

PowerSmart Home Mortgage Product Description

English translation of PowerSmart Home Mortgage Product Description is solely for reference purposes. If there is any discrepancy between the Japanese and English contents, the Japanese takes precedence over English.

(as of January 22, 2024)

1. Application Eligibility

PowerSmart Home Mortgage is available to individual customers who meet all the following conditions:

- Has an existing PowerFlex account with SBI Shinsei Bank (“the Bank” hereinafter) or can open a PowerFlex account concurrently with the loan application

<Who can open an account?>

You must be a resident of Japan with a contact phone number to confirm the details of your account application form.

The “contact phone number” must be your own phone number. The phone number at your workplace or someone else’s phone number is not acceptable.

Account opening requests by foreign politically exposed persons will be accepted at branches only.

- Is 20 and above and 65 and below at the time of application and under 80 at the loan maturity. Needs to be under 50 at the time of borrowing when cancer group life insurance is selected for group life insurance. Needs to be under 59 at the time of borrowing when Step-down Interest Rate is selected for an interest rate plan.
- Qualifies for group life insurance
- Has been continuously employed for 2 years or longer, as a full time or contracted employee, with an annual income of 3 million yen or more (before tax) for the previous fiscal year
- If self-employed, has been engaged in business for 2 years or longer and has an average 2-year profit of 3 million yen or more
- Is a Japanese citizen or a permanent resident of Japan (for non-permanent residents, applicant’s spouse must be a Japanese citizen or a permanent resident of Japan, and the spouse must be appointed as a guarantor for the mortgage. In this case, it is not necessary for the guarantor to have a stable income. Temporary non-permanent residents are ineligible to apply)
- Satisfies other conditions and/or requirements stipulated by the Bank

Ineligibilities

- Non-residents of Japan
- “Period of Stay” on the Residence card is less than 1 year.
- Corporate application
- Post office box address

2. Loan Purpose

PowerSmart Home Mortgage provides funds related to a residence (*1) of the applicant or his/her family members (*2) for the following purposes:

- To purchase a detached house or an apartment (including second-hand properties)
- To build a new house (the loan will be granted in lump sum when the house is completed)
- To refinance an existing home mortgage loan granted by another financial institution (partial refinance is not accepted)
- To renovate a detached house or an apartment (*3)
- To finance expenses related to the either of the above (*4) for the target property meeting the following conditions (borrowing additional costs only is not accepted):
 1. Its floor area is 50 square meters or larger (30 square meters or larger for an apartment)
 2. The target property is used solely for a residence or is shared as a residence and a shop or an office (in such a case, residential space must be 50% or more of the entire floor area of the property, and the shared area (i.e., the shop or office) is used by the applicant)

PowerSmart Home Mortgage is not available in the following cases:

- 1) The land of the property is on fixed-term leasehold or ordinary leasehold (including leasehold under the former Act on Land and Building Leases),
- 2) the target property is located in an urbanization-restricted area (*5) (except when development permission is granted by the authorities),
- 3) the target property is located outside of city planning areas (*5),
- 4) the target property is a holiday house or
- 5) the target property is not compliant with the Building Standard Law of Japan and/or other laws and regulations.

Please note that PowerSmart Home Mortgage is not available for purchasing land only (excluding a case where an owner of a building on leased land is purchasing limited proprietary right of land).

(*1) Properties on rent are not accepted.

(*2) The applicant’s family members are limited to spouse, parents and parent in-laws of the applicant.

(*3) The first mortgage with SBI Shinsei Bank as the mortgage holder needs to be established on the target property if a mortgage with a person other than the Bank is established on the target property. For details of borrowing funds for home renovation, please contact PowerCall <Home Mortgage>.

(*4) Additional expenses include fees for acquiring a residence or contracting PowerSmart Home Mortgage, real estate brokerage fee, tax, fire and earthquake insurance premiums, lump-sum reserve fund for repair, property management reserves and water and sewage service charge. For details of borrowing funds for additional expenses, please contact PowerCall <Home Mortgage>.

(*5) Please confirm with the real estate agent selling the target property or the concerned department at the municipal office of the target district whether the target property is located in an urbanization-restricted area or outside of the city planning area.

