

Product Outline

Product outline of Flat 35 (Purchase Program)

As of April 1, 2013

Application requirements	<ul style="list-style-type: none"> ● 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). ● Those who have Japanese nationality, the right of permanent residency in Japan, or a special permanent residence status. ● 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). <table border="1" data-bbox="280 439 850 495"> <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"> ● 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 <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 2013, the income must be based on income between January and December 2012 in principle.). The income stated in the official certificate is as follows:</p> <ol style="list-style-type: none"> 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>(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	35% 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"> ● Loans for construction/purchase of a new home or purchase of an existing home for occupation by the applicant or relatives ● Loans for construction/purchase of a house for weekends (a second house) to be used by the applicant <p>(Note) This loan cannot be offered for reform of a house.</p>						
House covered by loan	<ul style="list-style-type: none"> ● Houses that satisfy the technical criteria set by JHFF ● Have a floor area*¹ of 70 m² 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. <table border="1" data-bbox="280 831 1038 887"> <tbody> <tr> <td>Detached house, terrace house style including semi-detached house, flat style</td> <td>70 m² or more</td> </tr> <tr> <td>Apartment complex (condominium and similar)</td> <td>30 m² 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.).</p> <p>* 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.</p> <p>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 ² or more	Apartment complex (condominium and similar)	30 m ² or more		
Detached house, terrace house style including semi-detached house, flat style	70 m ² or more						
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Amount of the loan	<p>One to 80 million yen (in increment of 10 thousand yen), provided that the total LTV (loan to value) ratio is 90% or less of construction or purchase cost (excluding costs for the nonresidential space)*.</p>						
Duration of the loan	<ul style="list-style-type: none"> ● 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) 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. * 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. * 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. ② 35 years <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).</p> <p>(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"> ● Fixed rate*¹ ● The borrowing rate ^{**2,3} applicable to loans of 20 years and under is different from the rate applicable to loans of 21 ^{**4} years and over. * 1 Under Flat 35S, the interest rate is reduced for a certain period (please visit the Flat 35 website for more information). * 2 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). * 3 The interest rate applied is that on the date of disbursement, not of application. The disbursement date shall be determined by the financial institution. * 4 Some financial institutions offer the same borrowing rate regardless of the duration of the loan. 						
Amortization	<ul style="list-style-type: none"> ● Monthly principal and interest equal repayment or monthly principal equal repayment. 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. 						
Collateral	<ul style="list-style-type: none"> ● JHF holds a first-lien mortgage on the house and land to which the loan is extended. <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"> ● Not required. 						
Group credit life insurance	<ul style="list-style-type: none"> ● The use of JHF credit life insurance is recommended It is strongly recommended to prepare for unexpected adverse events. <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"> ● 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. ● The insurance amount must at least equal the loan amount (Note) and the subject of indemnification must be fire damage to the building. (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. ● 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. 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 long-term lump-sum payment, and JHF takes a first priority pledge on the recipient's right to obtain fire insurance benefits. <p>(Note) A fire insurance premium shall be paid by the customer. JHF's special fire insurance is not applicable.</p>						
Fees for the Origination of the loan Fees for the inspection of the property	<ul style="list-style-type: none"> ● Origination fees ^{*1,2} may differ between financial institutions offering loans. ● Different institutions/experts that certify suitability impose different fees for inspecting properties. ^{**2} * 1 Information on origination fees is available at financial institutions and the Flat 35 website (www.flat35.com). * 2 Origination fees and property inspection fees shall be paid by the borrower. 						
Guarantee Fee and Prepayment penalty	<ul style="list-style-type: none"> ● Not required. <p>(Note) When the loan is prepaid in a whole, the day of the payment shall be the on the monthly payment day. There is a minimum amount for prepayment in a whole, which is one million yen.</p>						

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.

