayment period based on age</p> <p>"80 years old" — the highest age of applicant or combined-income earner (Note) (months and days less than one year are rounded up)</p> <p>(Note) Only applicable when more than 50% of the income of the combined-income earner is used toward the total combined income.</p>
<b>Interest Rate</b>	<p>Fixed interest rate (entire-term)</p> <p>※The applicable loan interest rate is as of the day of applying for the loan. ※As the basic loan interest increases in stages, monthly repayment increases after the first five years and ten years (only after the first five years in case of repair.) ※Visit the JHF website to find out the interest rate.</p>
<b>Repayment Method</b>	<p>Equal monthly instalments of the principal and interest or equal monthly instalments of the principal</p> <p>※Payment at bonuses every six months (40% or less of basic loan amount or special added amount (in units of ¥0.5 million) can be used together. However, the payment during the deferment period is monthly when the principal payment is deferred. ※When the loan amount is less than ¥1.3 million, combined payment methods with the bonus payment cannot be used.</p>
<b>Mortgage</b>	<p>A first rank mortgage shall be imposed on the building and site subject to the JHF. ※Although the mortgage for JHF shall be imposed on the building when the loan is for repair, the mortgage may be imposed on site following screening. ※The cost of imposing a mortgage shall be borne by the borrower (fees for judicial scrivener, etc.).</p>
<b>Surety</b>	<p>Not needed (A surety is needed to borrow the disaster-recovery loan to rent the property to affected persons.)</p>
<b>Property Inspection</b>	<p>JHF requires the candidate borrower to have the housing inspected to ensure it complies with JHF technical standards. This is free of charge. ※The inspection is carried out by the municipal government, etc.</p>
<b>Group Credit Life Insurance</b>	<p>Borrowers are eligible to purchase JHF group credit life insurance, which is strongly recommended. ※The special contract insurance premium shall be paid by the borrower.</p>
<b>Fire Insurance</b>	<p>Borrowers must buy special fire insurance or other fire insurance that meets the conditions provided by JHF on the building subject to our loan. JHF also require a first pledge on the right to claim fire insurance money to be created for the same. ※The fire insurance premium shall be borne by the borrower.</p>
<b>Fees to Change Repayment Method</b>	<p>Not needed.</p>
<b>Fees for Advanced Payment</b>	<p>Not needed.</p>
<b>Receiving Fund</b>	<p>The borrower may choose how to receive the house construction fund from the following options:</p> <p>①Final fund ②Intermediate fund + final fund ③Advanced fund for land + final fund ④Advanced fund for land + intermediate fund + final fund</p> <ul style="list-style-type: none"> <li>An advanced fund for land is the basic loan amount (Land acquisition fund) to be received before the application for site inspection after the loan commitment.</li> <li>The intermediate fund is received after the site inspection (on completion of framework) and the final fund is received after the completion of the house, and both will be done once certain procedures have been completed</li> <li>The basic loan amount (Land acquisition fund) can be received as an advanced fund for land, intermediate fund or final fund and received in full.</li> <li>The basic loan amount (construction fund and land leveling fund) can be received as 60 or 80% as intermediate fund and the remaining amount is received as the final fund.</li> <li>The special added amount is received only as the final fund.</li> </ul> <p>The fund for purchase or repair is received only as the final fund in a lump sum.</p>
<b>Loan Charges</b>	<p>Not needed</p>
<b>Reapplication</b>	<p>When the interest rate declines during the loan procedures below the level at the time of application, the applicant may cancel the application and reapply to benefit from the lower interest rate (reapplication). However, since reapplications are screened based on the prevailing circumstances, there may be cases in which loans cannot be received or the amount is reduced following the screening. Fully confirm the warning provided in the Reapplication for Loans for Disaster Recovery in the Guide to Loans for Disaster Recovery &lt;Great East Japan Earthquake&gt; before commencing reapplication procedures.</p>

Please visit the JHF website for details.