3. Loan Amount

- When the applicant is borrowing funds for purchasing and/or building a home or for refinancing an existing home mortgage loan: The total amount of PowerSmart Home Mortgage shall be equal to or greater than 5 million yen and not more than 300 million yen (in units of 100,000 yen). The amount shall be equal to or greater than 20 million yen and not more than 300 million yen when Step-down Interest Rate is selected.
When the applicant is borrowing funds for home renovation and/or additional expenses together with funds for purchasing and/or building a home, the total amount of the borrowing of funds for home renovation shall be equal to or greater than 300,000 yen (in units of 100,000 yen), and the total amount of borrowing of funds for additional expenses shall be equal to or greater than 100,000 yen (in units of 100,000 yen).
The loan amount shall not exceed 100 million yen when cancer group life insurance is selected for group life insurance.
In the case of using Mix Loan Service, the total amount of one-time borrowings shall be equal to or greater than 30 million yen, and the amount of each loan needs to be equal to or greater than 5 million yen (in units of 100,000 yen).
- When the applicant is not borrowing funds for purchasing and/or building a home or funds for refinancing an existing home mortgage loan: The total amount of the borrowing of funds for home renovation shall be equal to or greater than 5 million yen and not more than 100 million yen (in units of 100,000 yen). When the applicant is also borrowing funds for other expenses, the total amount of the borrowing of funds for home renovation shall be equal to or greater than 300,000 yen (in units of 100,000 yen), and the total amount of borrowing for other expenses shall be equal to or greater than 100,000 yen (in units of 100,000 yen).

The loan amount shall be within the applicant's credit line based on the property value assessed by a property appraiser appointed by the Bank. The loan amount will be restricted according to the applicant's annual income and liabilities to ensure an affordable repayment plan.

4. Loan Period

The loan period must be between 5 years and 35 years (in units of 1 year), which shall be selected by the applicant. The loan period of Long-term Fixed Rate or Step-down Interest Rate shall be between 21 years and 35 years (in units of 1 year). In either case, the loan period shall be established so that the applicant's age will be under 80 at the time of full payment.

5. Interest Rates

Please confirm specific interest rate levels on SBI Shinsei Bank's website (www.sbishinseibank.co.jp) or by contacting PowerCall <Home Mortgage>.

The Bank's Initial Interest Rates and Home Mortgage Base Rates are neither tied to benchmark market rates nor necessarily move in tandem with specific market rates. The Rates are, in principle, reviewed and determined each month at the Bank's discretion considering funding costs, operation costs required for screening and selling PowerSmart Home Mortgage and profitability of the Bank and financial conditions. Therefore, please note that applicable interest rates and repayment amounts may increase regardless of market rate fluctuation. However, the Rates may be reviewed during the month depending on interest rate trends.

6. Interest Rate Plans

Interest rate plans of PowerSmart Home Mortgage include Floating (Reviewed Semi-annually), Initially Fixed Interest Rate, Long-term Fixed Interest Rate and Step-down Interest Rate. The applicant, having selected Floating (Reviewed Semi-annually), Initially Fixed Interest Rate or Long-term Fixed Interest Rate, shall select the initial interest rate, the applicable interest rate on and after the interest rate change date and either the Fixed Fee Plan or the Fixed Fee Rate Plan for administrative fees.

For applicants who have selected cancer group life insurance policy, 0.1 point shall be added to the interest rate plan selected.

Limited combinations of interest rate plans are available for applicants using Mix Loan Service or borrowing multiple funds such as funds for purchasing and/or building a home (or refinancing home mortgage), funds for home renovation and other expenses. Please contact PowerCall <Home Mortgage> for details.

The interest rate plan may not be changed to another plan after concluding the contract. Please confirm the initial interest rate and the applicable interest rate on and after the interest rate change date on SBI Shinsei Bank's website (www.sbishinseibank.co.jp) or by contacting PowerCall.

Unless otherwise specified, the following Floating Interest Rate (Reviewed Semi-annually), Initially Fixed Interest Rate and Long-term Fixed Interest Rate refer to the interest rate plan for the Fixed Fee Plan if the applicant has selected Fixed Fee Plan at the time of borrowing and refer to the interest rate plan for the Fixed Fee Rate Plan if the applicant has selected the Fixed Fee Rate Plan at the time of borrowing.

"Floating Interest Rate" (Reviewed Semi-annually)

- The Initial Borrowing Rate of Floating Interest Rate (Reviewed Semi-annually) on the contract date shall be applied for the initial interest rate.
- During the loan period, the applicable interest rate shall be reviewed twice a year with May 1st and November 1st as base dates, and a new interest rate shall be applied on the date following the payment due date in June and December which are the next months of base dates. (For applicants who have designated July and January for making semi-annual increased payments (i.e., Bonus Payment), the new interest rate shall be applied on the date following the payment due date of July and January, which are the months after next of base dates.

