

AUTHORITIES AND LENDERS DISCUSS WAYS TO ALLAY BURDEN ON RENTERS AND PROSPECTIVE HOMEOWNERS

The FSC and the FSS held a meeting with major banks on October 14 to discuss ways to alleviate financing burden on jeonse¹ renters and prospective homeowners.

For jeonse renters, the authorities decided that new household loans issued to pay for jeonse deposits in the fourth quarter of 2021 will not be counted toward the government's total volume of household debt management target. In the process of credit background check, lenders will closely inspect to prevent issuing new jeonse loans in non-urgent and unnecessary cases.

For prospective homeowners who are scheduled to move into new homes in the fourth quarter of 2021 and are thus required to meet balance payments, the authorities along with the lenders will work to prevent cases where prospective homeowners are unable to move into new homes due to restrictive measures and a suspension in new mortgage loans.

The authorities and banks plan to set up a taskforce to closely share relevant information and review situations regularly as these measures go into implementation starting next week. The authorities and lenders agreed to continue to work for household debt management.

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For press inquiry, please contact Foreign Media Relations at fsc_media@korea.kr.

¹ A lump-sum deposit with no monthly rent usually for 2-year contract