Jakarta, Indonesia

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JHF and mortgage markets in Japan

Yoshihiro Seguchi

Senior Executive Director,
Member of the Board of JHF

住宅金融支援機構
Japan Housing Finance Agency
（旧「住宅金融公庫」）

Signing of MOC(Memorandum of Cooperation) with SMF

Mr. Toshio Kato, President of the Japan Housing Finance Agency (JHF), and Mr. Ananta Wiyogo, President Director of the PT Sarana Multigriya Finansial(Persero) (SMF), the Republic of Indonesia, jointly signed the Memorandum of Cooperation (MOC) to strengthen their cooperative relationship in the fields of housing finance and housing market support for mutual benefit on July 10, 2017 at the JHF head office in Tokyo.
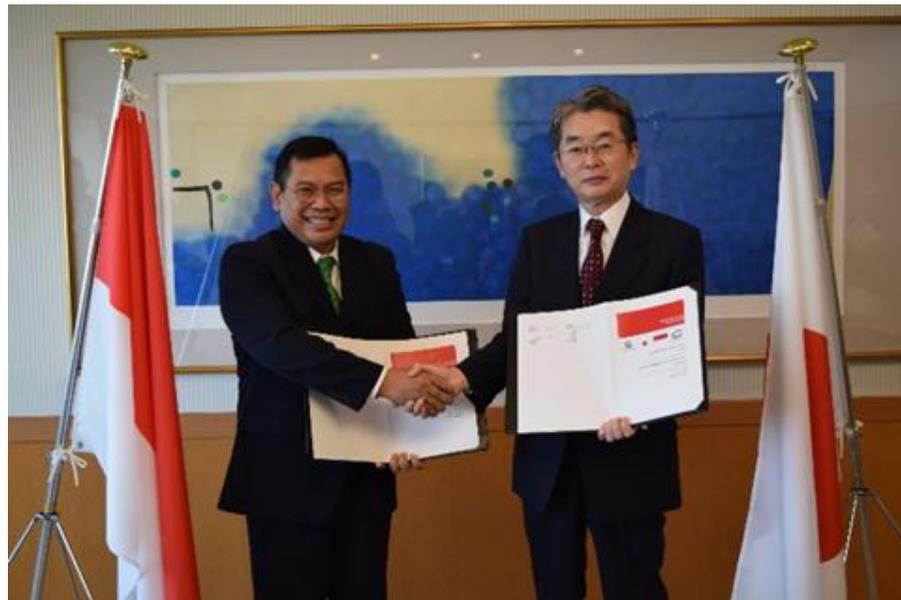
Profile of Japan Housing Finance Agency (JHF)

Established: in April 2007

Total Assets: 26,320 billion JPY (FY2016)
Capitalization: 709 billion JPY (FY2016)
                            All paid in by the Government of Japan
Net Income: 203 billion JPY (FY2016)

Competent Ministers
Minister of Land, Infrastructure, Transport and Tourism (MLIT)
Minister of Finance (MOF)

Number of staff: 902 (As of April 2017)

