

## 14 Calculation of Income

- Persons who can combine their income  
You can combine one other person's income who meets all of the requirements from (1) to (4) below.

- (1) A lineal relative (such as a parent or child) or spouse of the applicant
- (2) A person under 70 years old at the time of application
- (3) A person who lives with the applicant
- (4) A person who will become a joint and several obligor

- Amount of Income that can be combined  
You can combine other income earner's annual income up to the entire income amount. However, a shorter loan period may be applied if the amount added is greater than 50% of the person's annual income (see (1) in e.g.).

- The maximum loan period when incomes are combined
  - \* When using parent-child relay repayment, the calculation is based on the successor's age, regardless of the following.

Loan period = 80 years old - age of the elder of the following individuals (1) or (2) at the time of application (rounded up to the nearest year)

- (1) Applicant
- (2) Other income earner if combined amount exceeds 50% of his/her annual income

e.g.) When the applicant's (age 30) annual income is 4 million yen, the other income earner's (age 55) annual income (to be combined) is 6 million yen

- (1) You can combine the other income earner's annual income (6 million yen) in full. In this case, the maximum loan period is 24 years, based on the other income earner's age (56 years old (rounded up to the nearest year)).
- (2) If the combined amount is 3 million yen (50% of 6 million yen) or less, the maximum loan period is 35 years, based on the applicant's age (31 years old (rounded up to the nearest year)).

## 15 Parent-Child Relay Repayment

- If one successor meets all of the following requirements (1)-(3), you can apply even if you are 70 years or older. Also, regardless of the applicant's age, the applicant can select the loan period based on the successor's age at the time of application.

- (1) The applicant's child, or grandchild (the applicant's lineal descendants) or their spouse who has a regular income
- (2) A person under 70 years of age at the time of application
- (3) A person who will become a joint and several obligor

## 16 When the site is a leased land

- Even if the site is leased, you may still be able to use the loan if you meet the following requirements. Please contact the partnering financial institution. You will also need to contact the financial institution if the site is subleased, as handling will differ.

### Collateral

As a general rule, you will be required to create a first priority mortgage on the land for the Japan Housing Finance Agency as the mortgagee.\*1 However, there are cases where you can use the loan even if the landowner does not consent to the creation of mortgage.\*2 Please contact the financial institution.

- \*1 If you have superficies right on the site, a mortgage will be created on the superficies.
- \*2 If the landowner is the applicant's spouse(including common-law partners, fiancés, and same-sex partners) or a lineal relative, a mortgage will be created on the site without exception.

### Loan Period

- (1) For ordinary leasehold  
Will be treated the same as a regular loan period.
- (2) For fixed-term leasehold and leasehold with a building transfer agreement  
The maximum loan period will be the shorter of the regular loan period and the leasehold's remaining term.

### Leasehold Acquisition Costs Eligible for Borrowing

The following leasehold acquisition costs (1)-(4) are qualified for borrowing: (1) key money, (2) premium, (3) deposit, and (4) prepaid rent.

- \* It is conditional that we can confirm from a lease contract, superficies contract, or other documents that the leasehold acquisition costs fall into the above (1) to (4) and that the payments for these expenses were made.
- \* For premium, deposit, or prepaid rent, you will, as a general rule, be required to create a pledge on your right to claim the return of these deposits, in addition to the above collateral.
- \* Of the leasehold acquisition costs, transfer fees and acceptance fees are not eligible for borrowing.

## Always at ease, with fully fixed interest rate housing loan until the maturity



Interest-rate reduction options and more!

Fixed interest rate until the maturity

# Flat 35

## Housing Loan Information (purchase program)



## Four merits of Flat 35

Fixed interest rate until the maturity

No guarantor or prepayment fee required

Support building of secure housing by offering a variety of options

Support during the repayment period

Please visit Flat 35 website for product details.

Flat 35  <https://www.flat35.com>



For phone inquiries (Customer Call Center) **0120-0860-35**

Please feel free to call us. Open Saturdays and Sundays (except holidays and New Year's holidays); Business hours are 9:00-17:00

If not connected for reasons such as international calls, please call the following number.  
Phone: 048-015-0420 (Call charges apply.)



