

REVERSE MORTGAGE AGE REQUIREMENT TO BE LOWERED

The revisions to the Enforcement Decree of the Korea Housing Finance Corporation Act were approved at a cabinet meeting on March 24. The revisions include the changes to the reverse mortgage age requirement and the introduction of a new security deposit payback guarantee program for renters.

REVERSE MORTGAGE

Beginning on April 1, 2020, the age requirement for homeowners or spouses of homeowners wishing to sign up for reverse mortgage programs will be lowered from 60 years old or older to 55 years old or older.

The government expects that 1.15 million additional households will be eligible for reverse mortgages due to this change. Early retirees are expected to benefit from the 1.5 percent increase in the disbursement amount beginning in 2020.

As of the end of February, 2020, the accumulated number of households signed up for reverse mortgages stood at 72,000 and the total amount of disbursement stood at KRW5.3 trillion.

SECURITY DEPOSIT PAYBACK GUARANTEE

Beginning in June, the Korea Housing Finance Corporation (HF) will offer a security deposit payback guarantee to the recipients of HF's jeonse¹ loan guarantees. This new guarantee service is expected to improve convenience and lower costs for consumers.

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

¹ A lump-sum deposit for rent without monthly payments