

## FSC INTRODUCES REVISION TO SUPERVISORY REGULATIONS TO EASE FINANCING BURDEN OF HOMEBUYERS

The FSC will give advance notices of revision to several supervisory regulations between November 10 and 16 as a follow-up action to implement the housing market-related measures introduced at the 11<sup>th</sup> emergency economic meeting held on October 27 and the 3<sup>rd</sup> ministerial meeting on housing market held earlier today. The revised supervisory regulations stated below are expected to take effect from December 1, 2022.

- a) The loan-to-value (LTV) ratio is currently applied differentially for no-home or one-home owners in regulated areas<sup>1</sup> by different locations and different price of houses. This will be raised to uniform application of 50 percent.
- b) Allow no-home or one-home owners who plan to purchase an apartment valued over KRW1.5 billion in designated speculation areas and high-speculation areas to finance their house with a mortgage loan.
- c) Raise the top LTV ratio for lower income and non-speculative homebuyers<sup>2</sup> who plan to purchase a house in regulated areas to up to 70 percent with the maximum loan amount of KRW600 million.

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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>1</sup> For no-home owners or one-home owners who promise to sell currently owned house, LTV ratios are currently 70 percent in unregulated areas and 20 percent to 50 percent in regulated areas. For multiple-home owners, LTV ratios are currently 60 percent in unregulated areas and 0 percent in regulated areas, which will not be affected by the revised supervisory regulations.

<sup>2</sup> Those who qualify all of the following criteria—(a) annual income of up to KRW90 million for married couple, (b) house price of up to KRW900 million in regulated areas (up to KRW800 million for areas subject to readjustment) and (c) no-home owner.