

US-Japan Bi-Lateral Housing Initiative:

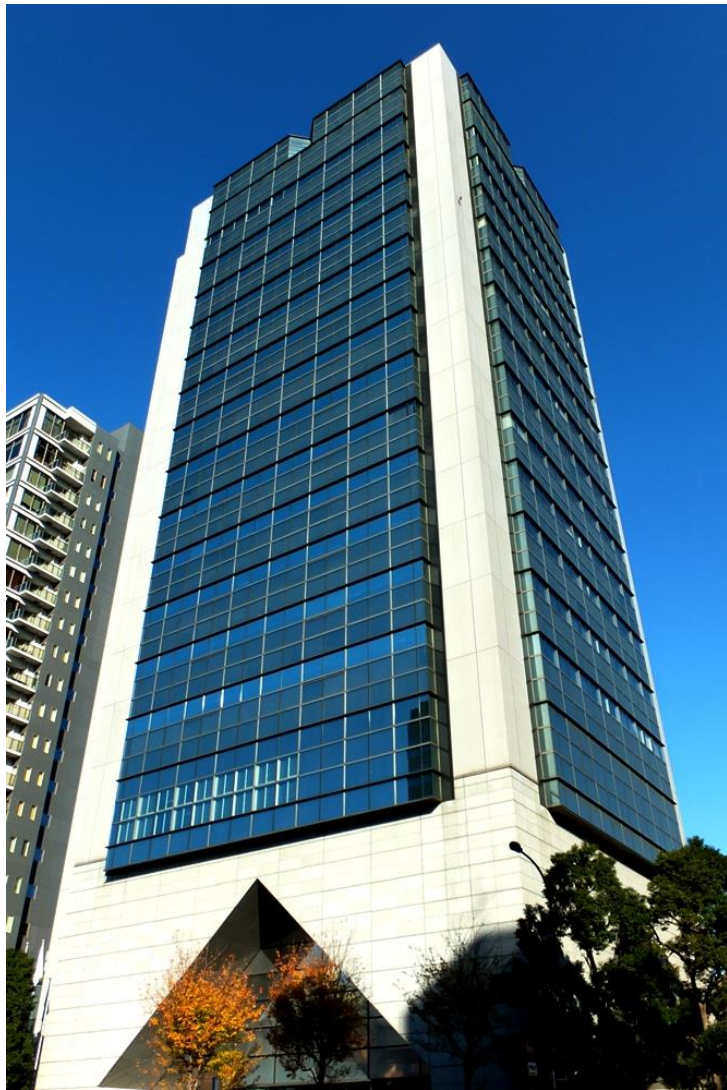
Impact of aging society on housing, finance and macro-economic situation in Japan

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Profile of Japan Housing Finance Agency (JHF)



Established: in April 2007

Total Assets: 27,392 billion JPY (FY2015)

Capitalization: 709 billion JPY (FY2016)

All paid in by the Government of Japan

Net Income: 216 billion JPY (FY2015)

Competent Ministers

Minister of Land, Infrastructure, Transport and Tourism (MLIT)

Minister of Finance (MOF)

Number of staff: 902 (As of April 2017)

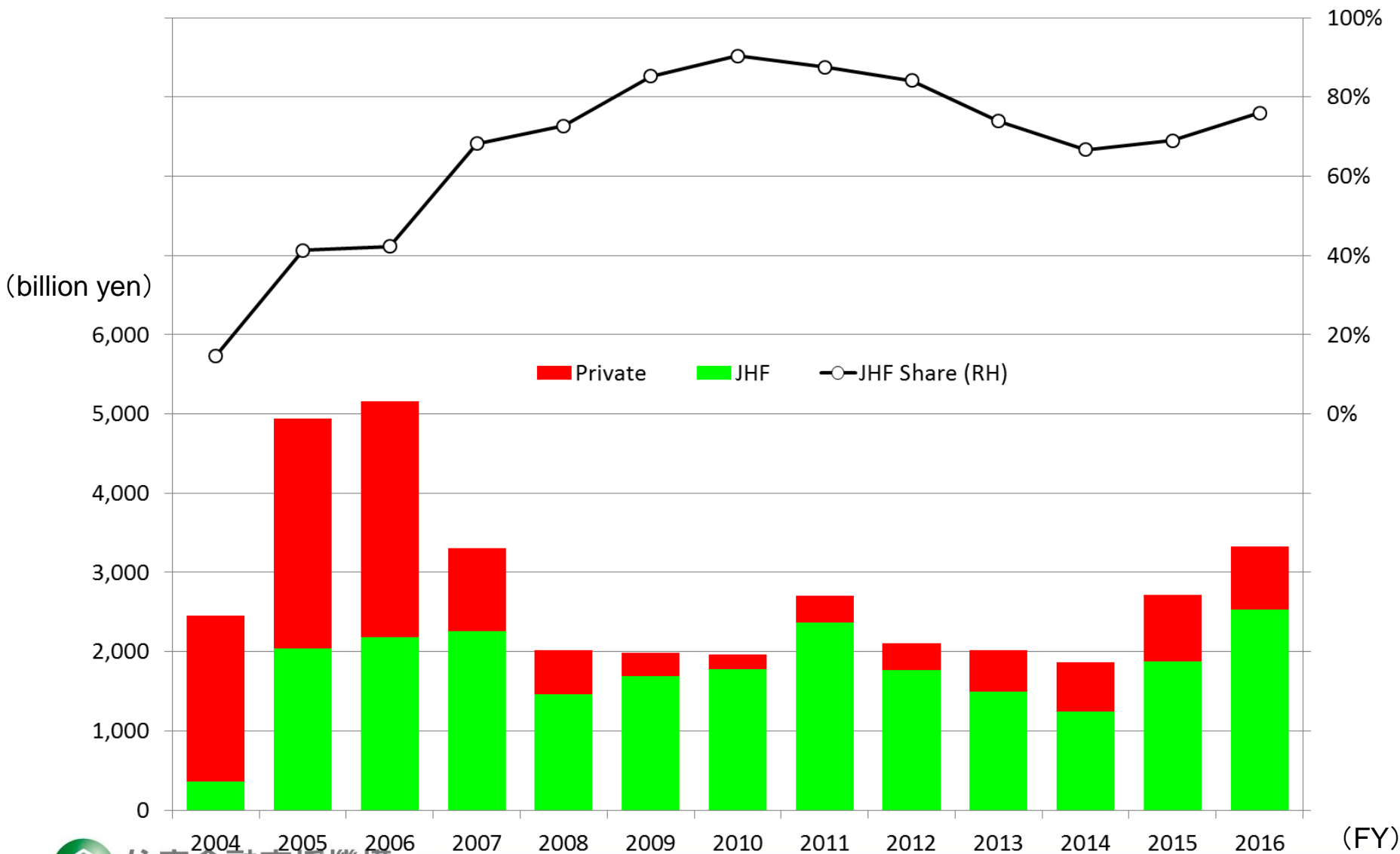
Head Office: Tokyo, Japan

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.

MBS issuance amount in Japan



Partnership between Ginnie Mae and JHF

JHF concluded its first ever Memorandum of Understanding with Ginnie Mae in Jan 2014. Since then, Ginnie Mae and JHF have hosted US-Japan Housing and Capital Markets Roundtable both in DC and in Tokyo to exchange information. JHF participates in this “Aging in Place” project based on this bilateral partnership.