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# Product outline of Town Development Loan (Short-Term Project Loan)

As of April 1, 2014

Types of Town Development Loan		Construction and Purchase Fund
Redevelopment Project		<ul style="list-style-type: none"> <li>● Fund needed for projects by redevelopment associations, etc., during the period from project design and planning to construction completion and transfer of the site and floor space retained by the project execution body</li> </ul>
Eligible Borrower		<ul style="list-style-type: none"> <li>● Individual or small and medium-sized corporations or associations implementing reconstruction projects (urban redevelopment associations, associations of disaster prevention area development, condominium rebuilding associations, etc.)</li> </ul>
Zone Requirement		<ul style="list-style-type: none"> <li>● Both the following conditions must be satisfied. Visit the JHF website for details.                             <ul style="list-style-type: none"> <li>① The zone shall be a residential, commercial or semi-industrial zone.</li> <li>② The zone shall be a fire control or semi-fire control zone.</li> </ul> </li> </ul>
Project Requirement / Structural Requirement		<ul style="list-style-type: none"> <li>● [Project requirement] The projects listed below are eligible for the loan. Visit the JHF website for details.                             <ul style="list-style-type: none"> <li>① Condominium rebuilding project</li> <li>② Joint rebuilding project</li> <li>③ Rental structure rebuilding project</li> <li>④ Comprehensive design and coordinated rebuilding project</li> <li>⑤ Rebuilding project to comply with district plan, etc.</li> </ul> </li> <li>● [Structural Requirement] Projects must meet all the following conditions. Visit the JHF website for details.                             <ul style="list-style-type: none"> <li>① The ratio of total area of the residential portion must exceed 50 percent of the total building area.</li> <li>② The building must be either a fireproof or semi-fireproof structure.</li> <li>③ More than 50 percent of the legal floor-area ratio must be used.</li> <li>④ The floor area per residential unit must be 30m<sup>2</sup> or more and 280m<sup>2</sup> or less.</li> <li>⑤ It must comply with the technical requirements provided by JHF.</li> </ul> </li> </ul>
Loan Amount	Eligible Project Cost	<ul style="list-style-type: none"> <li>● Survey, design and planning cost, land or leasehold acquisition cost, construction cost, repair cost, contribution of participating members, etc.</li> <li>※ The purchase fund is available for projects for which the purchaser is originally planning to obtain it from the beginning of the project.</li> </ul>
	Maximum Loan Ratio	<ul style="list-style-type: none"> <li>● 100% of the eligible project cost (Projects have JHF screening after loan applications and the loan amount may not be the expected following the screening of the evaluation of collateral, etc.)</li> <li>※ The loan amount is in units of 100,000 yen and at least one million yen</li> </ul>
Interest Rate	Interest-Rate Level	<ul style="list-style-type: none"> <li>● 0.99%</li> <li>※ The interest rate is reviewed monthly. The rate above is as of April 1, 2014. Visit the JHF website for the latest rate.</li> </ul>
	Interest-Rate Decision	<ul style="list-style-type: none"> <li>● The interest rate is that of the date of the fund delivery. (However, the interest rate at the time of refinancing applies when refinancing by renewing the bill.)</li> <li>※ The interest rate applies until the delivery date of the second half in April of the following fiscal year to that of the fund delivery (as designated by JHF). However, in case of refinancing, it applies until one day before the delivery of the second half in April of the following year.</li> <li>※ The interest rate after refinancing applies until the date of the fund delivery in the second half in April in the following fiscal year to that of the refinancing. (In case of further refinancing, it applies until one day before the delivery of the second half in April.)</li> </ul>
Loan Repayment maturity		<ul style="list-style-type: none"> <li>● The date is within two years of completion of the building and designated by JHF in accordance with each project.</li> </ul>
Loan Repayment Method		<ul style="list-style-type: none"> <li>● The principal and interest are repaid on the date designated by JHF upon discussion with JHF in accordance with the transfer condition of the site and floor space retained by the project execution body, etc.</li> <li>The repayment amount is calculated by JHF based on the sales price of the housing units subject to the loan (sales price when JHF approved the project plan and consumption tax is included) multiplied by the loan ratio<sup>*1</sup> and the repayment ratio<sup>*2</sup> set individually based on the JHF calculation and in accordance with the number of sold units ("50% + (loan ratio (%) - 50%) x 2" until 30% of housing units subject to the loan are sold<sup>*3</sup> *4 and the same ratio as the loan ratio after 30% is sold in principle). Contact JHF for details.                             <ul style="list-style-type: none"> <li>*1 The loan ratio is the ratio of the JHF loan amount to the total sales price of housing units (consumption tax included) subject to the loan when JHF approved the project plan.</li> <li>*2 The repayment ratio refers to the ratio of repayment amount to the sales price of housing units (consumption tax included) subject to the loan when JHF approved the project plan.</li> <li>*3 The repayment ratio is 100% when the loan ratio is 75% or more and the same as the loan ratio when the loan ratio is below 50%.</li> <li>*4 When there is minimal concern over repayment because of the debt guarantee by companies in good standing and provision of a separate mortgage, the loan ratio can be the repayment ratio.</li> </ul> </li> <li>● The principal and interest are to be paid in lump sum on the date in April designated by JHF every year. If lump-sum repayment is not possible because the project period exceeds the repayment date, the bill can be renewed on the repayment date for refinancing to continue borrowing. When refinancing on the repayment date, the loan shall be repaid with the loan based on the loan commitment of the following fiscal year on the repayment (refinancing) date. The accrued interest shall be paid on the same date or added to the principal. Contact JHF for the specific repayment amount and other details.</li> </ul>
Repayment Resources: Examples		<ul style="list-style-type: none"> <li>● The sales proceeds of the site and floor space retained by the project execution body, settlement money of right holders, subsidies, etc.</li> </ul>
Loan Contract Form		<ul style="list-style-type: none"> <li>● Promissory note</li> </ul>
Collateral		<ul style="list-style-type: none"> <li>● The first fixed mortgage shall be imposed on the land and building and the first pledge and assignment security right, etc. shall be imposed on the claims of the project executing body for JHF. It is individually consulted based on the project contents. The expense of imposing a mortgage (registration license tax and fees for judicial scrivener, etc.) shall be borne by the borrower.</li> </ul>
Surety		<ul style="list-style-type: none"> <li>● Following loan screening, the borrower may be required to obtain surety with sufficient guarantee capacity.                             <ul style="list-style-type: none"> <li>※ An individual can serve as the cosigner only when the applicant is the operator of the corporation.</li> <li>※ When a corporation serves as the cosigner, guarantees of guarantee agencies approved by JHF at the time of application are available in addition to a eligible corporation.</li> <li>※ A guarantee fee must be paid to a guarantee agency.</li> </ul> </li> </ul>
Building Technical Requirement		<ul style="list-style-type: none"> <li>● The building must satisfy the technical requirements provided by JHF. (Visit the JHF website for details.)</li> <li>※ The building needs to be inspected by a conformance certifying agency and inspection fees are levied. The fees differ according to the conformance certifying agency.</li> </ul>
Fire Insurance		<ul style="list-style-type: none"> <li>● The building shall have fire insurance when JHF deems it necessary. (The first pledge is imposed on the right to claim insurance money for JHF when it deems the pledge necessary.)</li> <li>※ Fire insurance premiums shall be borne by the borrower.</li> </ul>
Fees for Partial Advanced Payment		<ul style="list-style-type: none"> <li>● ¥5,250</li> </ul>
Fees to Change Repayment condition		<ul style="list-style-type: none"> <li>● ¥5,250</li> </ul>

