

# Shinsei "PowerSmart Home Mortgage" Interest Rates 1/2

as of February 1, 2012

As a general rule, the Bank reviews the rates every month (and "10-Year Convertible Floating Rate" is reviewed daily); however, based on the interest rate movements, interest rates may be reviewed during month.

## Floating Interest Rates / Initial Fixed Interest Rates

Mortgage Type	Initial Interest Rate		Rate to apply for tenor after the first initial period			<b>Reference:</b> "Home Mortgage Base Rates" <small>*3</small> (as of November 1, 2011)
	Mortgages contracted during <b>February 2012</b> start with the rates shown below (Note when "10-year Convertible Floating Rate" is selected, the rate to apply is decided on the mortgage disbursement date.) (The initial interest rate is to apply from the date of the mortgage disbursement through the date one day prior to the first rate review date. Contact Shinsei PowerCall (Home Mortgage) at 0120-456-515 (toll-free) for the actual first rate review date.)		After the initial interest period ends, the rate to apply for tenor after such period is determined each time of the new rate review by the mortgage balance*2 and the mortgage type to be selected according to the following conditions (therefore the new rate to apply after the initial period ends will theoretically be different from the rate to apply at the time of the initial mortgage disbursement.)			
			Outstanding loan balance*2 is JPY5MM or more	Outstanding loan balance*2 is less than JPY5MM	Regardless of the mortgage interest rate type	
Floating Interest Rate (reviewed semi-annually)	<b>0.980</b> % p.a.	→	If "Floating Interest Rate (reviewed semi-annually)" is automatically applied	If "Initial Fixed Interest Rate" is selected	Regardless of the mortgage interest rate type	1.600 % p.a.
Initial Fixed Interest Rates	1-year Fixed-Rate	<b>1.600</b> % p.a.	"Home Mortgage Floating (reviewed semi-annually) Base Rate" referred at the time of the rate review*3	"Home Mortgage Initial Fixed Base Rates" referred at the time of the rate review*3	"Home Mortgage Initial Fixed Base Rates" or "Home Mortgage Floating (reviewed semi-annually) Base Rate" referred at the time of the rate review*3	2.600 % p.a.
	3-year Fixed-Rate	<b>1.600</b> % p.a.				2.600 % p.a.
	5-year Fixed-Rate	<b>1.650</b> % p.a.				2.650 % p.a.
	7-year Fixed-Rate	<b>1.650</b> % p.a.				2.700 % p.a.
	10-year Fixed-Rate	<b>1.650</b> % p.a.				2.700 % p.a.
10-year Convertible Floating Rate*1	<b>1.500</b> % p.a.*1 [Floating Interest Rate (reviewed daily): <b>2.000</b> % p.a.]	→	Rate to apply for tenor after the initial 10-year period			
			"Home Mortgage Base Rate" referred at the time of the rate review*3	-0.4% p.a.	"Home Mortgage Base Rate" referred at the time of the rate review*3	

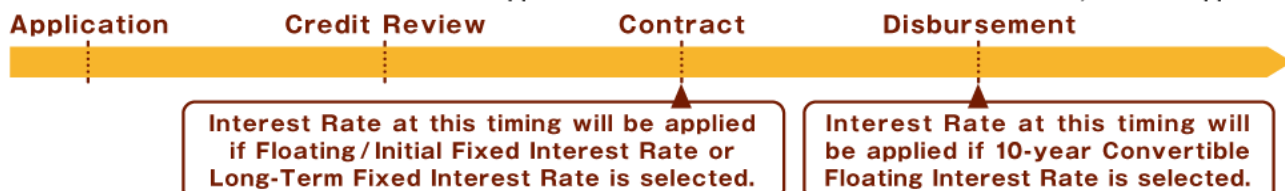
- \*1 "Home Mortgage Floating (reviewed daily) Base Rate -0.5% p.a. will be applied during the initial 10 years of the loan. Customers may choose to switch to a fixed rate (one time only) at free of charge during such special contract period of the 10 years. Please refer to the 2nd page of this rate sheet, "PowerSmart Home Mortgage Product Description" and the supplemental descriptions as well for details.
- \*2 The Bank refers to the loan balance at the end of 14th of the month prior to the rate review month.
- \*3 The base rate to determine the actual rate to apply after the initial interest period ends is the rate as of the reference date (May 1 or November 1).

## Long-Term Fixed Interest Rates

Mortgage Type		Mortgages contracted during <b>February 2012</b> start with the rates shown below and the applied rate does not change toward the maturity	
		Home Mortgage Base Rate	Term
Long-Term Fixed Interest Rates	20-year Fixed-Rate	<b>2.200</b> % p.a.	20 years
	25-year Fixed-Rate	<b>2.300</b> % p.a.	Over 20 to 25 years and under (in one year increments)
	30-year Fixed-Rate	<b>2.400</b> % p.a.	Over 25 to 30 years and under (in one year increments)
	35-year Fixed-Rate	<b>2.450</b> % p.a.	Over 30 to 35 years and under (in one year increments)

please see Page 2 for the important disclosures on the each mortgage type.