Signing of MOU



January 2014, DC

1st Roundtable



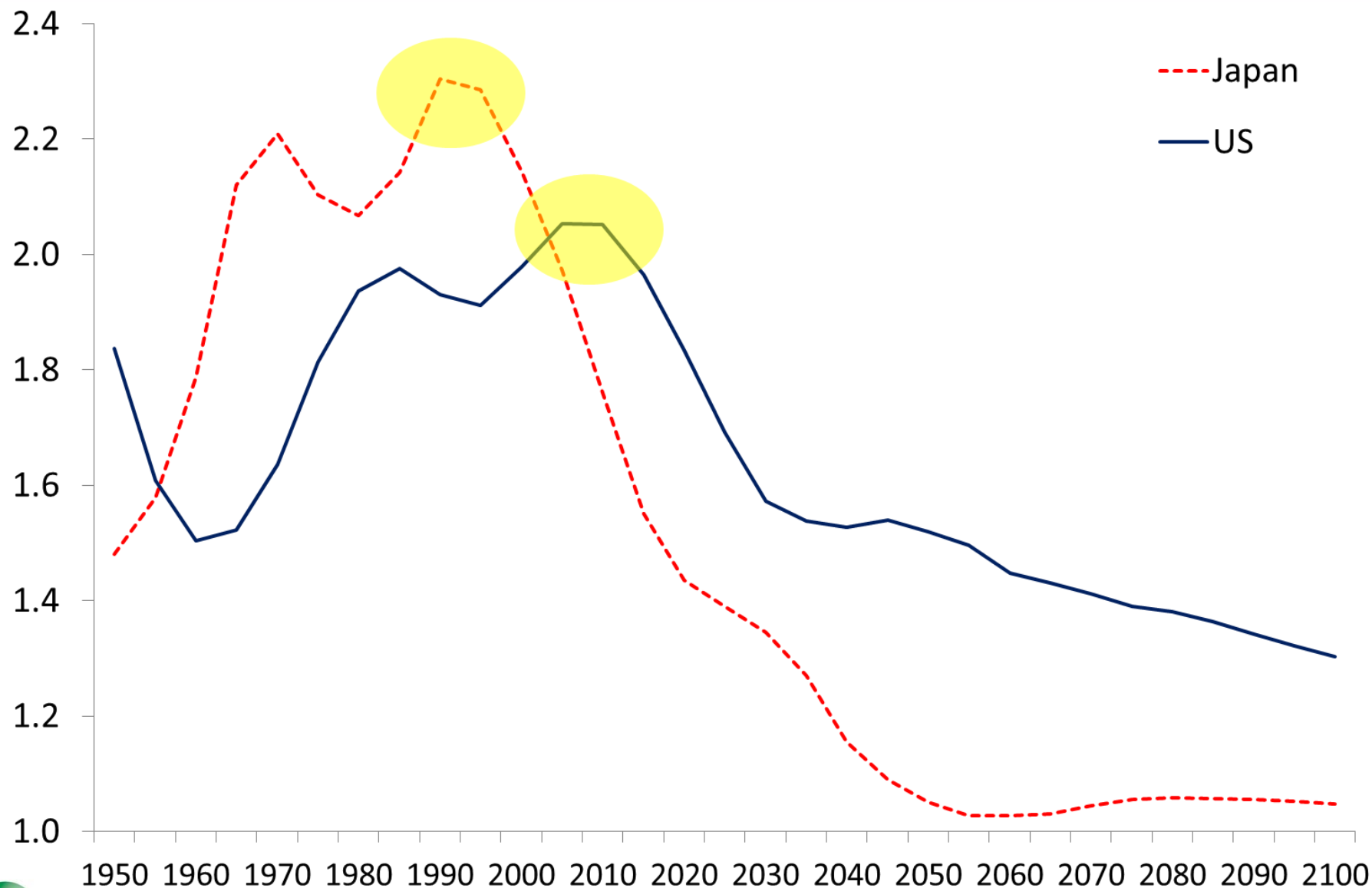
August 2015, DC

2nd Roundtable

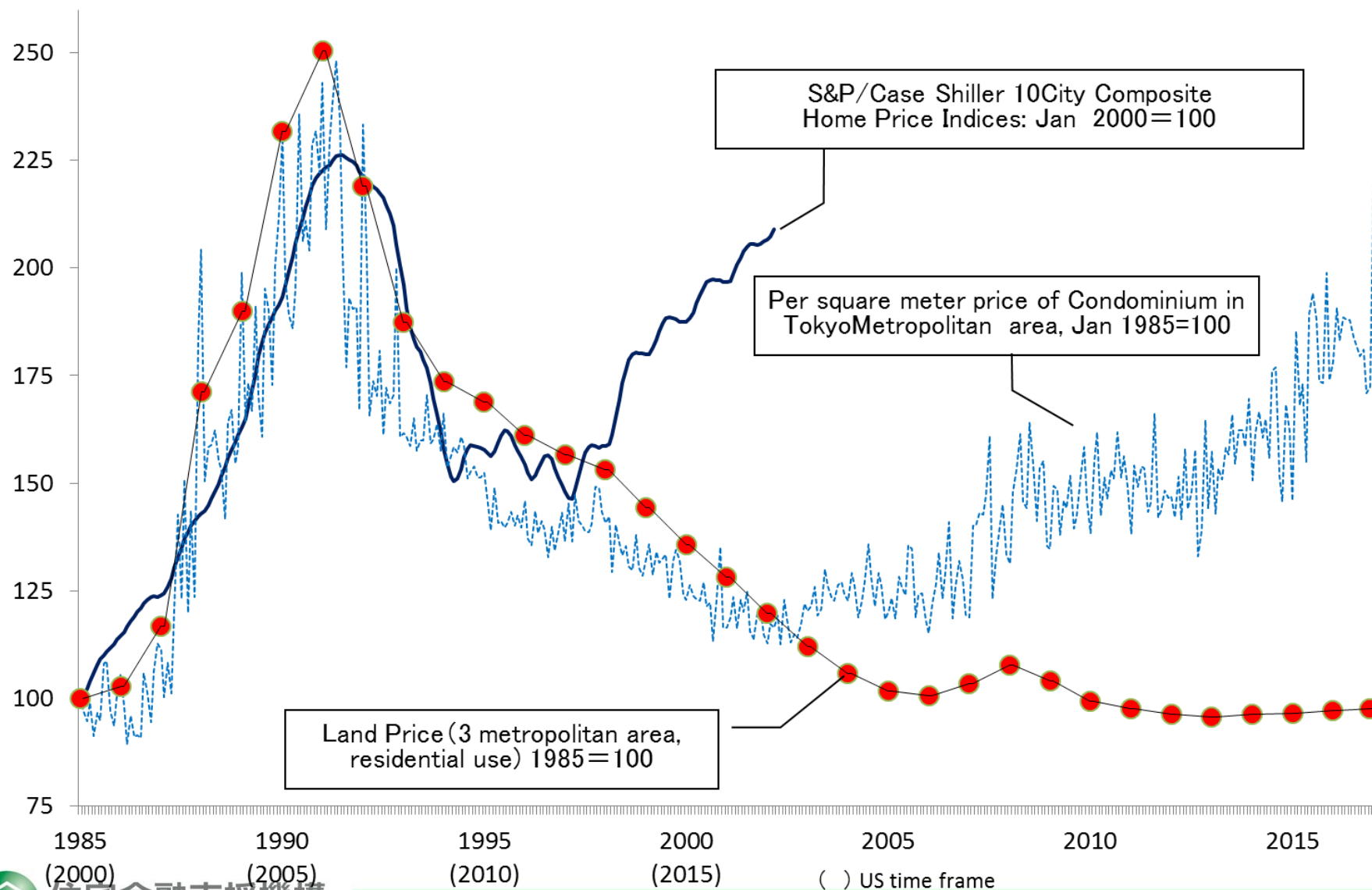


October 2016, Tokyo

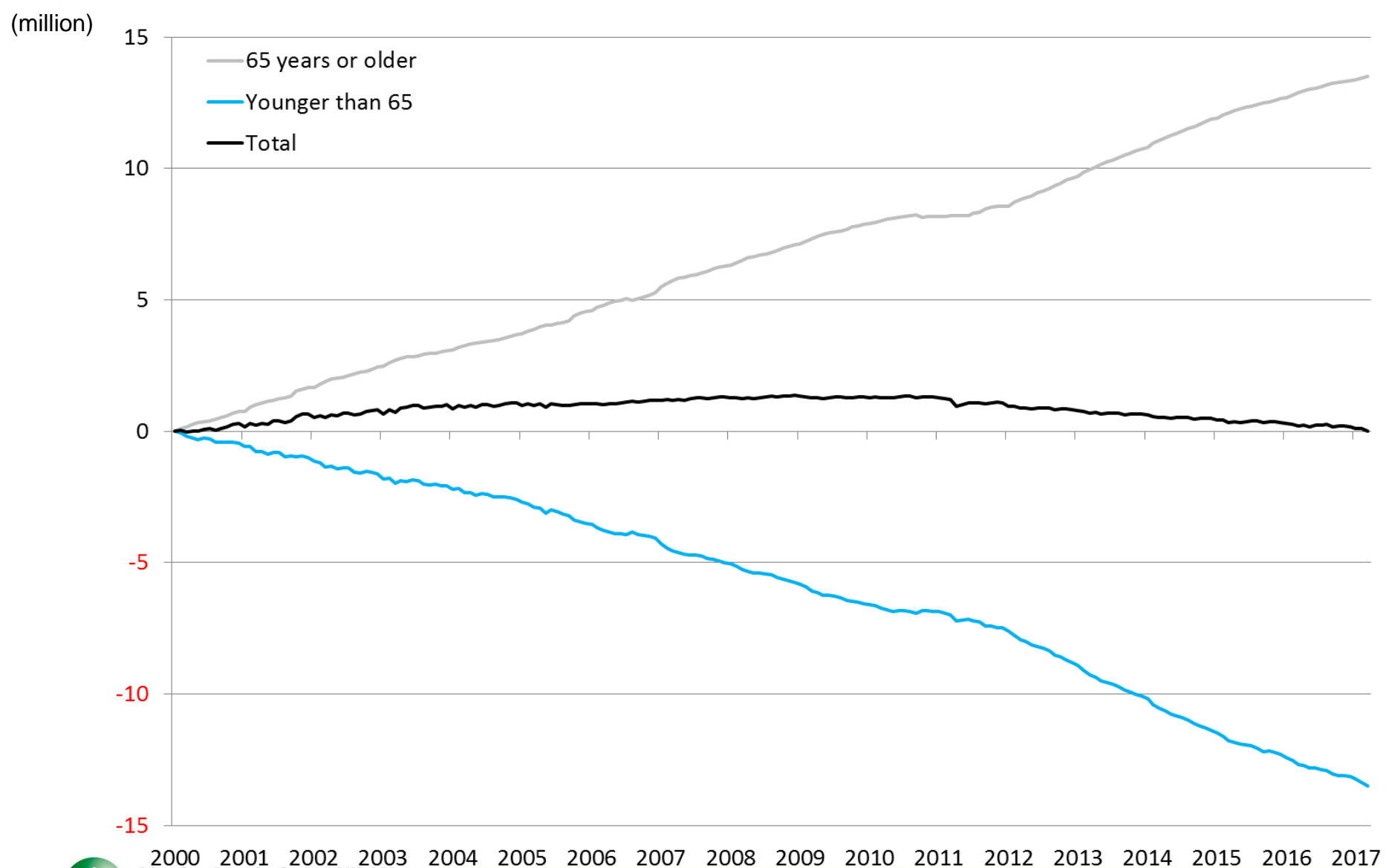
Inverse dependency ratio



