

Shinsei Bank announces offering the fixed rate type of “PowerSmart Housing Loan”
Handling commission is Free.

Tokyo (Friday, June 28, 2002) -- Shinsei Bank, Limited ("Shinsei Bank") announced offering the fixed rate type of “PowerSmart Housing Loan” which was introduced in February 2002. At the same time, handling commission of “PowerSmart Housing Loan” was changed to be free.

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

With our offering a customer can choose either floating or fixed rate (Fixed rate term : 1,3,5,7, and 10 years). This feature will further match the customer needs.

The major features of “PowerSmart Housing Loan” are below:

- (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) “Redrawing Service for Living Expense” --- Up to the same amount as accumulated prepayment of the loan principal, a customer can overdraw money with the same interest rate as housing loan. The customer can prepay the housing loan principal without worrying about living expense.
- (3) By utilizing above features a customer can reduce housing loan balance and the interest payment.

The Bank has installed the Housing Loan Free Dial : 0120 – 456 -860

(Japanese language only. Weekday 9:00 - 19:00, Weekend and yearend is not available.)

PowerSmart Housing Loan] Product Details

(Jun 25, 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
	<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. 	
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 installment. • 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 installment 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	<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. Redraw amount is not covered with this Group Life Insurance.</p>	
Commission	<ul style="list-style-type: none"> • No commission 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 0120-456-860) regarding current loan interest rates or installements.(Japanese language only)