

Shinsei Bank announces offering of two types of housing loan products

Tokyo (Wednesday, February 27, 2002) -- Shinsei Bank, Limited ("Shinsei Bank") announced offering of two types of housing loan products named "PowerSmart Housing Loan" and "Super Flexible Housing Loan" from February 28.

Both loans come with two features which match to the customer needs under low interest rate and deflationary environments; customers may reduce burden of the interest payment by whole or partial pre-payment of the principle, and may not necessarily be required to have a guarantor for loans.

"PowerSmart Housing Loan" allows a customer to shorten repayment period and reduce total interest payment significantly by automatically pre-paying the principle using surplus deposits in ordinary savings account. This innovative characteristic differentiates "PowerSmart Housing Loan" greatly from other housing loan products.


The major features of the two services are below:

"PowerSmart Housing Loan"

- (1) "Smart Repayment" --- Excess amount over the pre-set balance in customer's ordinary deposit will be automatically swept for the pre-payment of the loan.
- (2) "Overloan Service for Living Expense" --- Up to the same amount as accumulated pre-payment of the loan principal, a customer can overdraw money with the same interest rate as housing loan. The customer can pre-pay the housing loan principal without worrying about living expense.
- (3) A customer can reduce housing loan balance and burden of the interest payment by pre-payment of the loan principal by utilizing above features.

"Super Flexible Housing Loan"

- (1) Partial prepayment request via a telephone is available anytime from any amount.
- (2) A customer can choose either floating or fixed rate. (Fixed rate term: 1, 3, 5, 7, and 10 years)
- (3) In the case where the maturity date is advanced by partial prepayment, a customer can reduce installment by returning the maturity date to the original date during the housing loan repayment period. A customer can decrease burden of the loan payment when his/her expense increases because of other needs such as tuition.

The Bank has installed the Housing Loan Special Free Dial :  0120—700—560
(Japanese language only. Weekday 9:00 - 19:00, Weekend and yearend is not available.)

【PowerSmart Housing Loan】 Product Details

(Feb 28, 2002)

Who can use	<ul style="list-style-type: none"> • Person who intends to have residence in Shinsei's business area. • Age 20 or above but below 65 or younger at the time of borrowing.. And younger than 75 on maturity date. • Qualifies for group life insurance. • Annual income before tax for the previous fiscal term of 2 million yen or more. • Consecutive employment record (or business record) of 2 years or more. • Japanese or foreigner qualifying as permanent resident in Japan. • Satisfying other bank's specified qualifications or conditions. • Person who can have PowerFlex account as repayment deposit account.
Purpose of loan	<p>Fund to be used for acquiring the following properties to be used as own residence.</p> <ul style="list-style-type: none"> • Building/purchasing a house (including second hand). • Purchasing a flat (including second hand). • Purchasing land for building a house. • Renovating the existing house. • Selling the existing house and buying a new house. • Subrogation of existing housing loan.
Loan Amount	<p>5 million or more not exceeding 100 million yen. (Unit 100 thousand yen)</p> <p>Maximum loan amount will be limited depends on the customer's income to secure safe repayment for the customer.</p> <p>Maximum loan amount will be limited depends on the valuation of collateral.</p>
Loan Term	1 year or longer up to 35 years (Unit 1 year) - In case of Renovation, up to 15 years.(Unit 1 year)
Interest Rate	<ul style="list-style-type: none"> • Floating Rate • "Initial borrowing interest" for the initial interest rate term will be applied until the previous date of first Interest Rate Change Date. Afterwards, "Housing Loan Base Rate" will be applied. • Interest rate will be changed semi-annually in the loan term.
Repayment Method	<ul style="list-style-type: none"> • Equal Installment Repayment Method. • Same amount (principal and interest) will be debited directly from your PowerFlex account on certain date of a month. • Installment amount in monthly payment portion and bonus payment portion will be recalculated and changed at the time of interest rate change. • Enable to repay from bonus salary in addition to the monthly repayment for the amount of up to 40% of the loan amount.
Smart Pay	<ul style="list-style-type: none"> • You can use automatic prepayment feature for the amount which exceeds preset minimum deposit amount. • Automatic prepayment will be done from bonus portion and from last installement. • Minimum prepayment unit is 10 thousand yen.
Redraw	<ul style="list-style-type: none"> • Redraw can be used together with Smart Pay. • Purpose of the loan is free but excluding business purpose. • Redraw interest rate is same as Housing Loan interest rate. • Redraw facility will be given for the accumulated amount of prepayment until fully repayment of Housing Loan. • Redraw will be repaid by credit in deposit account. • If Redraw amount remains at fully repayment of Housing Loan, it will be have equal installement payment schedule until Housing Loan initial maturity. • In that case, you cannot use bonus payment. Other payment conditions are same as Housing Loan.
Collateral	<ul style="list-style-type: none"> • First rank revolving type of mortgage will be registered on the land or the house for loan. • Long-term fire insurance on the house/flat is necessary and we establish the right of pledge on the fire insurance.
Guarantor	No need to appoint any guarantor in principle. But there may be a case that we ask some guarantor by request of credit section.
Group Life Insurance	Necessary to apply group life insurance. Redraw amount is not covered with this Group Life Insurance.
Commission	• 28,000 yen (including consumption tax) is required as handling commission.