Property price and timing of regulation

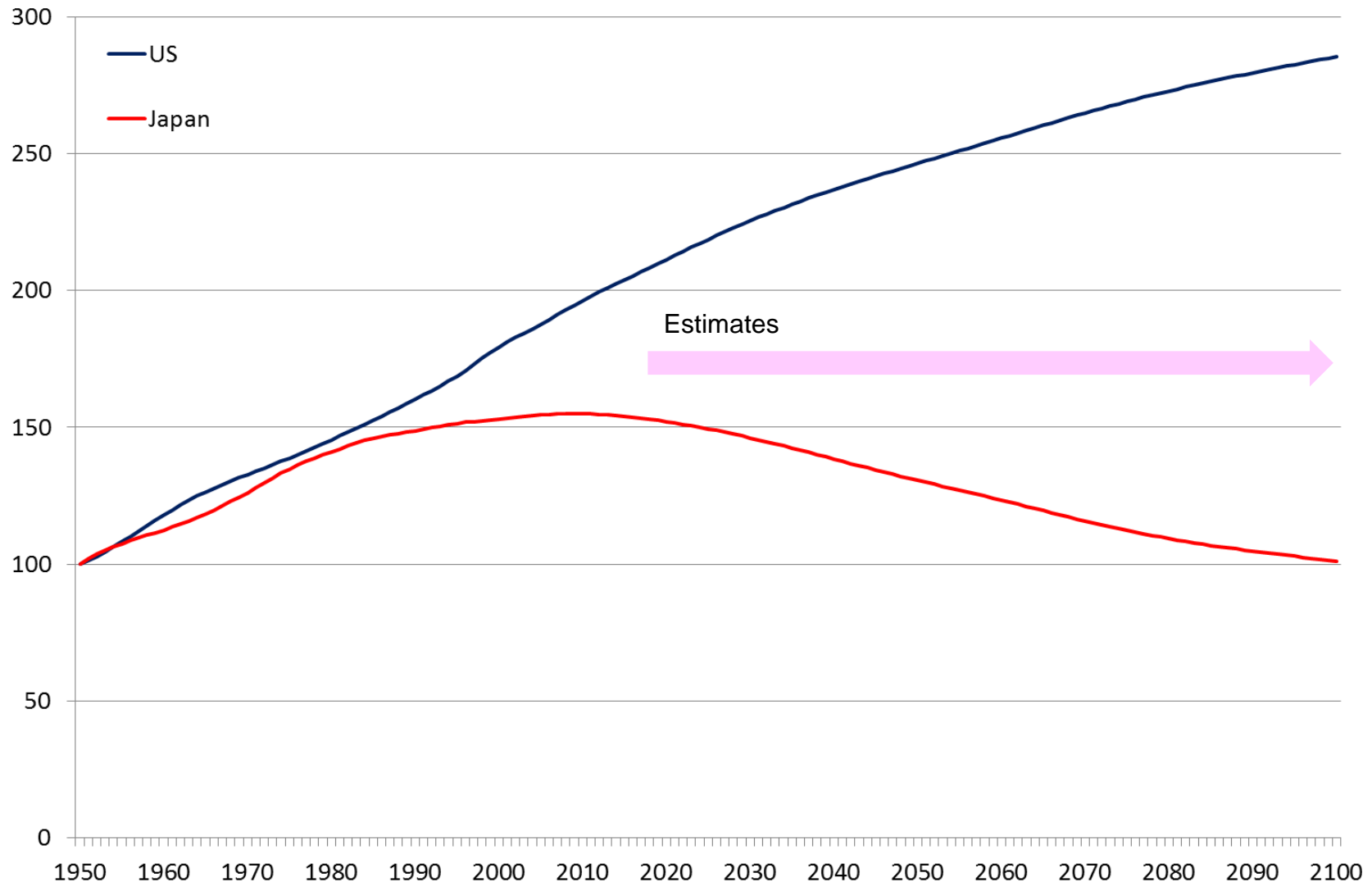


Change of population in Japan by age group from Jan 2000

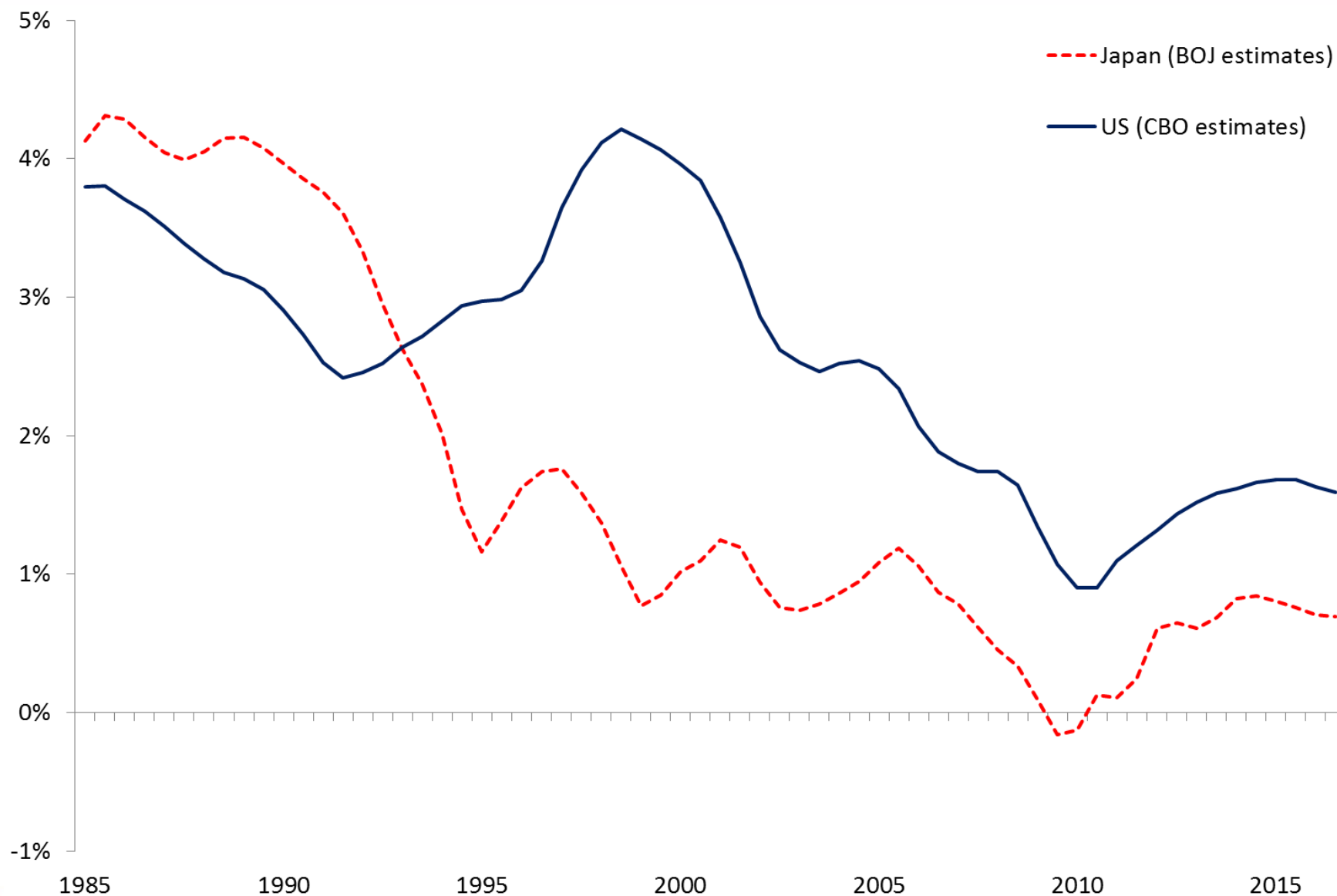


Population prospects for US and Japan

(1950=100)