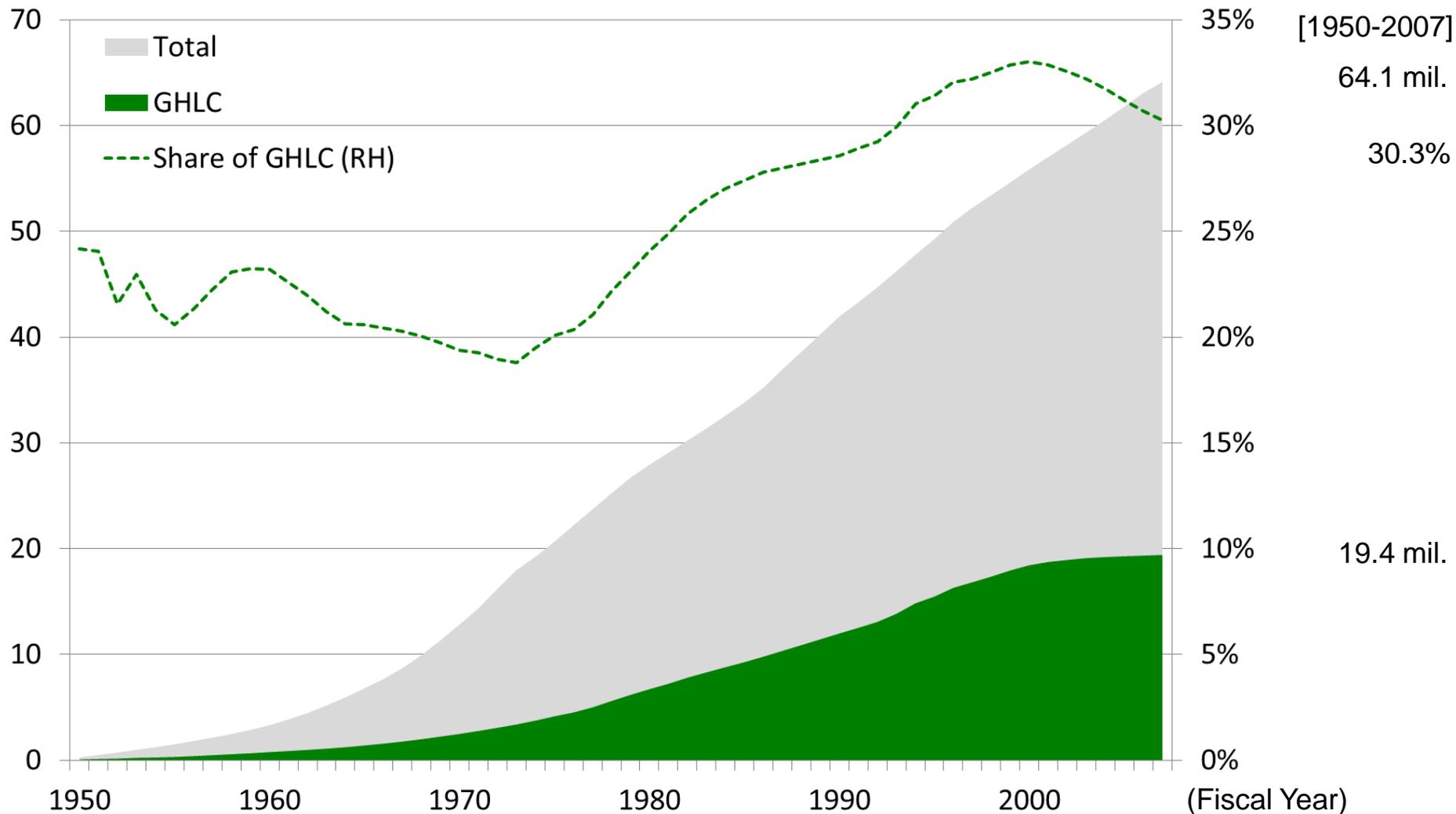Head Office: Tokyo, Japan
Regional Office: 8 offices in major cities

Main line of business
Secondary market operation under securitization support business, Direct mortgage origination for disaster mitigation or urban rehabilitation, Mortgage insurance, Management of legacy assets of GHLC, etc.

