

## 40-YEAR MORTGAGE LOAN AND FINANCING SUPPORT FOR NON-HOMEOWNERS TO BE AVAILABLE FROM JULY 1

As a follow-up to the earlier announcements<sup>1</sup> on boosting financing support for non-homeowners, especially among young adults and newly married couples, the FSC announced that 40-year home mortgage loans and greater loan support for renters will be available from July 1, 2021.

**(40-YEAR HOME MORTGAGE)** 40-year mortgage loans will be newly available as part of the government-sponsored home mortgage loan programs that provide mortgage loans to lower income households at low and fixed interest rates.

Young adults aged up to 39 years old and newly married couples (married for up to 7 years) are eligible to apply for 40-year home mortgage loans, which provide benefits of fixed interest rates over the entire lending period and no prepayment penalties after three years.

### <Specific Details by Mortgage Type>

Type	Income qualified mortgage loan	Non-income based mortgage loan <sup>2</sup>															
Maximum home price	Up to KRW600 mil.	Up to KRW900 mil.															
Annual income restriction	KRW70 mil. (KRW85 mil. for newly married couples)	No restriction															
Maximum loan amount	KRW300 mil. → KRW360 mil. (from Jul. 1, 2021)	KRW500 mil.															
LTV & DTI	LTV 70% / DTI 60%	Same as banks															
Interest rate	<table border="1"> <thead> <tr> <th></th> <th>10-yr</th> <th>20-yr</th> <th>30-yr</th> <th>40-yr*</th> </tr> </thead> <tbody> <tr> <td>On-site</td> <td>2.70</td> <td>2.90</td> <td>2.95</td> <td>3.00</td> </tr> <tr> <td>Online</td> <td>2.60</td> <td>2.80</td> <td>2.85</td> <td>2.90</td> </tr> </tbody> </table>		10-yr	20-yr	30-yr	40-yr*	On-site	2.70	2.90	2.95	3.00	Online	2.60	2.80	2.85	2.90	3.00 ~ 3.84% (different rates may apply at different banks)
		10-yr	20-yr	30-yr	40-yr*												
	On-site	2.70	2.90	2.95	3.00												
Online	2.60	2.80	2.85	2.90													
* Only for young adults aged up to 39 years old and newly married couples																	

The maximum lending amount for income qualified mortgage loans (including 40-year mortgage loans) will be increased from KRW300 million to KRW360 million beginning on July 1.

**(FINANCING SUPPORT FOR RENTERS)** The maximum loan amount for young adults (aged up to 34 years old) who are in need of support for rent deposit will be increased to KRW100 million per individual. It is expected that the increase in the maximum lending amount will help about 5,000 additional individuals annually.

<sup>1</sup> Please click [here](#) and [here](#) to see earlier announcements.

<sup>2</sup> This lending program prioritizes lending to lower income earners and has limited availability of funds.

In addition, the Korea Housing Finance Corporation's guarantee fees for jeonse<sup>3</sup> loans will be reduced significantly to help ease financing burdens of lower income groups.

### **FURTHER PLAN**

The previously announced plan<sup>4</sup> to increase the maximum jeonse amount from KRW500 million to KRW700 million for jeonse loans that are guaranteed by the Korea Housing Finance Corporation will go into effect in the second half of this year after preparing the data system and making changes to the relevant rules.

In the second half of the year, the authorities will also look into ways to introduce longer term mortgage loans offered by private sector lenders.

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For press inquiry, please contact Foreign Media Relations at [fsc\\_media@korea.kr](mailto:fsc_media@korea.kr).

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<sup>3</sup> A lump sum deposit for rent with no monthly payments.

<sup>4</sup> Please click [here](#) to see the press release dated May 31, 2021.