

Japan Residential Property Loan

Fact Sheet

Loan Purpose	A Japan Residential Property Loan is a financing solution for clients who are looking to purchase existing residential property, purchase an “off the plan” property, or unlock the value in their existing residential property.
Eligibility Criteria	Subject to the Bank’s approval, any individual who is above 20 years of age or company, who / which wish to transact in a residential property in the Japan Residential area and is (or directors are) citizen / resident of countries where the Commonwealth Bank of Australia has the branch (Australia, New Zealand, USA, UK, Hong Kong, China, Singapore, Indonesia, Vietnam).
Loan Type	This product is available as a Principle and Interest Loan only.
Loan Term	Minimum- 3 years Maximum- 25 years
Loan Amount	Minimum- JPY 15,000,000 Maximum- No set maximum
Loan Currency	Multiple currency options are available- JPY, AUD, HKD, NZD, USD, EUR, GBP, SGD Borrowers applying for the loan in a currency which differs from the underlying security must show they earn income in that currency; i.e., they have an income currency hedge.
Currency Switching	Subject to the Bank’s approval, borrowers may apply for currency switching provided a) The currency they are switching to is the currency of the underlying security, or b) The currency they are switching to is one in which they have an income currency hedge.
Repayment	Payment options include- <ul style="list-style-type: none">• For JPY payments - customers with a Japanese bank account can make payments via domestic fund transfer methods.• For all currencies - international telegraphic transfer to the Commonwealth Bank of Australia Tokyo Branch.• For AUD payments - BPay or direct debit via your Australian Bank account. All transaction costs relating to the repayment will be the responsibility of the borrower.
Collateral Top Ups (multi-currency loans)	Should the loan balance exceed the lending ratio (e.g. due to adverse movements in exchange rates or reduction in property values), the borrower may be required to make additional payments or provide additional collateral to ensure the loan does not continue to exceed its lending ratio.



Interest Rate	<p>A variable rate which will be equal to the Cost of Funds (of the denominated currency) + 2.00% p.a. Interest is charged at a variable rate, based on the London Inter-bank Offered Rate (LIBOR) or Cost of Funds for the currency of the loan, plus a consistent margin.</p>
Security	<p>A first registered mortgage over residential property located in the residential areas of Japan.</p>
Lending Ratio	<p>If the loan is denominated in Japanese Yen, the loan value must not exceed 80% of the value of the property. If the loan is in a currency other than Japanese Yen, please refer to the Commonwealth Bank of Australia Tokyo Branch.</p>
Fees	<p>Application Fee An application fee of the JPY210,000 is payable upon approval of the application.</p> <p>Associated Costs All costs relating to the opening of the loan are payable by the borrower. These include (but are not limited to)-</p> <ul style="list-style-type: none"> • Legal • Government • Valuation • Security registration • Insurance <p>Late Payment Fee In the event of a late payment, a penalty will be charged to the borrower at the rate of 14% p.a. of the outstanding repayment amount.</p> <p>Early Repayment in full Any loan repaid in full within the first three years will require payment of the following early repayment fee amount-</p> <ul style="list-style-type: none"> • Within one year from the anniversary of the Loan Drawdown Date, JPY500,000 • Within two years from the anniversary of the Loan Drawdown Date, JPY400,000 • Within three years from the anniversary of the Loan Drawdown Date, JPY300,000 <p>Currency Switch For every 12 month period from the date of the loan drawdown, the borrower may switch loan currency once without charge. The second and each subsequent currency switch within any 12 month period will require payment of a fee of JPY25,000 per switch.</p>

As at 1st of September, 2009