Housing starts in Japan and market share of GHLC

Cumulative number of housing started and financed by GHLC and share of GHLC
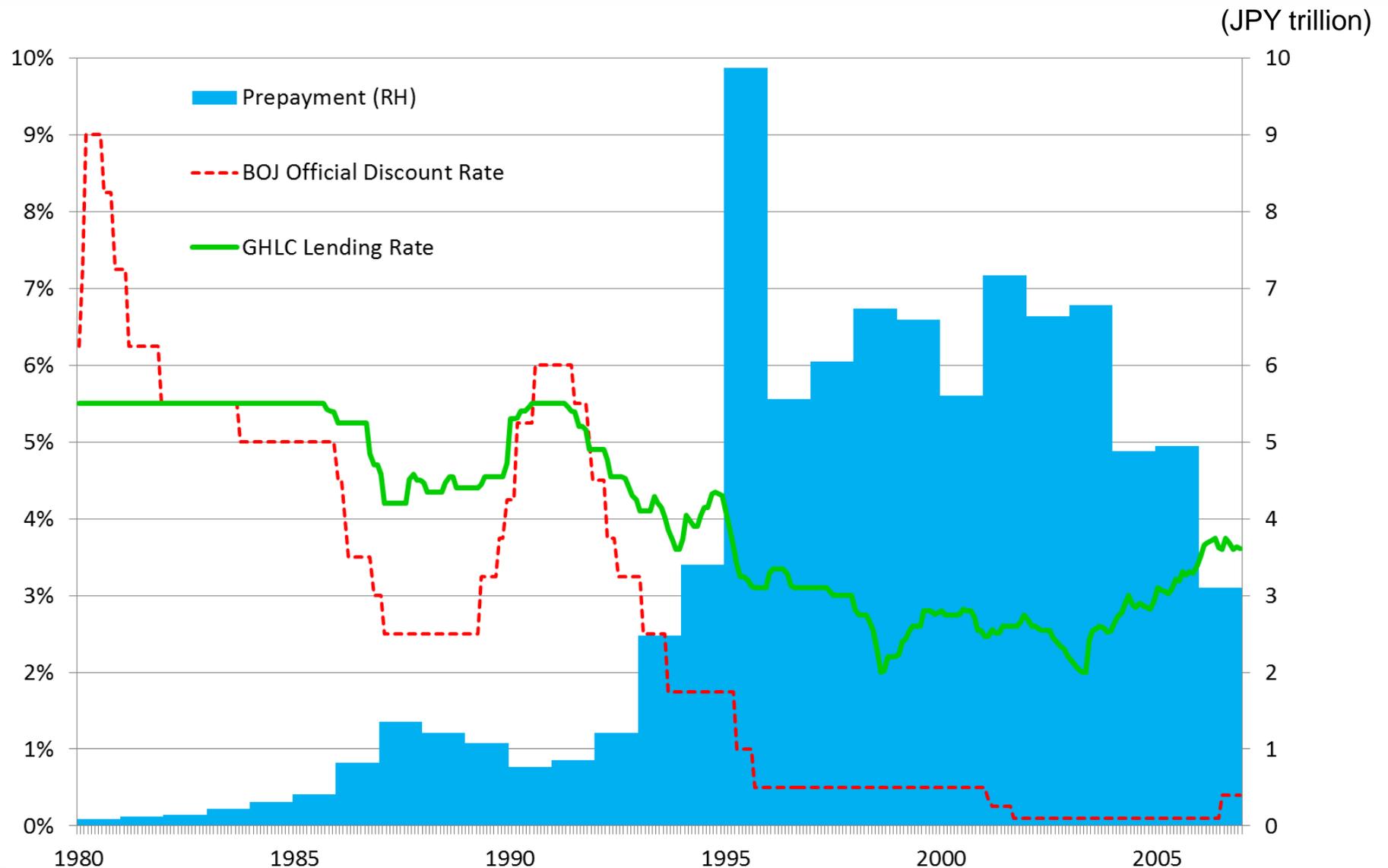
(Million Units)

[1950-2007]

64.1 mil.

30.3%

19.4 mil.

- Total
- GHLC
- Share of GHLC (RH)

(Fiscal Year)