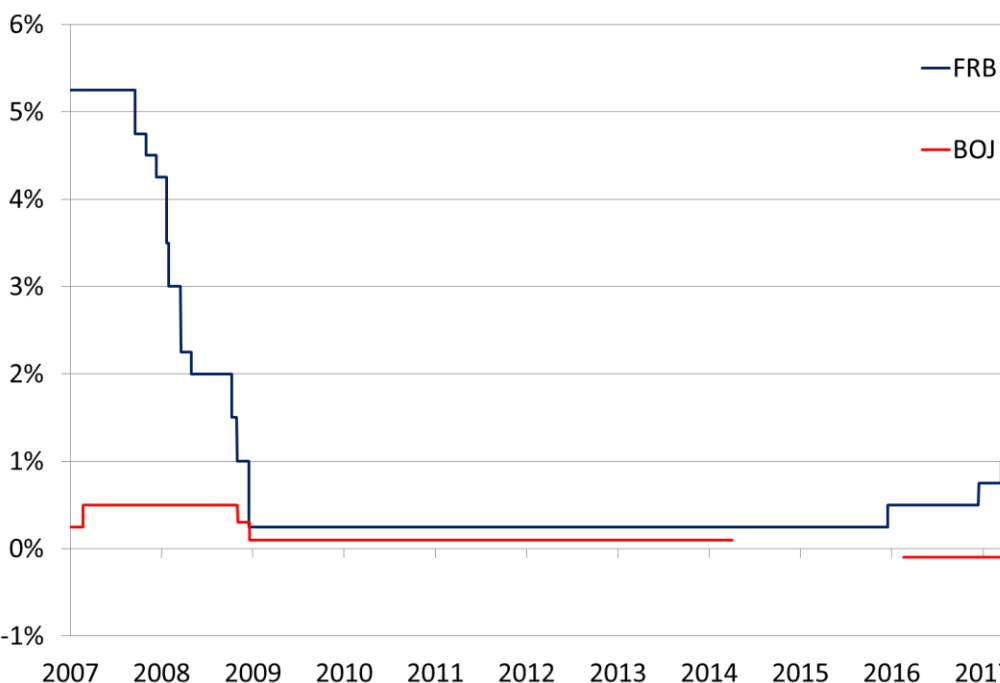


Potential Growth Rate

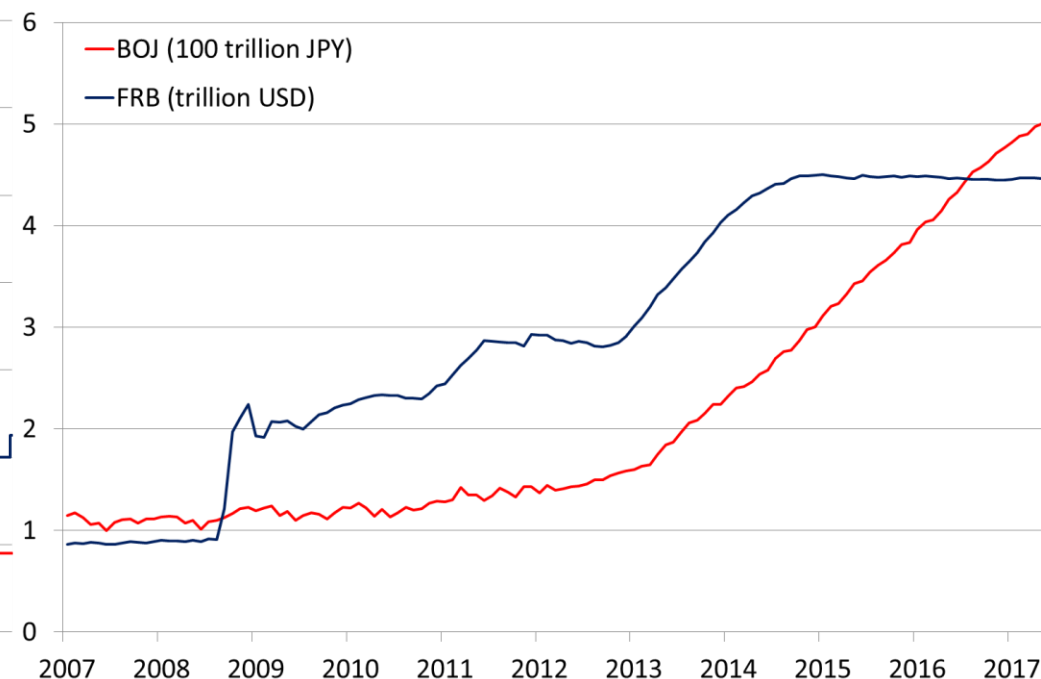


Monetary policy in the US and Japan

Policy interest rates

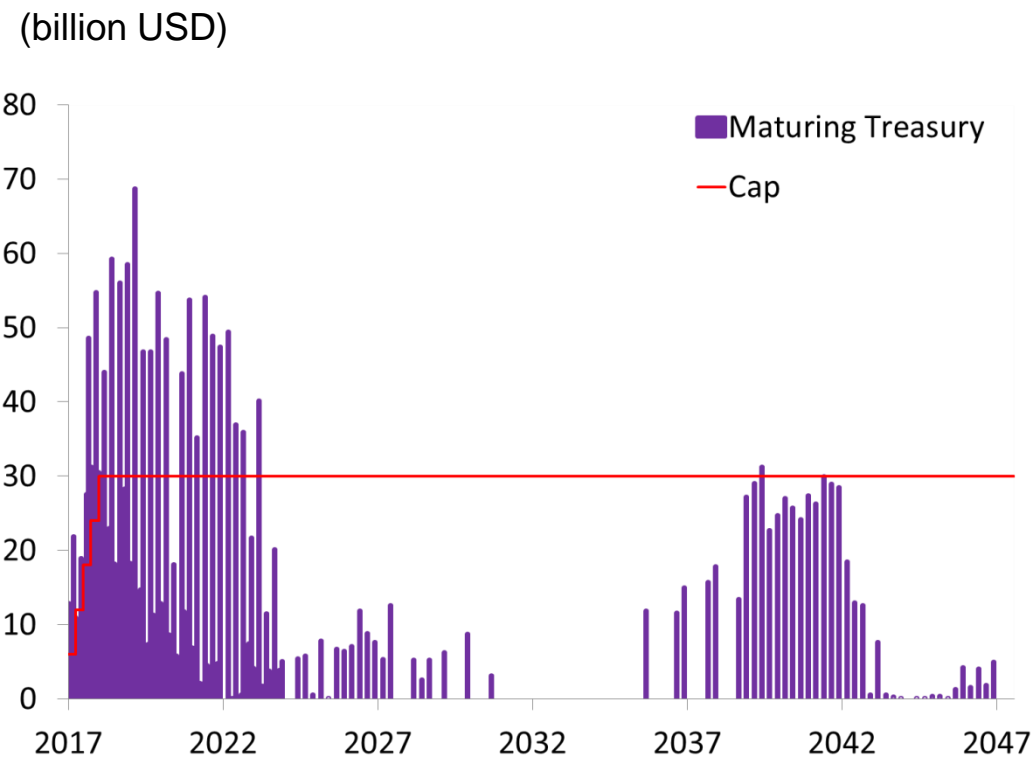


Size of balance sheet