Please be noted that we will de credit analysis after application of the loan. Depend on the result, we may not meet your wish.

Please refer Shinsei financial center or Shinsei Power Call (TEL 0120-700-556) regarding current loan interest rates or installements.(Japanese language only)

【Super Flexible Housing Loan】 Product Details

(Feb 28, 2002)

Who can use	<ul style="list-style-type: none"> • Person who intends to have residence in Shinsei's business area. • Age 20 or above but below 65 or younger at the time of borrowing. And younger than 75 on maturity date. • Qualifies for group life insurance. • Annual income before tax for the previous fiscal term of 2 million yen or more. • Consecutive employment record (or business record) of 2 years or more. • Japanese or foreigner qualifying as permanent resident in Japan. • Satisfying other bank's specified qualifications or conditions. • Person who can have PowerFlex account as repayment deposit account. 	
Purpose of loan	<p>Fund to be used for acquiring the following properties to be used as own residence.</p> <ul style="list-style-type: none"> • Building/purchasing a house (including second hand). • Purchasing a flat (including second hand). • Purchasing land for building a house. • Renovating the existing house. • Selling the existing house and buying a new house. • Subrogation of existing housing loan. 	
Loan Amount	<p>5 million or more not exceeding 100 million yen. (Unit 100 thousand yen)</p> <p>Maximum loan amount will be limited depends on the customer's income to secure safe repayment for the customer.</p> <p>Maximum loan amount will be limited depends on the valuation of collateral.</p>	
Loan Term	<p>1 year or longer up to 35 years (Unit 1 year) - In case of Renovation, up to 15 years.(Unit 1 year)</p>	
Interest Rate	Floating Rate	Fixed Rate
Repayment Method	<p>"Initial borrowing interest" for the selected loan term will be applied until the previous date of first Interest Rate Change Date. Afterwards, "Housing Loan Base Rate" will be applied.</p>	
	<ul style="list-style-type: none"> • Interest rate will be changed semi-annually in the loan term. • You can lock interest rate at the time of interest rate change. • You can lock interest rate by applying during 1st to 15th of interest rate change month. 	<ul style="list-style-type: none"> • For Fixed Rate period, you can choose among 1year, 3years, 5years, 7years and 10years. • During Fixed Rate period, interest rate will not be changed. • After Fixed Rate period, interest rate will be changed to Floating Rate. (You can choose Fixed Rate again at that time.)
Repayment Method	<ul style="list-style-type: none"> • Equal Installment Repayment Method. • Same amount (principal and interest) will be debited directly from your PowerFlex account on certain date of a month. • Installment amount in monthly payment portion and bonus payment portion will be recalculated and changed at the time of interest rate change. • Enable to repay from bonus salary in addition to the monthly repayment for the amount of up to 40% of the loan amount. • Partial prepayment is possible, by repaying from last installment or by reducing each installment. • When maturity is advanced by partial prepayment, you can reduce installment by returning the maturity to the initial one. 	
Collateral	<ul style="list-style-type: none"> • First rank mortgage will be registered on the land or the house for loan. • Long-term fire insurance on the house/flat is necessary and we establish the right of pledge on the fire insurance. 	
Guarantor	<p>No need to appoint any guarantor in principle. But there may be a case that we ask some guarantor by request of credit section.</p>	
Group Life Insurance	<p>Necessary to apply group life insurance.</p>	
Commission	<ul style="list-style-type: none"> • 28,000 yen (including consumption tax) is required as handling commission. • No commission for the partial prepayment when you prepay from bonus portion and lat installment. 5,000 yen (including consumption tax) for other type of partial prepayment. • 5,000 yen (including consumption tax) for every interest rate lock excluding the time of disbursement. • 5,000 yen (including consumption tax) for every execution of installment reduction by returning the maturity to the initial maturity. 	

Please be noted that we will de credit analysis after application of the loan. Depend on the result, we may not meet your wish.

Please refer Shinsei financial center or Shinsei Power Call (TEL 0120-700-556) regarding current loan interest rates or installments. (Japanese language only)