

GOVERNMENT EXPANDS YOUNG ADULT LOAN FOR RENT PAYMENTS TO BOOST FINANCIAL INCLUSIVENESS

The FSC announced on March 26 an increase of KRW3 trillion for the young adult loan for rent payments¹ from the previously available amount of KRW1.1 trillion to KRW4.1 trillion.

The young adult loan for rent payments was launched on May 27, 2019 through an agreement between the FSC, the Korea Housing Finance Corporation and the Korea Federation of Banks with an initial goal of providing KRW1.1 trillion in loans for young adults. During a 10-month period until March 20 this year, about 25,000 young adults have benefited from low-rate loans for rent payments with the total amount of loans issued standing at KRW1.2 trillion.²

About 25 percent of the young adults using the loan were found to be students or job seekers without regular incomes. The loan program has had an impact in resolving housing problems of many young adults.

With the increased amount of loans available for up to KRW4.1 trillion, about 60,000 more young adults are expected to benefit from the program.

The FSC will continue to work for expanding the online application channels in order to improve accessibility for young adults.

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For any inquiry, please contact Foreign Press & Relations Team at fsc_media@korea.kr.

¹ Young adults up to 34 years old can use a low-rate loan product for rent payments (KRW70 million or less for *jeonse* deposit or KRW500,000/month or less for monthly rent payments)

² Average loan amount: *Jeonse* (KRW50.09 million for 2 years) and monthly rent (KRW5.91million for 2 years)
Average interest rate: 2.57% (0.33%p lower than the average rate of *jeonse* loans in the market)