4

(Source) MLIT ad JHF

GHLC and JHF

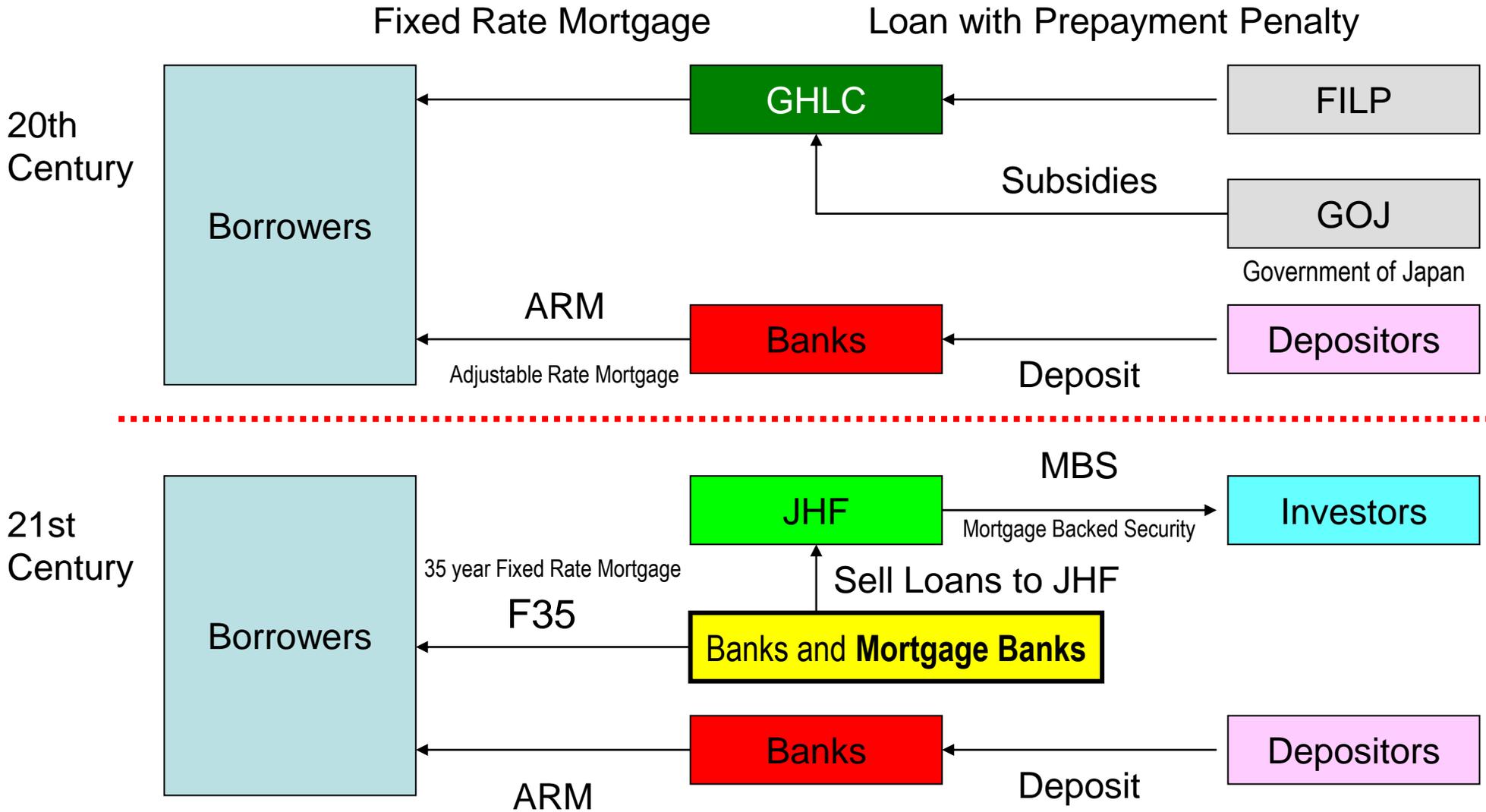|	GHLC	JHF
Established	1950	2007
Ownership	100% Owned by the Government of Japan	
Mission	・Provide liquidity to mortgage markets to low and medium income household ・Enhance quality of housing	
Main Products	Fixed Rate Mortgages	
Main Business	Origination in primary mortgage market (Compete with private sector)	Secondary market operation (**Support** private sector)
Main Funding Source	Borrowing from the Government	Mortgage Backed Securities (MBS)
Subsidy	Yes	No (in principle)

(Note) JHF still originates mortgages for such exceptional cases as disaster mitigations. In such cases, JHF still have access to funding from the MOF FILP and subsidies from General Appropriations.

住宅金融支援機構
Japan Housing Finance Agency

(Source) JHF

Interest rate and prepayment on GHLC loans

(JPY trillion)

