

Prohibitory Provisions of Standard Form Contract for Home Loan

1. The contract may not contain any agreement on relinquishing the right to a contract review period.
2. The contract may not contain any clause that violates the mandatory and prohibitory provisions in Civil Code on guaranty under the part of Obligations.
3. The contract may not contain any clause that requires the borrower to provide a bill as security, provided the borrower has signed a promissory note or loan document.
4. The contract may not contain any clause where the borrower or the guarantor authorizes the bank to inquire the tax data of borrower or guarantor at any time.
5. The contract may not contain any clause that gives the bank general authorization to use or disclose the basic data provided by the borrower and the guarantor for purposes other than contract performance.
6. The contract may not contain any agreement that when the bank exercises right to offset, the offset would take effect based on the unilateral action of the bank posting the offset on the account.
7. The contract may not contain any agreement on higher than 16% annual interest rate for the loan.
8. The contract may not contain any clause that allows the bank to adjust the interest rate of the loan based on the Lending Interest Reference Rate Standards at its own discretion during the term of the contract.
9. The contract may not contain any clause that requires the borrower to acquire insurance from specific insurer, or restricts or limits the borrower's right to choose insurer at his or her own discretion.
10. The contract may not contain other clauses that violate the mandatory or prohibitory provisions of law, or agreements that are against the principle of good faith or apparently unfair.
11. The contract may not contain any clause requiring the provision of joint guarantor(s) when extending self-use residential loans referred to in Article 12-1 of the Banking Act.
12. When the bank has obtained sufficient security for a self-use

residential loan referred to in the preceding point, the contract may not contain a clause requiring the provision of general guarantor.

The preceding provision does not apply if the borrower provides a guarantor on his or her own for the sake of strengthening his or her credit worthiness.

13. The contract may not contain any clause in connection with the preceding two points that constitute an agreement in disguise on any of the following matters:
 - (1) Requiring the provision of co-borrower or co-debtor.
 - (2) Requiring the guarantor to sign a maximum potential liability agreement.
 - (3) Other situations that are obviously unfair.
14. When extending a self-use residential loan referred to in Point 11, the term of the guaranty agreement shall not exceed 15 years, unless it is otherwise agreed by the guarantor in writing.
15. The contract shall not contain any clause that says the bank's advertisements and oral agreement with the borrower do not constitute a part of the contract, or the bank's advertisements are for reference only.
16. The contract shall not contain a prepayment penalty clause, unless the bank offers favorable loan conditions and restricted payoff period at the same time.