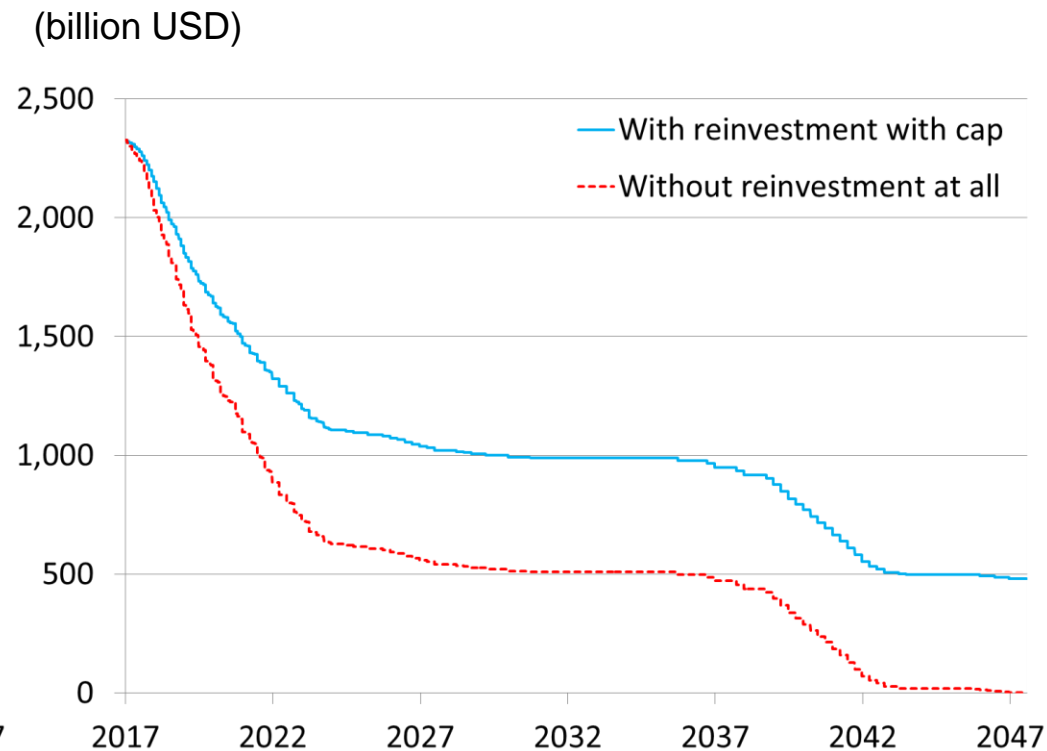


Reinvestment of maturing Treasuries

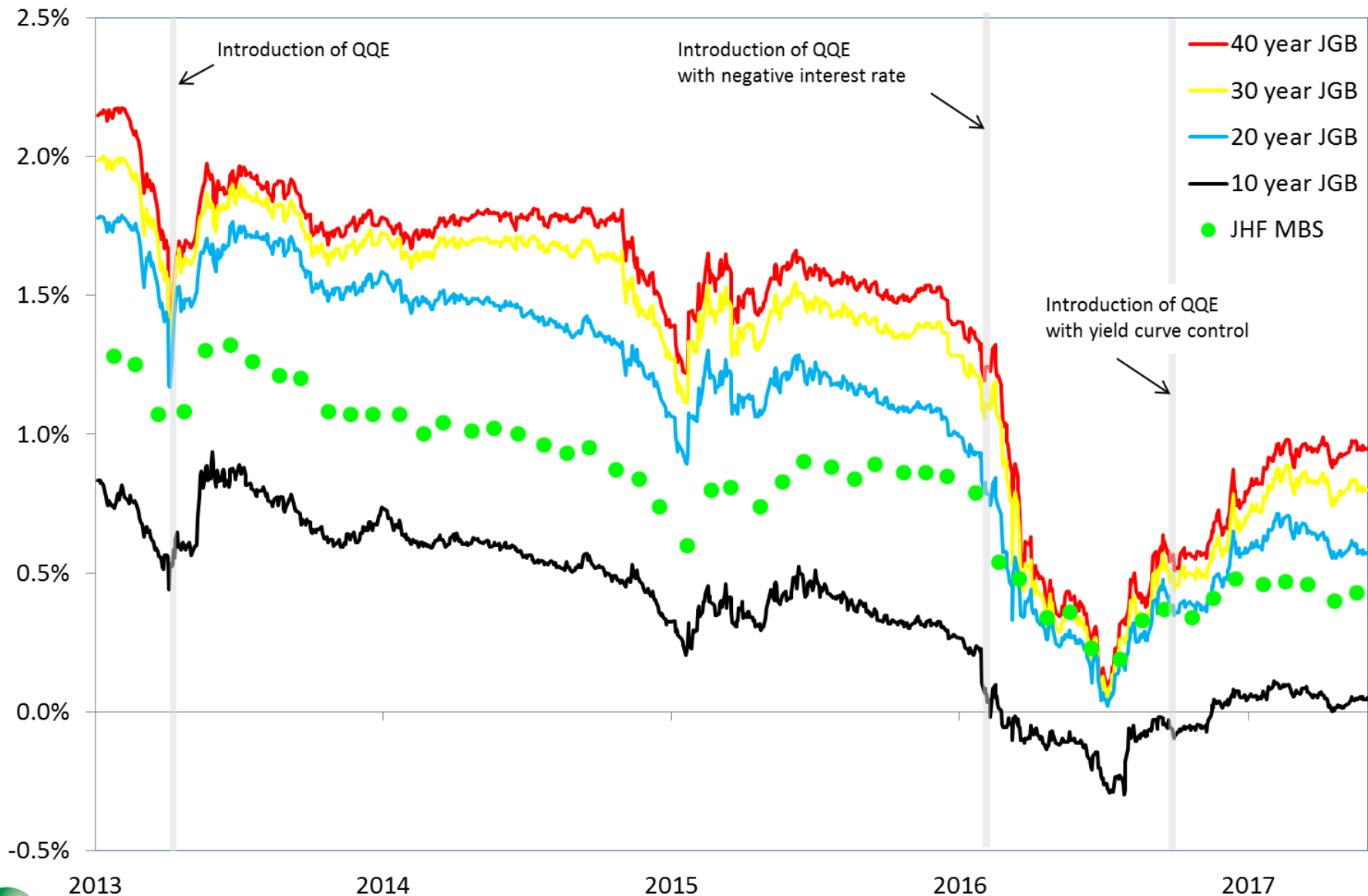
Amount of maturing Treasuries by month



Balance of Treasuries held in SOMA



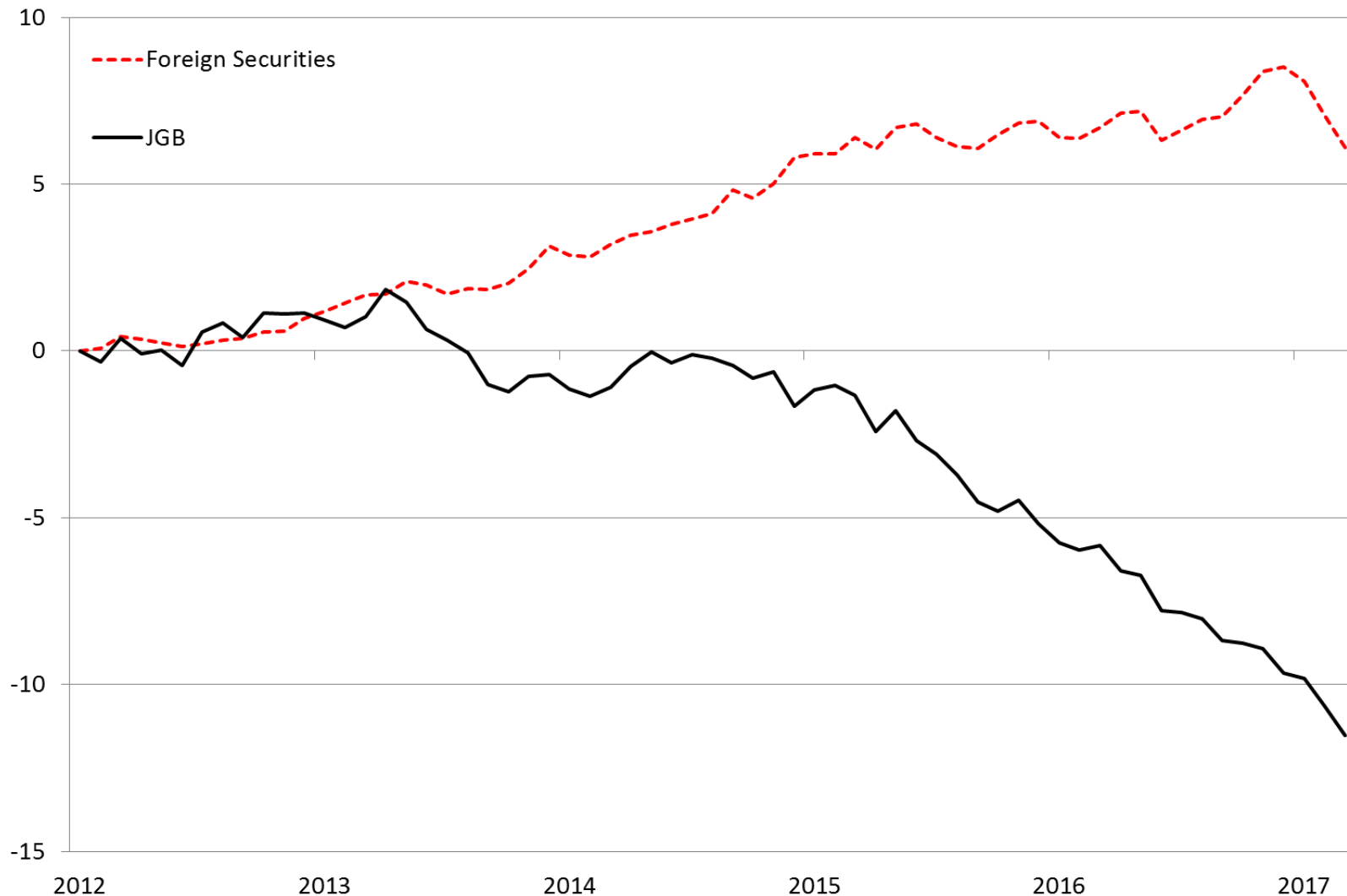