### Notes on Screening Results

Please note that we may not be able to accommodate your request depending on the screening by the partnering financial institution or Japan Housing Finance Agency.

Please visit Flat 35 website for product details, regarding Flat 35 loan refinancing, Flat 50, Double Flat, and Flat 35 with a rent repayment clause.

<https://www.flat35.com>



### ATTENTION

- The Japan Housing Finance Agency periodically confirms whether the applicant or the applicant's relative physically resides in the financed house by sending a certificate of outstanding balance of the loan to the financed house by postal mail requiring no forwarding.  
Please note that, if the Japan Housing Finance Agency finds as a result of such confirmation that the financed house is being used for investment purposes such as renting to a third party or any other unpermitted purposes such as being used as a store or office, the Japan Housing Finance Agency will request the repayment of the entire outstanding loan amount in a lump sum.
- Foreign nationals applying for Flat 35 must possess either "Permanent Resident" or "Special Permanent Resident" status in addition to meeting other application requirements.

# Flat 35

Fully fixed interest rate housing loan of up to 35 years, offered in collaboration with private financial institutions and the Japan Housing Finance Agency.

## Flat 35 Product Overview

### 1 Application Requirements

- Persons under 70 years of age at the time of application (persons 70 years of age or older can also apply in the case of parent-child relay repayment).
- Japanese citizens, permanent resident permit holders, or special permanent residents.
- Persons whose total annual repayment ratio for all the borrowings\* against their annual income (total debt-to-income rate) meet the criteria in the following table (there are cases when other income earner's income may be combined).

Annual income	Less than ¥4 million	¥4 million or more
Criteria	30% or less	35% or less

\* All borrowings including Flat 35 (and those borrowed by the other income earner whose income is combined), such as housing loans other than Flat 35, auto loans, education loans, credit-card loans (e.g., cash advances and purchase of goods in installments or revolving payments, by credit cards). It also includes loans for houses being rented or to be rented — however, do not add to the borrowings if the loan is for a rental apartment (an entire apartment building or dormitory).

- If the house or land to be financed is going to be shared, there are requirements such as the applicant himself/herself must have a co-ownership.

#### Notes

1. Annual income is, in principle, the amount stated in official certificate proving income from the year previous to the application year, as indicated in either (1) or (2) below. If applying during a period when official certificate is not yet available or issued (approximately January to May), handling may vary by financial institution. Please check with the financial institution where you apply for details.  
(1): For those with only employment income: Employment income amount  
(2): For those other than (1): Total income amount (sum of business income, real estate income, interest income, dividend income, and employment income)
2. Up to two persons, including joint obligor, can apply.

### 2 Purpose of Fund

- The fund can be used to construct or purchase a new or used house in which the applicant or his/her relative will reside.



Flat 35 cannot be used for acquiring investment properties.

### 3 Houses Eligible for Borrowing

- Houses that meet the technical standards set forth by the Japan Housing Finance Agency.
- Houses with floor area\*1 that meets the criteria in the following table.

For detached, continuous, and layered constructions*2	50m <sup>2</sup> or more
For cooperative constructions (flat, etc.)	30m <sup>2</sup> or more

\*1 In the case of a dwelling with a store or other multi-use housing, the residential floor area must be greater than or equal to the floor area of the non-residential part (store, office, etc.).

\*2 Continuous construction: A construction method other than cooperative housing (two or more households sharing a corridor, stairs, hallway, etc.), connecting two or more houses side-by-side.

Layered construction: A construction method other than cooperative housing, where two or more homes are layered on top of each other.

- There are no site area requirements.

### 4 Borrowing Amount

- Between 1 million and 120 million yen (in 10,000 yen units), inclusive of the construction costs\*1 or purchase price (excluding those related to non-residential part\*2).

\*1 You can include the cost of land acquisition if desired.

\*2 The construction costs or purchase price of non-residential portions of the store, office, etc., are not eligible for borrowing.

### 5 Loan Period

- 15 years (10 years if the applicant or joint and several obligor is 60 years of age or older) or more, and up to the shorter of (1) or (2) below (in one-year increments).