※ JHF screens loan applications based on its own procedures and there may be cases in which applicants' expectations are not satisfied following the screening.

(Note) The guarantee agencies approved by JHF as of April 1, 2014, and their fees are listed below:

- ・ Shutoken Funen Kenchiku Kosha and Jutaku Kaiyo Kaihatsu Kosha: 1% of loan amount p. a. (paid annually)
- ・ Zenkoku Shigaichi Saikaihatsu Kyokai: 0.2 to 0.75% of loan amount p. a. (paid annually) (There are other requirements to be guaranteed.)

# Product outline of Loans for Construction of Rental Housing

As of April 1, 2014

<b>Loan Amount</b>	<ul style="list-style-type: none"> <li>● Up to 100% of the cost of construction projects eligible for the loan (in units of ¥100,000)</li> <li>※ The expectations of the applicants may not be met following screening of land and building evaluation and balance of payments plan, etc.</li> </ul>
<b>Loan Period</b>	<ul style="list-style-type: none"> <li>● Within 35 years (in one-year units)</li> <li>※ A one-year principal repayment deferment period (payment of interest only) can be set from the date of loan delivery for loans for serviced rental housing construction for the elderly. (The repayment period is not extended.)</li> </ul>
<b>Interest Rate</b>	<ul style="list-style-type: none"> <li>● There are two schemes – 35-year fixed interest rate or 15-year fixed interest rate.</li> <li>● The borrowing rate differs between the two schemes above.</li> <li>● The borrowing interest differs when the advanced repayment scheme is used.</li> <li>※ The borrowing interest is determined about two months after the end of the acceptance period.</li> <li>※ The interest-rate scheme cannot be changed after application.</li> <li>※ When an applicant chooses a 15-year fixed interest rate, the subsequent rate is reviewed 15 years after concluding the contract. The interest rate for the remaining repayment period is fixed after review and the rate for the shortest fixed period (although it needs to exceed the repayment period) among JHF interest schemes at the review is applied.</li> <li>※ 35-year fixed interest rate and 15-year fixed interest rate can be combined.</li> <li>※ Visit the JHF website or JHF office for details of the borrowing interest.</li> </ul>
<b>Repayment Method</b>	<ul style="list-style-type: none"> <li>● Equal monthly instalments of the principal and interest or equal monthly instalments of the principal.</li> </ul>
<b>Collateral</b>	<ul style="list-style-type: none"> <li>● A first mortgage shall be imposed on the building and site subject to the JHF loan.</li> <li>※ Another mortgage may be requested in addition to the building and site subject to the loan following the screening of land and building evaluation and balance of payments plan, etc.</li> <li>※ The expense of imposing a mortgage (registration license tax and fees for judicial scrivener, etc.) shall be borne by the borrower.</li> </ul>
<b>Surety</b>	<ul style="list-style-type: none"> <li>● The borrower must have an individual (limited to the operator of the corporation when the applicant is a corporation) or corporate cosigner with sufficient guarantee capacity.</li> <li>※ The cosigner in the application may not be approved following JHF screening.</li> <li>※ When a corporation serves as the cosigner, guarantee of guarantee agencies approved by JHF at the time of application is available in addition to an eligible corporation. (A guarantee fee is required separately to use a guarantee agency. Rejection is possible following screening by the guarantee agency. See the Reference at the end of the Guide to Loans for Rental Housing to check the guarantee agencies approved by JHF.)</li> <li>※ No cosigner is required for loans to construct serviced rental housing for the elderly (communal facility type.)</li> </ul>
<b>Fire Insurance</b>	<ul style="list-style-type: none"> <li>● The building subject to the loan shall have fire insurance that satisfies JHF requirements and a first pledge shall be imposed on the right to claim insurance money or mutual aid money for JHF.</li> <li>※ The insurance that satisfies JHF requirements refers to fire insurance or fire mutual aid fire insurance that satisfy the requirements.</li> <li>※ The fire insurance premium shall be borne by the borrower.</li> </ul>
<b>Property Inspection</b>	<ul style="list-style-type: none"> <li>● The building shall have design and completion site inspections by a conformance certifying agency.</li> <li>※ The property inspection fees shall be borne by the borrower. (The fees differ according to the conformance certifying agency.)</li> </ul>