- After we receive an application, the bank will undertake credit approval process, and loan amounts and tenors are subjected to the final result which may not be the same as the original request.
- Please note that the interest rate will be applicable at the time of contract or disbursement, not the application date.



## ● Floating Interest Rate (reviewed semi-annually)

- The interest rate at the time of contract will be applied, until the 26th of the interest review month that comes after the 6th scheduled repayment date. After the first review, the rate to be applied will be reviewed every 6 months.
- "Floating Interest Rate (reviewed semi-annually)" will be reviewed and become effective as of the 27th of the interest rate review month based on "Home Mortgage Base Rate" determined on May 1st and November 1st of each year.
- After the termination of the initial floating interest rate period, unless instructed by the customer, "Floating Interest Rate (reviewed semi-annually)" will be automatically applied.
- Customers may choose to apply "Initial Fixed Interest Rate" (for a term of 1,3,5,7,or 10 years) which are valid at the time of the reference.
- The service charge for rate fix is 5,000 yen (per rate fix, consumption tax inclusive).

## ● Initial Fixed Interest Rates

- The initial interest rate at the time of contract applies during the initial fixed period.
- After the termination of the initial fixed interest rate period, unless instructed by the customer, "Floating Interest Rate (reviewed semi-annually)", which is valid at the time of the reference, will be automatically applied.
- Customers may choose to apply "Initial Fixed Interest Rate" (for a term of 1,3,5,7,or 10 years) which are valid at the time of the reference.
- The service charge for rate fix is 5,000 yen (per rate fix, consumption tax inclusive).

## ● 10-year Convertible Floating Rate

- The rate to apply is decided on the mortgage disbursement date.
- "Home Mortgage Floating (reviewed daily) Base Rate" **-0.5% p.a.** will be applied during the initial 10 years of the loan. Customers may choose to switch to a fixed rate (one time only) at free of charge during such special contract period of the 10 years. The new rate will be determined on the day following receipt of the change request and will be effective immediately upon determination.
- The applicable interest rate will be calculated as follows; [Home Mortgage Initial Fixed Base Rate (for a term of 1,3,5,7,& 10 years) **-1.0% p.a.**] depending on the amount of time remaining until the 10th year anniversary of the loan disbursement date.
- During the initial 10 years of the loan (the special contract period) if the customer does not exercise "PowerFreeze Option", the rate applied at the time of the 10th year anniversary of the loan disbursement date (i.e., Home Mortgage Base Rate (reviewed daily) **-0.5% p.a.**) will be applied until the date of the actual initial rate review date (from the anniversary date up to 6 months later at maximum). Please also note that during the period from the anniversary date up to the actual initial rate review date the customer is not entitled to execute "PowerFreeze Option".
- At the conclusion of the 10 year period, the "Floating Interest Rate (reviewed semi-annually)" will be automatically applied.
- Customers may choose to apply the "Initial Fixed Interest Rate" (for a term of 1,3,5,7,or 10 years) at the time of interest rate review if instructed by the customer in advance.
- The service charge for rate fix is 5,000 yen (per rate fix, consumption tax inclusive).

## ● Long-Term Fixed Interest Rates

- The applied rate at the time of contract will be applied until maturity of the mortgage.
- Please note that once the loan agreement is concluded for this mortgage ("Long-Term Fixed"), the rate can neither be changed nor revised to "Fixed Interest Rate" or "Floating Interest Rate" during the term of the mortgage.

## ● For All Customers

- Product Description is available on the Shinsei Website.
- "10-year Convertible Floating Rate" and "Long-Term Fixed Interest Rates" may be discontinued under extenuating circumstances due to interest rate fluctuations, etc.
- As a general rule, the Bank reviews the initial interest rate every month (and "10-Year Convertible Floating Rate" is reviewed daily); however, based on interest rate movements, interest rates may be reviewed during the month. Please confirm the borrowing terms and applied interest rate at the time of contract.
- Disbursement date of the loan may be decided by the customer. However disbursement must occur before or on the last business day two months after the contract month.
- Existing PowerSmart Home Mortgage customers may not refinance their current home mortgage loans under this mortgage program.
- Please note that the monthly scheduled payment amount will be recalculated and is subject to change upon interest rate review or due to interest rate movements.
- If the applied interest rate is reviewed, a new repayment schedule will be posted.
- Handling fee of 50,000yen (consumption tax inclusive) will be charged at the time of contract.
- Customers can check application procedures and receive trial monthly repayment calculations on the Shinsei Website or the call center.
- 1st lien with standard or revolving collateral will be registered against the property financed by this mortgage until the mortgage obligation is fully repaid.

Any questions about Power Smart Home Mortgage?

Shinsei PowerCall

**0120-456-515**

(9AM - 7PM\*)  
\*closed on year-end/  
new year (12/31 - 1/3)

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