Legend:
- Prepayment (RH)
- BOJ Official Discount Rate
- GHLC Lending Rate

6
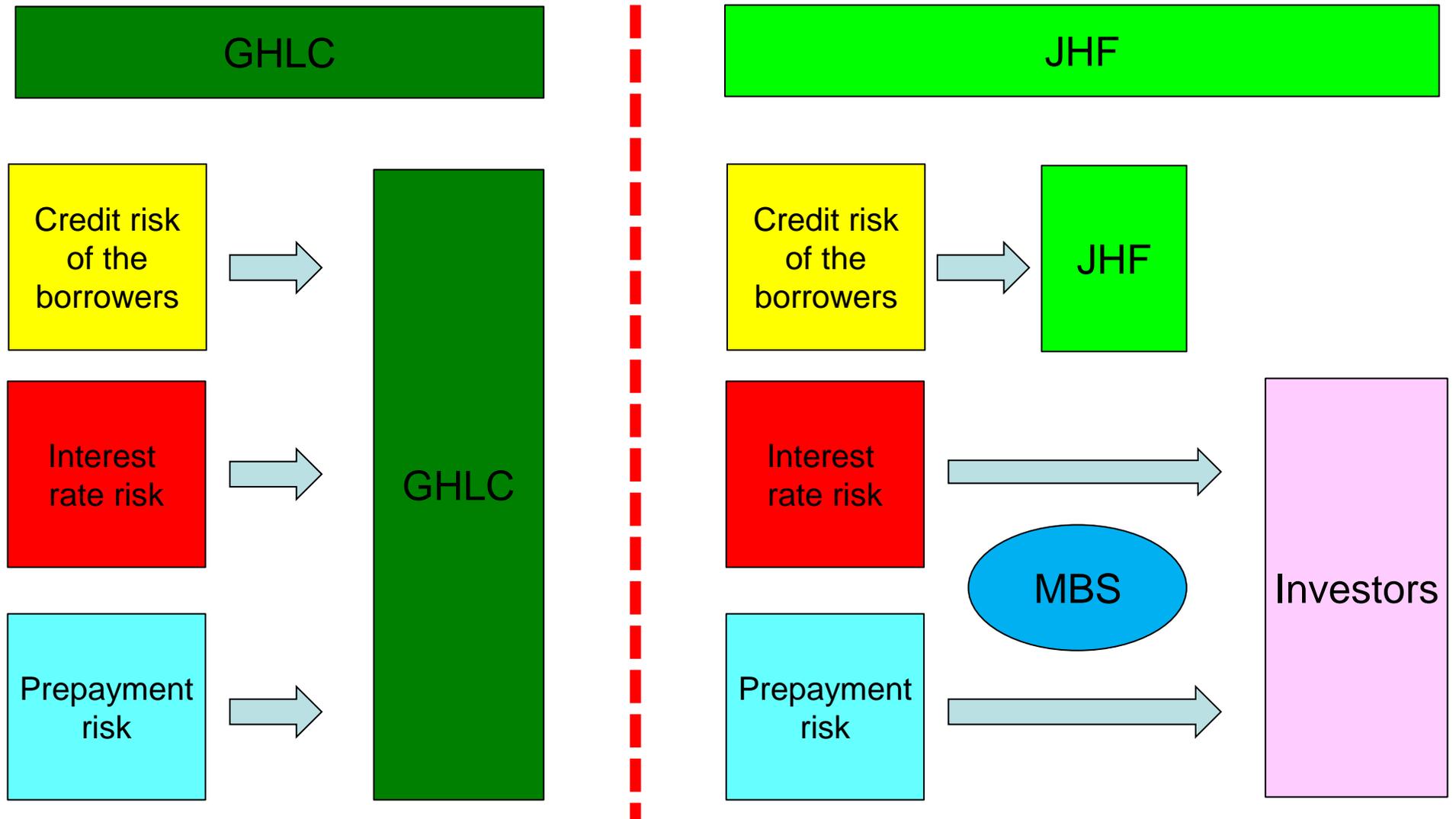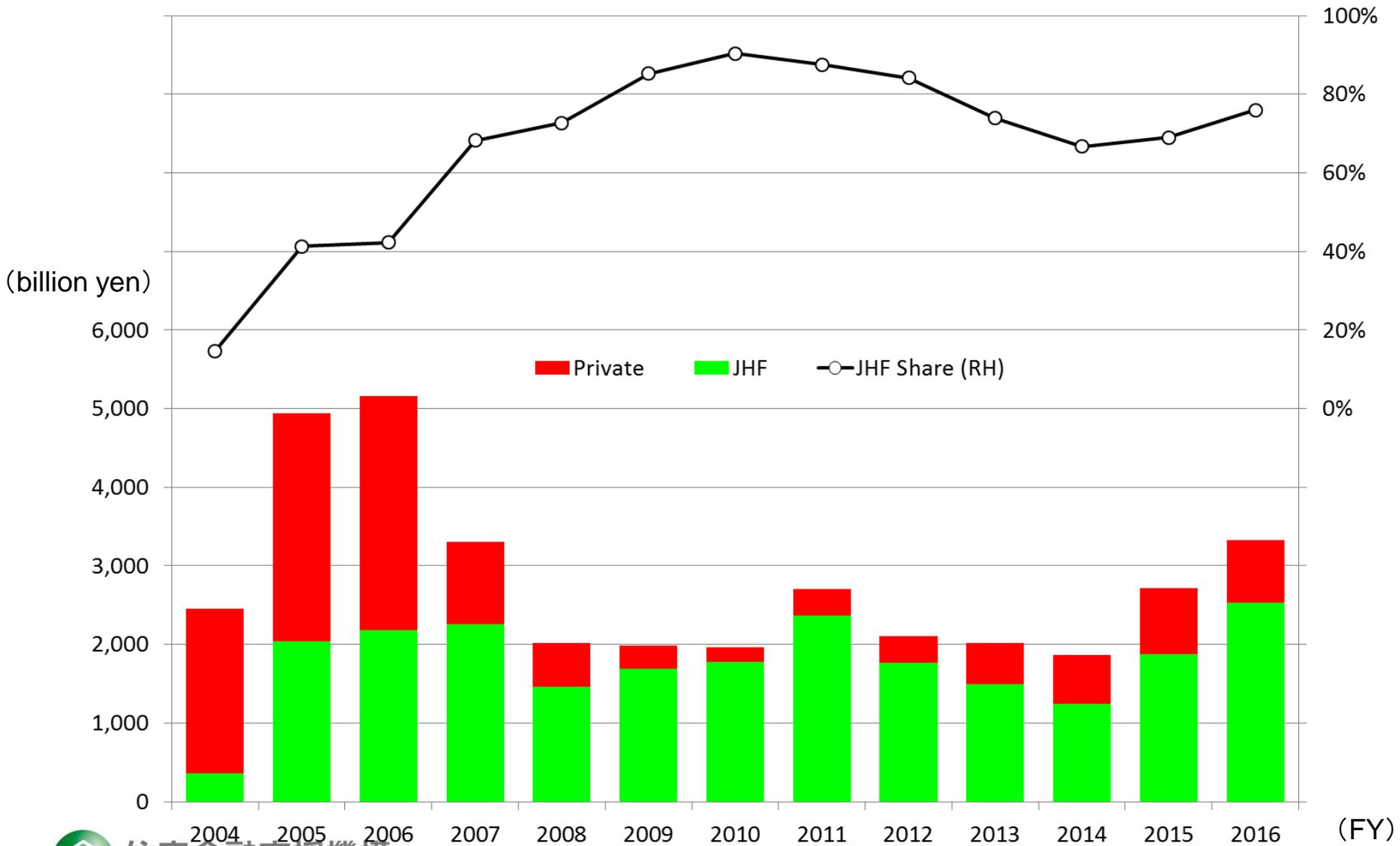
(Source) Bank of Japan and JHF