<b>Fees to Change Repayment Method</b>	<ul style="list-style-type: none"> <li>● ¥5,250 (tax included) is charged per change.</li> <li>※ When 35- and 15-year fixed interest rates are combined, the fees are charged for each interest scheme for which the borrower expects to change the repayment conditions.</li> </ul>
<b>Fees for Advanced Payment</b>	<p>[Advanced payment of total loan amount] No fees needed.</p> <p>[Advanced payment of partial loan amount] Fees differ according to the repayment scheme.</p> <ul style="list-style-type: none"> <li>· The amount of monthly instalments is unchanged after advanced payment and the borrowing period is shortened: ¥3,150 (tax included)</li> <li>· Cases other than above: ¥5,250 (tax included)</li> </ul> <li>※ When 35- and 15-year fixed interest rates are combined, the fees are charged for each interest scheme of advanced payment.</li>
<b>Receiving Fund</b>	<ul style="list-style-type: none"> <li>● The fund can be received in portions when construction commences (within 30%), completion of roof work (within 30%), and completion (within 30%) and final payment.</li> <li>※ The amount of intermediate fund when construction commences and on completion of roof work depends on the land evaluation value by JHF.</li> <li>※ The fund cannot be received in the case of loans to construct serviced rental housing for the elderly unless the housing is registered as such pursuant to Article 5.1 of the Act to Secure a Stable Supply of Elderly Persons' Housing (Law No. 26 of 2001, hereinafter referred to as the "Act on Elderly Housing".)</li> </ul>
<b>Loan Charges</b>	Not needed
<b>Compliance of Beginning of Construction</b>	<ul style="list-style-type: none"> <li>● The loan commitment may be canceled if the construction does not start by the time limit, and JHF sees no rational reason for it.</li> </ul>
<b>Registration of Serviced Housing for the Elderly</b>	<ul style="list-style-type: none"> <li>● To borrow loans to construct serviced rental housing for the elderly, all the units of the housing subject to the loan must be registered as such pursuant to Article 5.1 of the Act on Elderly Housing and a copy of the document confirming completion of registration shall be submitted to JHF before submitting the construction agreement on completion of the construction (or at the application to provide initial intermediate funds when fund payment is requested.)</li> <li>● When borrowing loans to construct serviced rental housing for the elderly, the registration as such needs to be renewed every five years pursuant to Article 5.2 of the Act on Elderly Housing for all the housing units subject to the loan and a copy of the document confirming completion of the renewal shall be submitted to JHF immediately after the renewal until the repayment is completed.</li> </ul>
<b>Contract with Residents of Serviced Rental Housing for the Elderly</b>	<ul style="list-style-type: none"> <li>● When borrowing loans to construct serviced rental housing for the elderly, the contract concerning the residency of all the units of the rental housing subject to the loan shall be a building lease contract and no other type of contract can be concluded until the loan repayment is completed.</li> </ul>
<b>Submission of Income-Tax Returns</b>	<ul style="list-style-type: none"> <li>● Applicants (cosigners also included hereinafter) for loans must submit the following document to JHF every year at its request (third parties commissioned by JHF included hereinafter.) The document concerns the "applicant" and the "corporation he/she operates" when he/she is an individual and "applicant", "representative of the applicant" and "corporations operated by the applicant's representative" when it is a corporation.</li> <li>When JHF requests a survey or report on the matters, the request shall be met immediately.</li> <li>· Copy of corporate financial statements (set of balance sheet, profit-and-loss statement, and statement of account items, etc.)</li> <li>· Copy of income-tax returns or corporate-tax returns with receipt seal of the taxation office</li> <li>· Copy of repayment schedule for any loans other than JHF loans</li> <li>· Survey report on the project of the building for which the loan is provided</li> <li>· Other document designated by JHF</li> </ul> <p>The above documents must be submitted to JHF also by the business operator that leases the entire building or service provider.</p>

