

RELIEF CONVERSION LOAN AVAILABLE FOR MORTGAGORS OWNING HOUSES WORTH KRW400 MILLION OR LESS

The FSC announced that mortgage holders owning only one house which is worth KRW400 million or less can apply for Relief Conversion Loan from Thursday, October 6 (The application period already started on September 15 for mortgage holders owning house worth KRW300 million or less). This preferential Relief Conversion Loan program which covers KRW25 trillion in total loan amount offers eligible mortgage holders to refinance their adjustable-rate or mixed-rate mortgages to those with long-term maturity, fixed interest rate and monthly principal payments.

Application for Relief Conversion Loans will be accepted from October 6 to 17.¹ Exact date will be allocated like the table below according to the last digit of birth year on applicant's resident registration number (RRN).

House price	Last digit of birth year on applicant's RRN					Open to every applicant
	4 & 9	5 & 0	2 & 7	3 & 8	1 & 6	
Up to KRW400 mil.	Oct. 6	Oct. 7	Oct. 11	Oct. 12	Oct. 13	Oct. 14 & 17

Depending on the type of the institution an applicant borrowed from, the institution receiving the application differs. When an original lender is Kookmin, Shinhan, Nonghyup, Woori, Hana Banks or Industrial Bank of Korea, the applicant should submit to the original lender. However, when an original issuing institution is other bank or nonbank financial institution, the application should be submitted to Korea Housing Finance Corporation.

Applicants need to keep in mind the following factors before application.

- Check the type of benchmark rate² your mortgage uses and its adjustment period³ as well as trends in benchmark rates to understand when your interest rate will be adjusted next and how much your benchmark rate will be increased during the interval.
- Decision to apply for Relief Conversion Loan should be made after comparing the expected interest rate of the forthcoming adjustment date—not your current interest rate—with the interest rate of Relief Conversion Loan.
- If interest rates fall in the future and then a borrower wishes to switch Relief Conversion Loan to another mortgage loan that offers a lower interest rate, a

¹ Weekend and national holiday excluded.

² Examples of benchmark rate: COFIX interest rates, coupon rate of bonds issued by financial institutions, etc.

³ The period between interest changes

refinancing is possible without burden of an early termination fee.

If the total volume of applications still falls short of KRW25 trillion after taking applications for houses valued at KRW400 million or less, a second round of application will proceed with an increased value of maximum house price.

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