- With the Home Mortgage Base Rate for Floating Interest Rate (Reviewed Semi-annually) on the base date as the standard, an interest rate designated by the Bank which differs depending on the borrowing conditions of the applicant (including the Fixed Fee Plan or the Fixed Fee Rate Plan selected at the time of borrowing) shall be applied as the applicable interest rate on and after the first interest rate change date.
- Upon request, the applicant may select Initially Fixed Interest Rate (any one of 1 year, 3 years, 5 years, 7 years, 10 years, 15 years or 20 years for the fixed rate applicable period; some periods may not be available due to interest rate conditions, etc.). With the Home Mortgage Base Rate for the Initial Fixed Interest Rate on the base date according to the Fixed Interest Rate applicable period as the standard, an interest rate designated by the Bank which differs depending on the borrowing conditions of the applicant (including the Fixed Fee Plan or the Fixed Fee Rate Plan selected at the time of borrowing) shall be applied. This interest rate shall be applied throughout the subject period and shall not be changed during the subject period. In addition, the interest rate may not be changed to another Initially Fixed Interest Rate or Floating Interest Rate (Reviewed Semi-annually) during the subject period.

“Initially Fixed Interest Rate”

- The applicant may select the Initially Fixed Interest Rate applicable period from 1 year, 3 years, 5 years, 7 years, 10 years, 15 years and 20 years.
- During the Initially Fixed Interest Rate applicable period, the Initial Borrowing Rate as of the contract date shall be applied with no change in the interest rate.
- After the expiry of the Initially Fixed Rate applicable period, Floating Interest Rate (Reviewed Semi-annually) shall be applied automatically. Floating Interest Rate for the Fixed Fee Plan shall be applied if the applicant has selected the Fixed Fee Plan at the time of borrowing, and Floating Interest Rate for the Fixed Fee Rate Plan shall be applied if the applicant has selected the Fixed Fee Rate Plan at the time of borrowing. The applicable interest rate shall be reviewed twice every year, May 1st and November 1st as base dates, and a new interest rate shall be applied on the date following the payment due date of June and December which are the next months of base dates. For applicants who have designated July and January for making semi-annual increased payments (i.e., Bonus Payment), the new interest rate shall be applied on the date following the payment due date of July and January, which are the months after next of base dates.
- With the Home Mortgage Base Rate for Floating Interest Rate (Reviewed Semi-annually) on the base date as the standard, an interest rate designated by the Bank which differs depending on the borrowing conditions of the applicant (including the Fixed Fee Plan or the Fixed Fee Rate Plan selected at the time of borrowing) shall be applied as the applicable interest rate after the expiry of the Initially Fixed Interest Rate applicable period.
- Upon request, the applicant may select Initially Fixed Interest Rate (any one of 1 year, 3 years, 5 years, 7 years, 10 years, 15 years or 20 years for the fixed rate applicable period; some periods may not be available due to interest rate conditions, etc.) at the time of changing the interest rate. With the Home Mortgage Base Rate for the Initially Fixed Interest Rate on the base date as the standard, an interest rate designated by the Bank which differs depending on the borrowing conditions of the applicant (including the Fixed Fee Plan or the Fixed Fee Rate Plan selected at the time of borrowing) shall be applied as the applicable interest rate in this case. The interest rate shall be applied throughout the subject period and shall not be changed during the subject period. In addition, the interest rate may not be changed to the Initially Fixed Interest Rate or the Floating Interest Rate (Reviewed Semi-annually) during the subject period.

“Long-term Fixed Interest Rate”

- The borrowing rate as of the contract date shall be applied until the maturity of the loan.
- The Rate shall not be changed during the loan period. The Rate may not be changed to other interest rate plans.

“Step-down Interest Rate”

