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Title : Directions for Loans Extended by Insurance Enterprises to Persons Having no Owner-occupied Residence for the Purchase of Owner-occupied Residences Ch

Date : 1999.06.28

Legislative : 1. Full eight points adopted and issued 11 December 1993 per Letter No. (82)-Taiwan-Finance-Insurance-821729726 of the Ministry of Finance  
2. Amended and issued 12 October 1995 per Letter No. (84)-Taiwan-Finance-Insurance-842033659 of the Ministry of Finance  
3. Full nine points amended and issued 28 June 1999 per Letter No. (88)-Taiwan-Finance-Insurance-882409201 of the Ministry of Finance

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Content :

- 1.Purpose: These Directions are adopted specifically to coordinate with government housing policy and help members of the public who have no owner-occupied residence to purchase owner-occupied residences.
- 2.Eligible applicants: Those who meet the following conditions may file an application:
  - (1) Is a national of the Republic of China having full legal capacity.
  - (2) Has no owner-occupied residence (the applicant must give signed or sealed consent allowing the Financial Data Center, Ministry of Finance to be queried to confirm whether he owns a residence)
- 3.Loan amount: As determined by the insurance company conducting the loan process upon verifying the facts.
- 4.Loan rate: The loan rate shall be no more than policy dividend interest rate plus 2 percent, subject to periodical adjustment every half-year based on the adjustment of the policy dividend interest rate for the current month.
- 5.Loan repayment grace period: A lending insurance company may at its sole discretion set a grace period in which only interest payment, not principal repayment, is required.
- 6.Repayment method: Upon expiration of the grace period, principal and interest repayments are made on a monthly average installment basis under the annuity method, except that the borrower may elect to make principal and interest repayments on a monthly average installment basis under the annuity method with respect to 70 percent of the loan amount, and lump-sum repayment at maturity with respect to the remaining 30 percent.
- 7.To help the seller of a house and the borrower who buys the house to synchronize their respective loan procedures a loan undertaking may, upon application by the house buyer, be issued by the lending insurance company to the house seller to facilitate the title transfer and mortgage registrations by the house buyer; upon completion thereof the loan is disbursed.
- 8.Upon application by an applicant, an insurance enterprise may extend the loan hereunder together with other policy-based home loans (e.g. home loans for public housing, worker housing, and civil servants/teacher housing).
- 9.Tracking and auditing: A lending insurance company shall prepare a monthly statement detailing the number of borrowers, loan rates, and loan amounts for future auditing by the Ministry of Finance.