(1) 80 years old – Age at the time of application\*1\*2 (rounded up to the nearest year)

\*1 If over 50% of the other income earner's income is combined, the higher of the applicant's age and the other income earner's age will be the reference age.

\*2 If parent-child relay repayment is used, the successor's age is the reference age, regardless of whether their income is combined.

(2) 35 years

#### Notes

1. If (1) or (2), whichever is shorter, is less than 15 years, the application is not eligible for borrowing.
2. If you choose a 20-year or shorter loan period, you cannot, in principle, change it to 21 years or more during repayment.

### 6 Borrowing Rate

- The interest rate is fixed for the entire term\*1.
- The borrowing rate\*4\*5\*6 varies depending on the repayment period (20 years or less, or 21 years or more), loan to value ratio\*2 (90% or lower, or over 90%), type of group credit life insurance\*3 and other factors.\*7

\*1 These include types such as Flat 35 S, which lowers the interest rate for a certain period.

\*2 The loan ratio is calculated by the following formula.

$$\text{Loan to value ratio} = \frac{\text{Flat 35 borrowing amount}}{\text{The construction costs (including the cost of land acquisition if desired) or purchase price of the house}}$$

\*3 Flat 35 is available for those not covered by group credit life insurance for health or other reasons. For borrowing rates in this case, please refer to the Flat 35 website (<https://www.flat35.com>).

\*4 Borrowing rates vary depending on the partnering financial institution. Information is available from the financial institutions and on the Flat 35 website ([www.flat35.com](http://www.flat35.com)).

\*5 The borrowing rate is reviewed monthly.

\*6 The applicable interest rate is determined at the time of fund receipt, not the time of application, and the partnering financial institution will set the fund receipt date.

\*7 Depending on the partnering financial institution, the same borrowing rate may apply, regardless of the loan period or loan ratio.

### 7 Repayment Methods

- You can choose a monthly repayment method from the equal principal and interest system or the equal principal system. You can also use a semi-annual bonus repayment (within 40% of the borrowing amount (in 10,000 yen units)).

### 8 Collateral

- You will be required to create a first priority mortgage on the house and land that are the loan subjects, with the Japan Housing Finance Agency as the mortgagee.

\* The customer will bear the mortgage creation costs (registration and license tax, judicial scrivener's fees, etc.).

### 9 Guarantor

- Not required

### 10 Group Credit Life Insurance

- By purchasing group credit life insurance, the Japan Housing Finance Agency will receive an insurance payout if anything should happen to the customer. It will cover the Flat 35 debt, making further repayment unnecessary.

\* Flat 35 is available for those not covered by group credit life insurance for health or other reasons.

### 11 Fire Insurance

\* In addition to fire insurance, there is "earthquake insurance" which compensates for losses to homes and household goods caused by disasters such as earthquakes, volcanic eruptions, and tsunamis.

While fire insurance is mandatory when using the Flat 35, earthquake insurance is optional.

- Until repayment is complete, you will be required to take out fire insurance (fire insurance from a casualty insurance company or mutual fire insurance following the provisions of the law) for the house that is subject to the loan\*1.

- It shall cover the damage from a fire of the building.

- The insurance amount must be greater than or equal to the borrowing amount\*2.

\*1 The insurance period and the payment method of fire insurance premiums vary depending on the partnering financial institution. Some financial institutions may also require to create a pledge on fire insurance claims.

\*2 If the borrowing amount exceeds the amount calculated following the valuation criteria established by the casualty insurance company (appraised value), it shall be the appraised value.

\* Fire insurance premiums shall be borne by the customer.

\* Please check with your partnering financial institution for fire insurance requirements.

### 12 Loan Fees and Property Inspection Fees

- Loan fees\*1\*2 vary depending on the partnering financial institution.

- Property inspection fees\*2 vary depending on the inspecting agency or certification technician.

\*1 Information about loan fees is available from the partnering financial institutions and the flat 35 website ([www.flat35.com](http://www.flat35.com)).

\*2 The loan fees and property inspection fees shall be borne by the customer.

### 13 Guarantee Fees and Prepayment Fees

- Not required.

\* The prepayment amount shall be 100,000 yen or more if you use the Su My Note online customer service, or 1,000,000 yen or more if you use the counter at the partnering financial institution.