JGB yields and coupon of JHF MBS



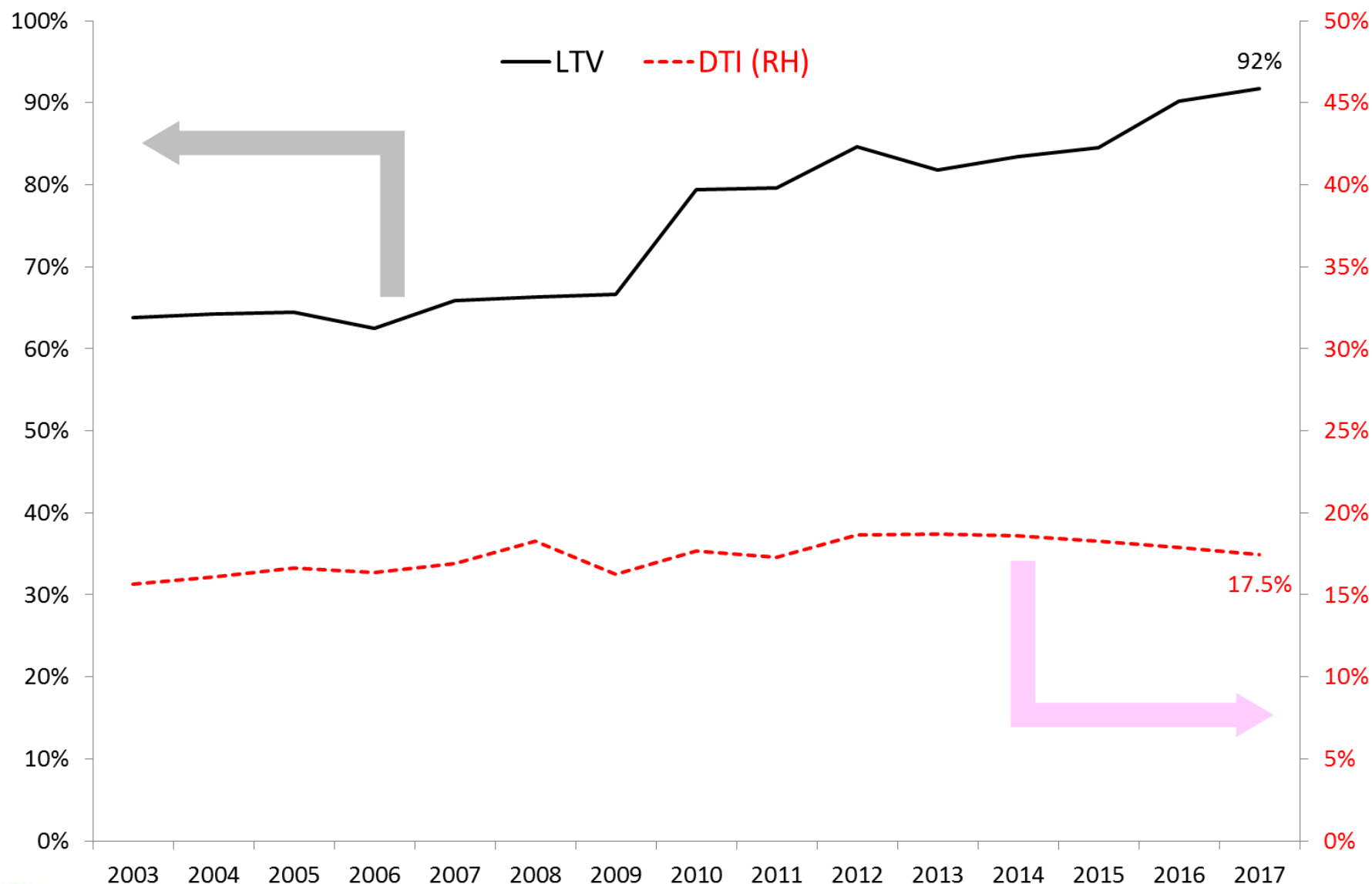
Portfolio rebalance in Japan

■ Outstanding balance of securities held by regional banks: change from January 2012

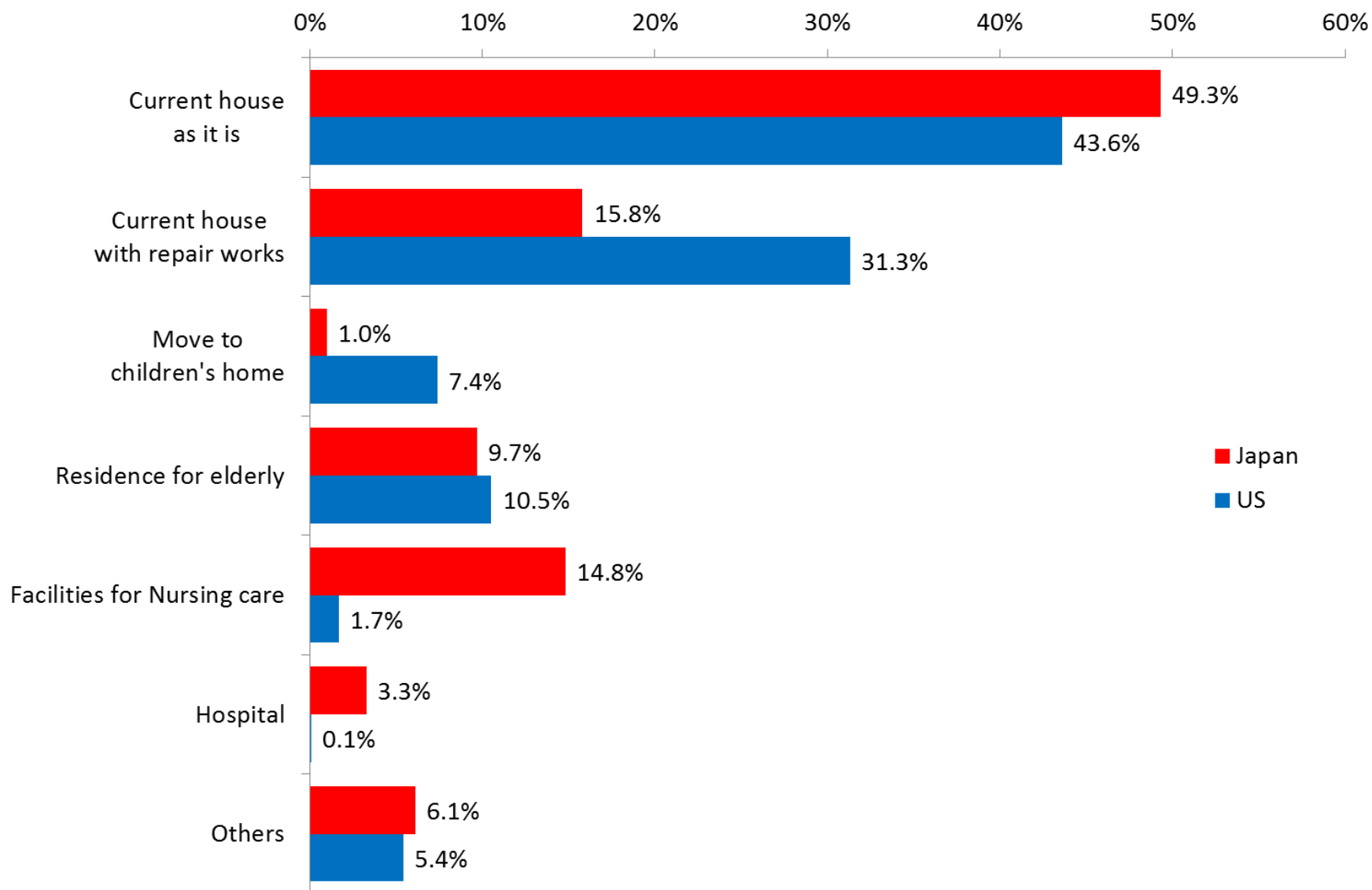
(trillion yen)