- The Rate shall be decreased in stages after a certain period from the first payment due date.
- The Rate is not available for Mix Loan Service.
- Based upon the applicable interest rate as of the contract date (the initial applicable interest rate), an applicable interest rate calculated as below shall be applied.
- The applicable interest rate shall not be changed during the loan period except for the reasons provided below. The applicable interest rate may not be changed to other interest rate plans.
 - ① During the period between the borrowing date and the date before either June 27th or December 27th that arrives first on and after the 120th payment due date counting from the first payment due date (hereinafter, the “First Interest Rate Change Date”): The Initially Applicable Interest Rate
 - ② During the period between the First Interest Rate Change Date and the date before the 5th anniversary date of the First Interest Rate Change Date (i.e., from Year 11 to Year 15 of borrowing): 90% of the Initially Applicable Interest Rate
 - ③ During the period between the 5th anniversary date of the First Interest Rate Change Date and the date before the 10th anniversary date of the First Interest Rate Change Date (i.e., from Year 16 to Year 20 of borrowing): 80% of the Initially Applicable Interest Rate
 - ④ During the period between the 10th anniversary date of the First Interest Rate Change Date and the date before the 15th anniversary date of the First Interest Rate Change Date (i.e., from Year 21 to Year 25 of borrowing): 70% of the Initially Applicable Interest Rate
 - ⑤ During the period between the 15th anniversary date of the First Interest Rate Change Date and the date before the 20th anniversary date of the First Interest Rate Change Date (i.e., from Year 26 to Year 30 of borrowing): 60% of the Initially Applicable Interest Rate
 - ⑥ During the period between the 20th anniversary date of the First Interest Rate Change Date and the final payment due date: 50% of the Initially Applicable Interest Rate
- * Even if the loan period is less than 35 years, the interest rates ① to ⑥ shall be applied in a sequential order during the period after the Initially Applicable Interest Rate applicable period, and the application shall complete at the time of the arrival of the final payment due date. When the final payment due date is rescheduled (including when the final payment due date has been accelerated due to prepayment), the interest rates ① to ⑥ shall be applied in a sequential order during the period after the Initially Applicable Interest Rate applicable period, and the application shall complete at the time of the arrival of the rescheduled final payment due date.
- Applicants who have selected Step-down Interest Rate are not eligible for PowerSmart Home Mortgage Loan Anshin Pack W, PowerSmart Home Mortgage Loan Anshin Pack W <Tokyu Group Plan>, or PowerSmart Home Mortgage Loan Anshin Pack S.

7. Repayment Method

- Based on equal principal and interest payments, payments shall be debited directly from the applicant's deposit account for payment on 26th every month (or on the next business day when 26th is a non-business day of the Bank). The applicant may set up semi-annual increased payments (i.e., Bonus Payment) up to 40% of the total loan amount. However, semi-annual increased payments shall not be available if the applicant has selected Step-down Interest Rate.
- Depending on the applicant's situation, prepayments through Internet Banking (Fixed-Amount Prepayment Service) and automatically allocating amounts exceeding a designated amount to prepayments (Automatic Prepayment Service) are also available for free. Prepayments shall be allocated to the principal, which will shorten the loan period, therefore, monthly payment amounts shall not change (the Shorter Period Plan only).

8. Collateral

- A first mortgage with SBI Shinsei Bank as the mortgage holder shall be registered against the target property.
- The applicant shall use a judicial scrivener designated by the Bank for procedures related to the loan such as establishing, changing and removing the mortgage and shall bear the costs for the procedures.

9. Joint Guarantor

A joint guarantor is not required in principle but may be required depending on the income of the applicant and collateral status. For the applicant who does not have permanent residency, the applicant's spouse needs to have Japanese citizenship or permanent residency and shall be the joint guarantor.

However, borrowing for purposes including business funds is not available when a joint guarantor is required.

When the funds for purchasing and/or building a home (or for refinancing home mortgage) include costs for building a solar power generation facility involving a power sales contract, an amount excluding the costs related to the facility shall be the target of the loan. When there is a joint guarantor, borrowing or refinancing funds for acquiring housing concurrently used as a shop or an office is not available.

10. Guarantee Fee

Not required.

11. Group Life Insurance

- The applicant is required to take out group life insurance designated by the Bank. The insurance premium of the group life insurance will be paid by the Bank.
- The application for group life insurance will be screened by the insurance company and may not be accepted.
- Applicants using Mix Loan Service and borrowing home renovation funds must select the same coverage for all borrowings.
- Insurance coverage may not be changed after borrowing.
- Please contact PowerCall <Home Mortgage> for details.

<Available group life insurance policies>

● Group Life Insurance

- Group life insurance asks the insurance company to pay the Bank, the policyholder, an insurance benefit equivalent to the home mortgage loan balance when the applicant, the insured, is deceased or have developed serious disability as designated by the insurance. The insurance benefit will be allocated to the repayment of the home mortgage loan.
- Group life insurance is subject to the applicant's home mortgage loan balance. The upper limit of the target home mortgage loan is 200 million yen even when the applicant is borrowing multiple home mortgage loans from the Bank. When the balance exceeds 200 million yen, the applicant is required to take out a separate life insurance policy meeting the requirements designated by the Bank for the excess and to establish a lien on the right to insurance benefits with the Bank as the pledgee. The applicant is required to pay the insurance premium in this case.
- Group nursing care insurance can be added to group life insurance for free. Group nursing care insurance asks the insurance company to pay the Bank, the policyholder, an insurance benefit equivalent to the home mortgage loan balance so that the Bank can allocate the insurance benefit to the repayment of the home mortgage loan, when the applicant, the insured, is in a designated condition requiring nursing care. Group Nursing care insurance cannot be added to cancer group life insurance. The insurance premium of the group nursing care insurance will be paid by the Bank. The target home mortgage loan for group nursing care insurance is up to 100 million yen (when there are multiple loan targets for the insurance, their total must be up to 100 million yen). The application for group nursing care insurance will be screened by the insurance company and may not be accepted.