## Product outline of Loans to Renovate Shared Parts of Condominiums [for condominium associations (in the case of Condominium Management Center Guarantee\*)]

\*To apply for this loan, it is required to be guaranteed by a guarantee institution or individuals recognized by JHF  
(Visit the JHF website for details)

As of April 1, 2014

Purpose	●Fund for condominium associations to reform shared parts of condominium
Loan Amount	●Lower amount of 80% of construction cost or ¥1.5 million (¥5 million for earthquake resistant improvement work)×the number of housing units (in unit of ¥0.1 million. ¥1 million as the minimum (less than ¥0.1 million is rounded off). Note that monthly repayment amount should be 80% or less of monthly-accumulated funds for future extensive repairs. ※If repaying other loans at the same time, the total amount of repayment including this loan should be 80% or less of monthly-accumulated funds for future extensive repairs. ※Visit the JHF website for details.
Repayment Period	●Between 1 year and 10 years (in unit of a year)
Interest Rate	●fixed-rate interest that is applicable at the time of application ※Regarding the interest rate, please visit the JHF website.
Repayment Method	●Equal monthly instalments of the principal and interest or equal monthly instalments of the principal.
Mortgage	●Not needed
Surety	●Guarantee institution that JHF recognizes (Condominium Management Center) ※Guarantee fees are requested. Visit the JHF website for details.
Fire Insurance	●Insurance and pledge are not needed.
Submission of completion report	●After the completion of the construction work, please submit the completion report on reform of shared parts to JHF.
Receiving Fund	●It takes around 1 to 1.5 months after conclusion of loan agreement following the completion of the construction work.
Loan Charges	●Not needed.
Prepayment penalty	[Prepayment of all amount of loans] ●No fees are required. [Prepayment of a part of loans] ●Amount of fees depends the way of prepayment · Shortening redemption period without changing the amount of monthly installment after prepayment: ¥3,150 · Others: ¥5,250