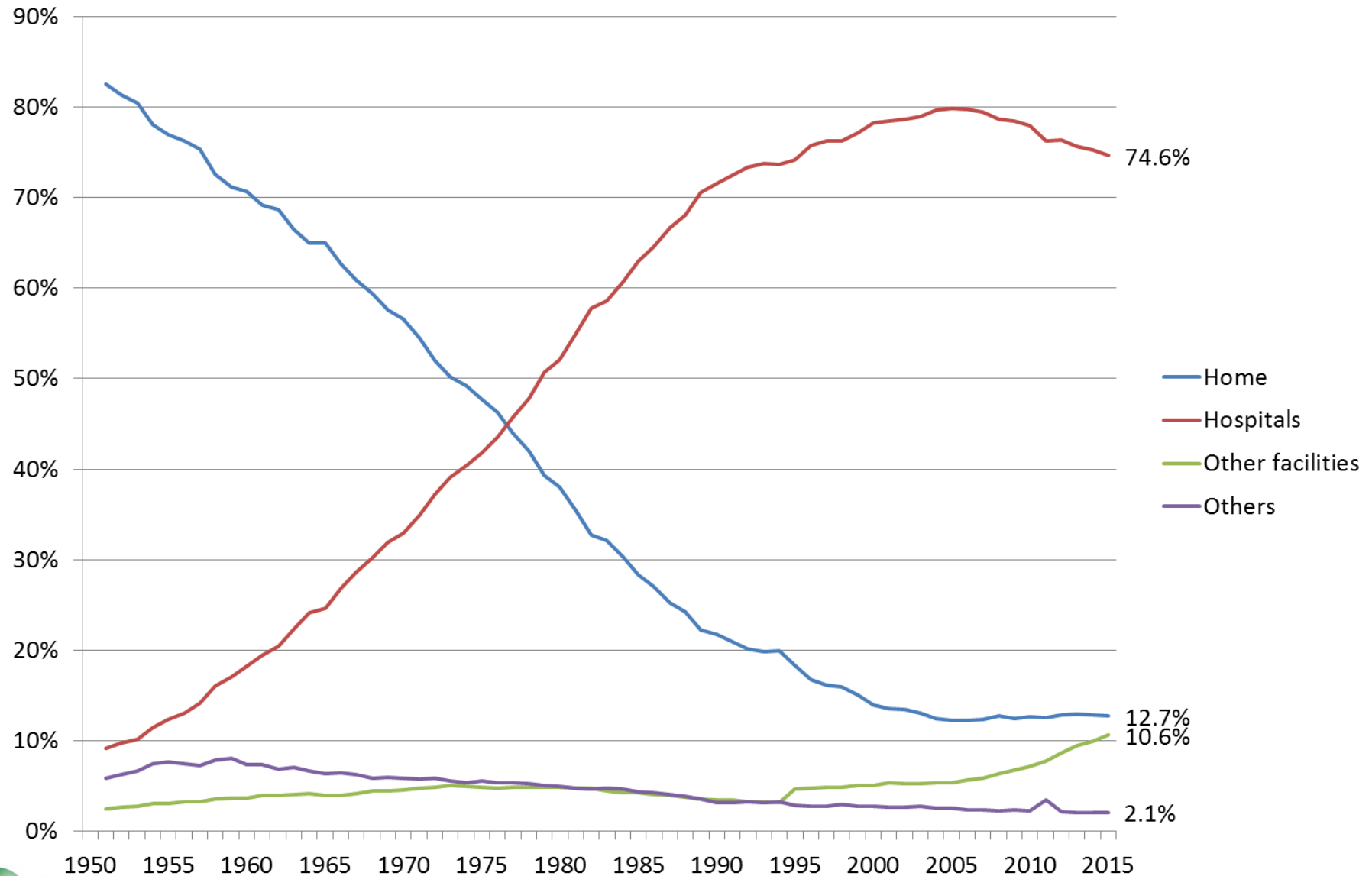
Average LTV and DTI in Japan (JHF)



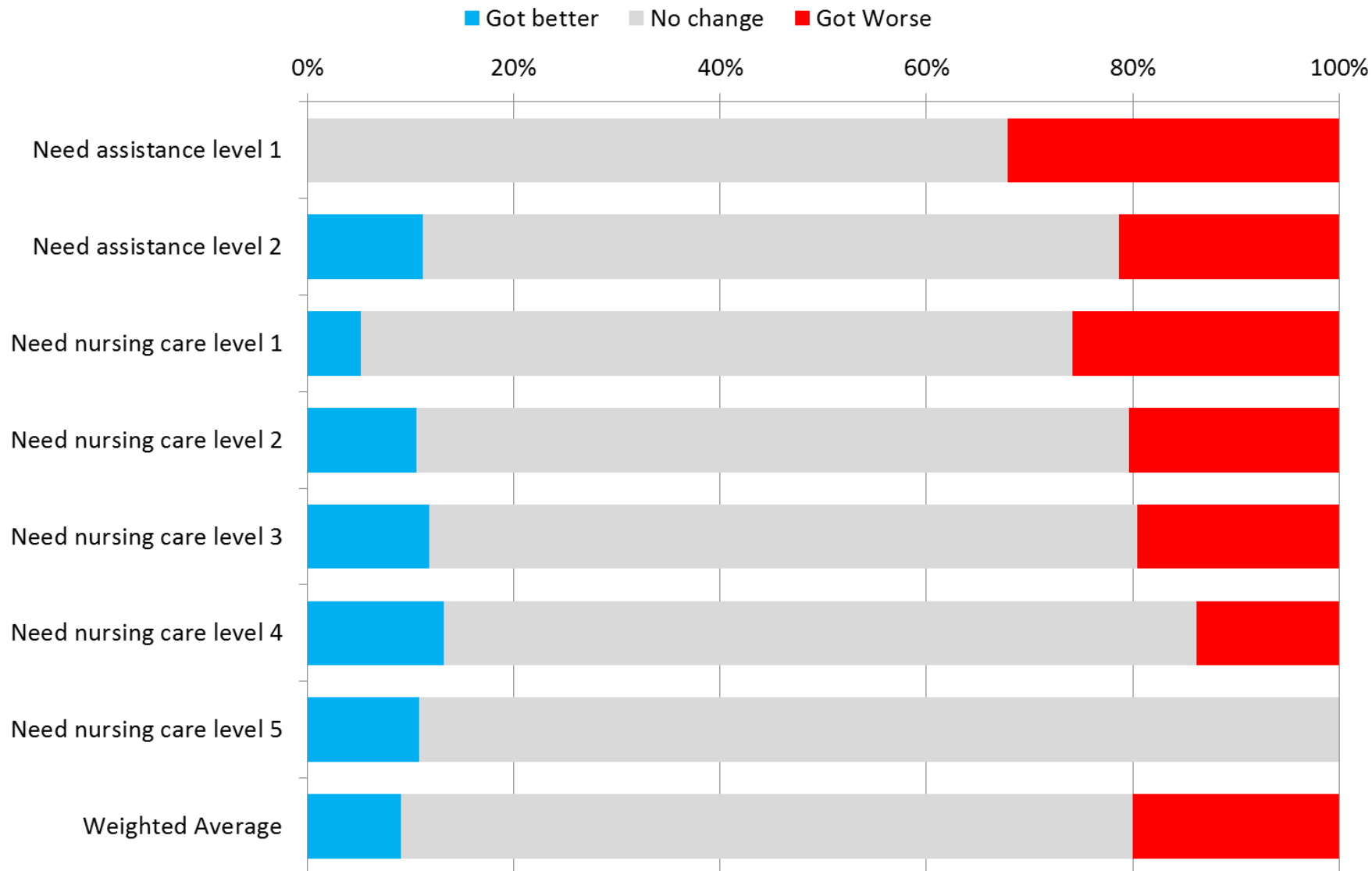
Place to live when physical ability deteriorates