- Group life insurance with cancer coverage rider and living needs rider ("cancer group life insurance")
 - Group cancer life insurance will have the insurance company pay an insurance benefit equivalent to the home mortgage loan balance to the Bank, the policyholder, when the applicant, the insured, is deceased, has developed serious disability as designated by the insurance, has been diagnosed as having developed a malignant neoplasm (cancer) or has been given 6 months to live*. The insurance benefit will be allocated to the repayment of the home mortgage loan.
 - Cancer group life insurance is subject to the applicant's home mortgage loan balance. The upper limit of the target home mortgage loan balance is 100 million yen. Cancer group life insurance is not available when the loan amount exceeds 100 million yen.
 - Cancer group life insurance is available for those who are under 50 at the time of borrowing.
 - 0.1 point will be added to the interest rate selected.
 - A medical certificate needs to be submitted for a loan exceeding 50 million yen.
 - Cancer group life insurance is not available when Step-down Interest Rate is selected or when PowerSmart Home Mortgage Loan Anshin Pack W, PowerSmart Home Mortgage Loan Anshin Pack W <Tokyu Group Plan> or PowerSmart Home Mortgage Loan Anshin Pack S is selected.
 - Group nursing care insurance cannot be added to cancer group life insurance.
- * The insurance benefit of cancer group life insurance will not be paid in the following cases:
- The applicant has been diagnosed prior to borrowing as having developed a malignant neoplasm (cancer)
 - The applicant has been diagnosed as having developed a malignant neoplasm (cancer) within 90 days from the borrowing date including the date.

12. Service Fees

- When the Fixed Fee Plan is selected for an interest rate plan:
PowerSmart Home Mortgage Loan: 55,000 yen (including consumption tax)
PowerSmart Home Mortgage Loan Anshin Pack W, PowerSmart Home Mortgage Loan Anshin Pack W <Tokyu Group Plan> and PowerSmart Home Mortgage Loan Anshin Pack S: 110,000 yen (including consumption tax)
* When Step-down Interest Rate is selected, only the Fixed Fee Plan with the exception of PowerSmart Home Mortgage Loan Anshin Pack W, PowerSmart Home Mortgage Loan Anshin Pack W <Tokyu Group Plan>, and PowerSmart Home Mortgage Loan Anshin Pack S is eligible.
- When the Fixed Fee Rate Plan is selected for an interest rate plan:
PowerSmart Home Mortgage Loan: 2.2% of the loan amount (including consumption tax)
- A 5,500 yen (including consumption tax) electronic contracting fee shall be charged upon concluding an electronic loan agreement. Please call PowerCall <Home Mortgage> for details since an electronic contract may not be available depending on the application.
- A 5,500-yen fee (including consumption tax) shall be charged every time Initially Fixed Interest Rate is selected on the interest rate change date as the effective date.
- When PowerSmart Home Mortgage Loan Anshin Pack W or PowerSmart Home Mortgage Loan Anshin Pack W <Tokyu Group Plan> is selected, and the home mortgage loan is fully paid within 5 years from the borrowing date (i.e., by the 60th payment due date) due to partial or full prepayment, a 165,000-yen prepayment fee (including consumption tax) will be charged at the time of full payment.

In addition, excluding regularly issued certificates, a fee designated by the Bank shall be charged to the issuance of certificates, etc.

13. Designated Dispute Resolution Body

The Japanese Bankers Association
Contact: Japanese Bankers Association Customer Service
TEL: 0570-017-109 or 03-5252-3772
9:00-17:00, Monday – Friday (excluding national holidays and bank holidays)

14. Attention

- Please contact PowerCall <Home Mortgage> for a specific repayment simulation based on the interest rate plan selected.
- Borrowing is subject to credit screening designated by the Bank. Desired borrowing may not be available depending on the credit screening result.
- Initially Fixed Interest Rate and Long-term Fixed Rate may be discontinued as a whole or for a certain period due to interest rate conditions, etc.
- The target property of the loan shall obtain fire insurance deemed appropriate by the Bank during a period between borrowing and full payment.
- The fees are as of January 22, 2024 and may be changed in the future.
- Please check SBI Shinsei Bank's website (www.sbishinseibank.co.jp) or contact PowerCall <Home Mortgage> for details.