Reform of Japanese Mortgage Market

FILP: Fiscal Investment and Loan Program
GHLC: Government Housing Loan Corporation
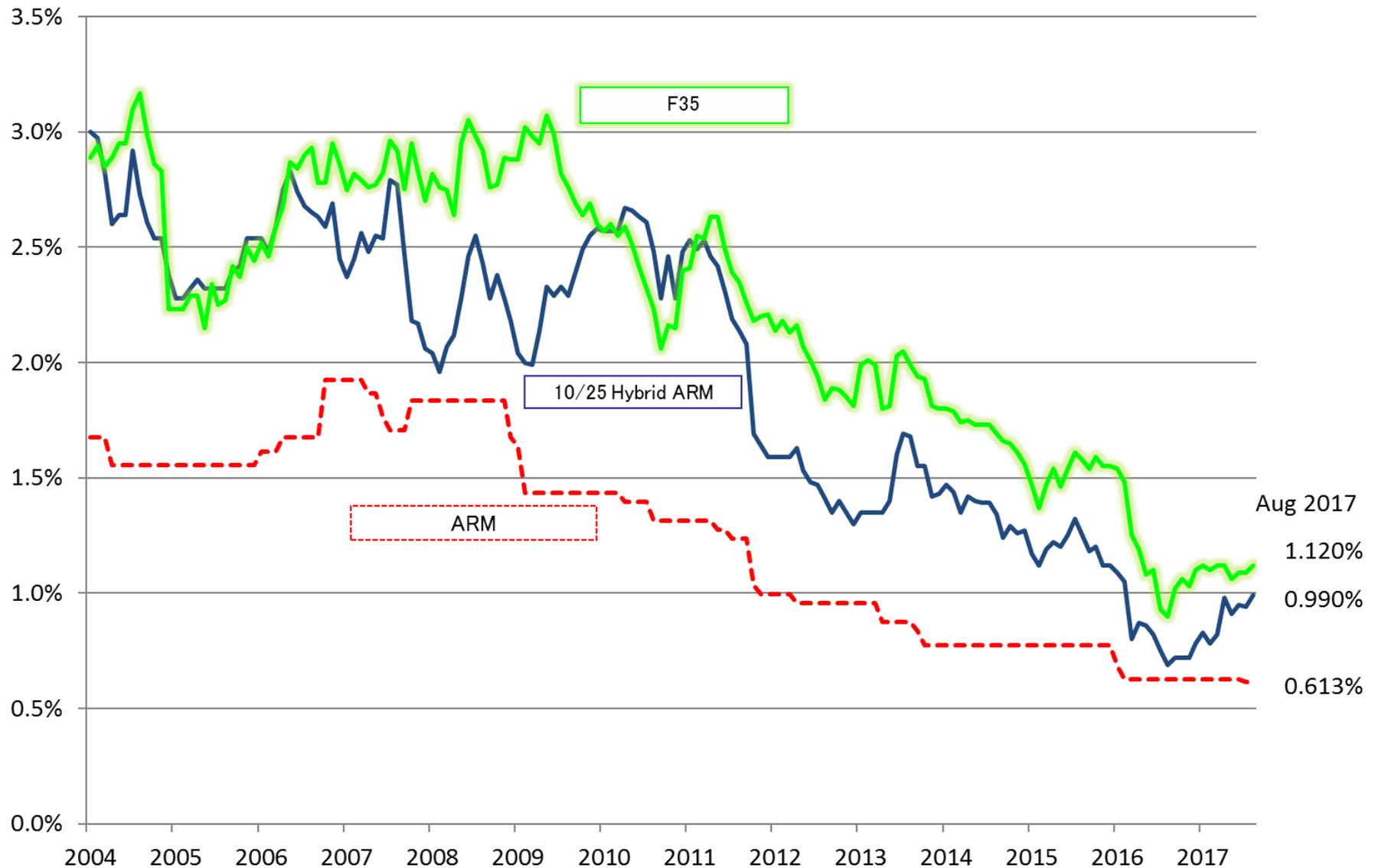JHF: Japan Housing Finance Agency

Fixed Rate Mortgage   **Loan with Prepayment Penalty**

20th Century

Borrowers ← GHLC ← FILP

Subsidies

GOJ

Government of Japan

ARM ← Banks ← Depositors

Adjustable Rate Mortgage   Deposit

21st Century

MBS

JHF → Investors

Mortgage Backed Security

35 year Fixed Rate Mortgage

F35

Borrowers ← Banks and **Mortgage Banks**

Sell Loans to JHF

ARM ← Banks ← Depositors

Deposit

Risk transfer under GHLC and JHF

住宅金融支援機構
Japan Housing Finance Agency

(Source) JHF

MBS issuance amount in Japan

（Source）Japan Securities Dealers Association (JSDA)

Mortgage rates in Japan

F35

10/25 Hybrid ARM

ARM

Aug 2017

1.120%

0.990%

0.613%

(Source) JHF

Asian Secondary Mortgage Market Association（ASMMA）

JHF and PT Sarana Multigriya Finansial (Persero) are members of ASMMA.

Our Members

Cagamas
National Mortgage Corporation of Malaysia
Cagamas Berhad , MALAYSIA
cagamas.com.my

Japan Housing Finance Agency
Japan Housing Finance Agency,JAPAN
jhf.go.jp/english/index.html

KOREA HOUSING-FINANCE CORPORATION
Korea Housing Finance Corporation, Korea
khfc.co.kr

M I K
Mongolian Mortgage Corporation-MMC,MONGOLIA
mik.mn

NHMFC
National Home Mortgage Finance Corporation
National Home Mortgage Finance Corporation,PHILIPPINES
nhmfc.gov.ph

SMF
PT Sarana Multigriya Finansial (Persero)SMF,INDONESIA
smf-indonesia.co.id

SMC
Secondary Mortgage Corporation
Secondary Mortgage Corporation,THAILAND
smc.or.th

Thank you for your attention.

Photo : Masahiro Kobayashi