Product outline of Flat 35 (loan refinance)

As of April 1, 2013

<p>Application requirements</p>	<ul style="list-style-type: none"> 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"> 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. 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. 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). Those who have Japanese nationality, the right of permanent residency in Japan, or a special permanent residence status. 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) <table border="1" data-bbox="303 347 869 398"> <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"> 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). 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"> 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). <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) shortened the year before the year of application (between January and December 2012 in the case of FY 2013) shall be examined 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>	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>Purpose of the loan</p>	<ul style="list-style-type: none"> Refinancing for the housing loan of either ① or ② outlined below <ul style="list-style-type: none"> Construction/purchase of a house that is owned and occupied by the applicant 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. Construction/purchase of a house that is owned by the applicant and occupied by relatives <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>Requirements for the housing loan and house that are subject to refinancing</p>	<ul style="list-style-type: none"> 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"> 80 million yen or less The total LTV (loan to value*¹, *²) ratio is 100% or less. <ul style="list-style-type: none"> *1 The cost for acquiring the lot is included. *2 The charges incurred at the acquisition of the house is excluded. 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). Have either of the following floor area: *¹ <table border="1" data-bbox="303 851 1061 907"> <tbody> <tr> <td>A detached house, a terraced house (including a semi-detached house) and a flat*²</td> <td>70 m² or more</td> </tr> <tr> <td>A condominium, etc.</td> <td>30 m² or more</td> </tr> </tbody> </table> <ul style="list-style-type: none"> 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.). 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. No conditions on the size of land for the house Houses that satisfy the technical criteria etc. set by JHF. 	A detached house, a terraced house (including a semi-detached house) and a flat* ²	70 m ² or more	A condominium, etc.	30 m ² or more		
A detached house, a terraced house (including a semi-detached house) and a flat* ²	70 m ² or more						
A condominium, etc.	30 m ² or more						
<p>Amount of the loan</p>	<ul style="list-style-type: none"> 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) 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 s house). 						
<p>Duration of the loan</p>	<ul style="list-style-type: none"> 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"> 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"> 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. 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. 35 years less the month elapsed on the outstanding mortgage rounded at one year increment <ul style="list-style-type: none"> Starting date of the calculation is the date of closing on the outstanding mortgage This treatment may not be applicable at some financial institutions. Please ask the financial institution originating the loan. <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>Borrowing rate</p>	<ul style="list-style-type: none"> Fixed rate 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"> 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). 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. Some financial institutions offer the same borrowing rate regardless of the duration of the loan. 						
<p>Amortization</p>	<ul style="list-style-type: none"> Monthly principal and interest equal repayment or monthly principal equal repayment. 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. 						
<p>Collateral</p>	<ul style="list-style-type: none"> JHF holds a first-lien mortgage on the house and land to which the loan is extended. <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>Surety</p>	<ul style="list-style-type: none"> Not required. 						
<p>Group credit life insurance</p>	<ul style="list-style-type: none"> The use of JHF credit life insurance is recommended. It is strongly recommended to prepare for unexpected adverse events. 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. <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 Flat 35 due to the discretionary early redemption after July 1, 2013, JHF refunds the customers' prepaid fees as JHF set for a special contract premium. However, this is not the case according to the period of withdrawal, etc.</p>						
<p>Fire insurance</p>	<ul style="list-style-type: none"> 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. The insurance amount must at least equal the outstanding loan amount (Note) and fire damage to the building must be the subject of indemnification. 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. 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 a single long-term payment 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. 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. 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 a long-term lump-sum payment 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. <p>(Note) A fire insurance premium shall be paid by the customer. JHF's special fire insurance is not applicable.</p>						
<p>Fees for loan origination and property inspection</p>	<ul style="list-style-type: none"> Origination fees *^{1,2} may differ between financial institutions offering loans. 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. Information on origination fees is available at financial institutions and the Flat 35 website (www.flat35.com). Origination fees and property inspection fees shall be paid by the borrower. 						
<p>Guarantee Fee and Prepayment penalty</p>	<ul style="list-style-type: none"> Not required. <p>(Note) When the loan is prepaid in a whole, the day of the payment shall be the on the monthly payment day. There is a minimum amount for prepayment in a whole, which is one million yen.</p>						
<p>Special matters in the case of refi nance</p>	<ul style="list-style-type: none"> Flat 35 S is not applicable to loan refinancing. If the lot is located within the land adjustment project lot which is not completed and where lien upon the property can not be registered until the completion of the project, refinancing is not available. 						

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.