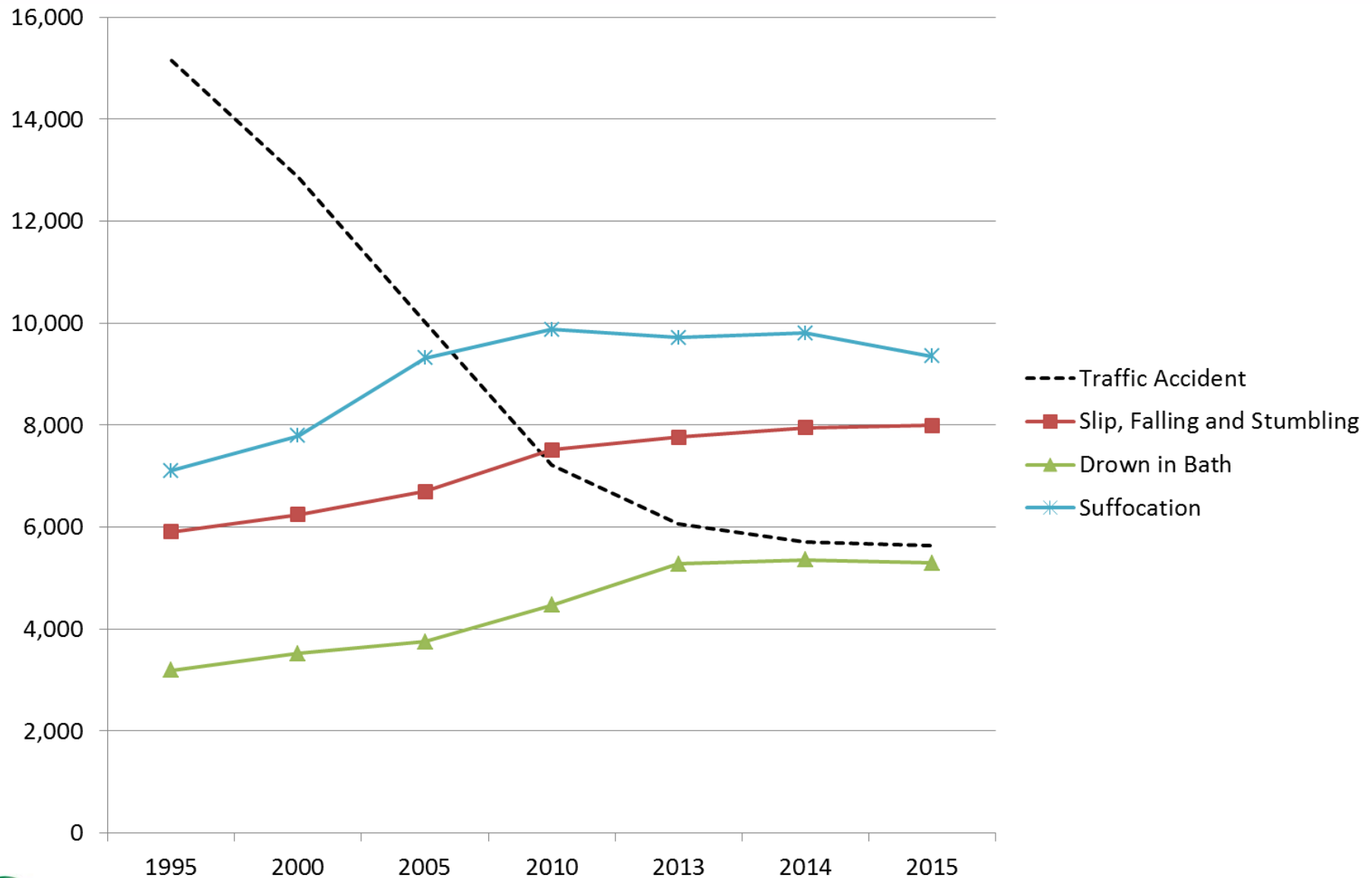
Actual place of death in Japan



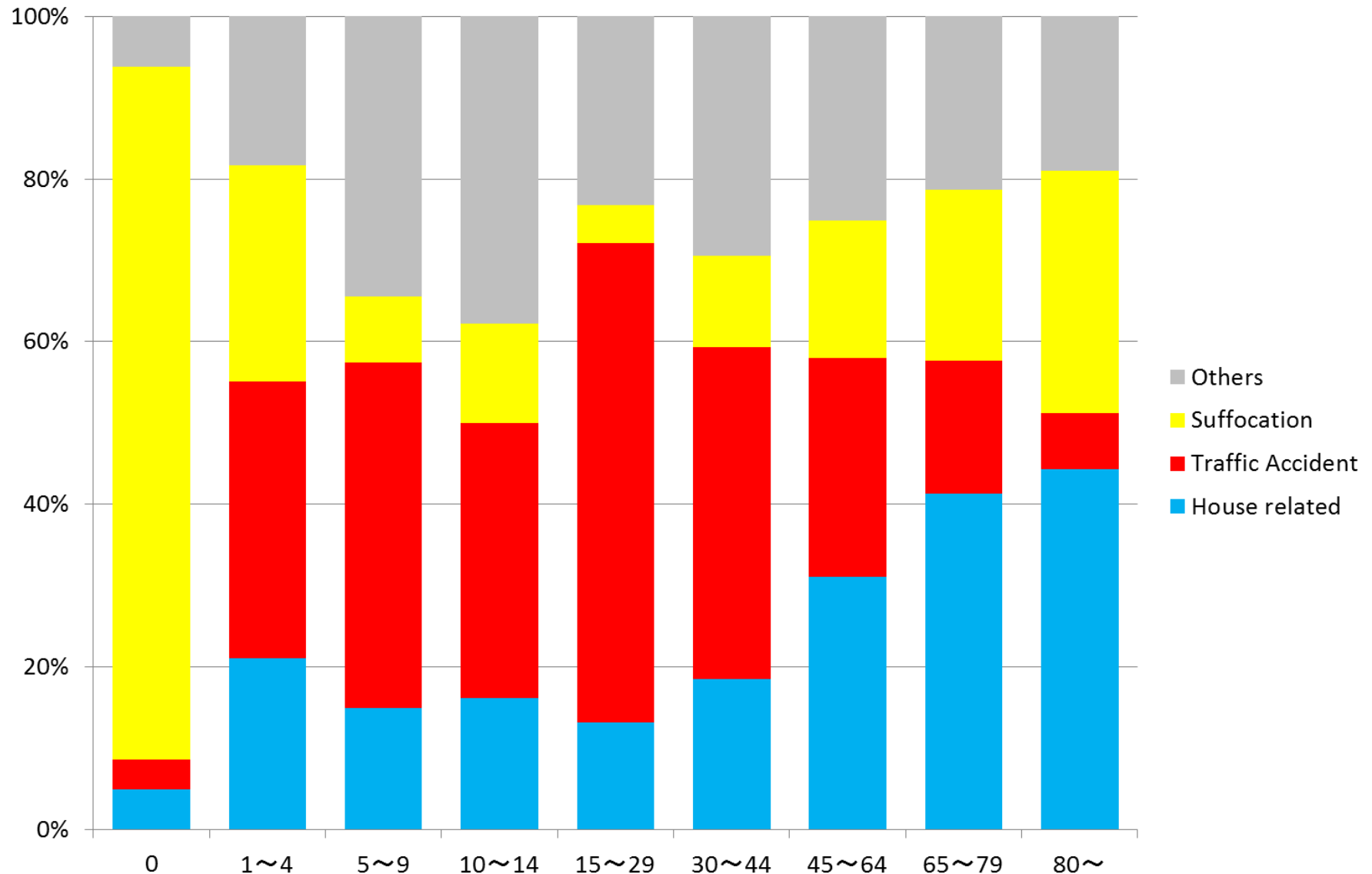
Migration of health status within one year



Number of death in Japan

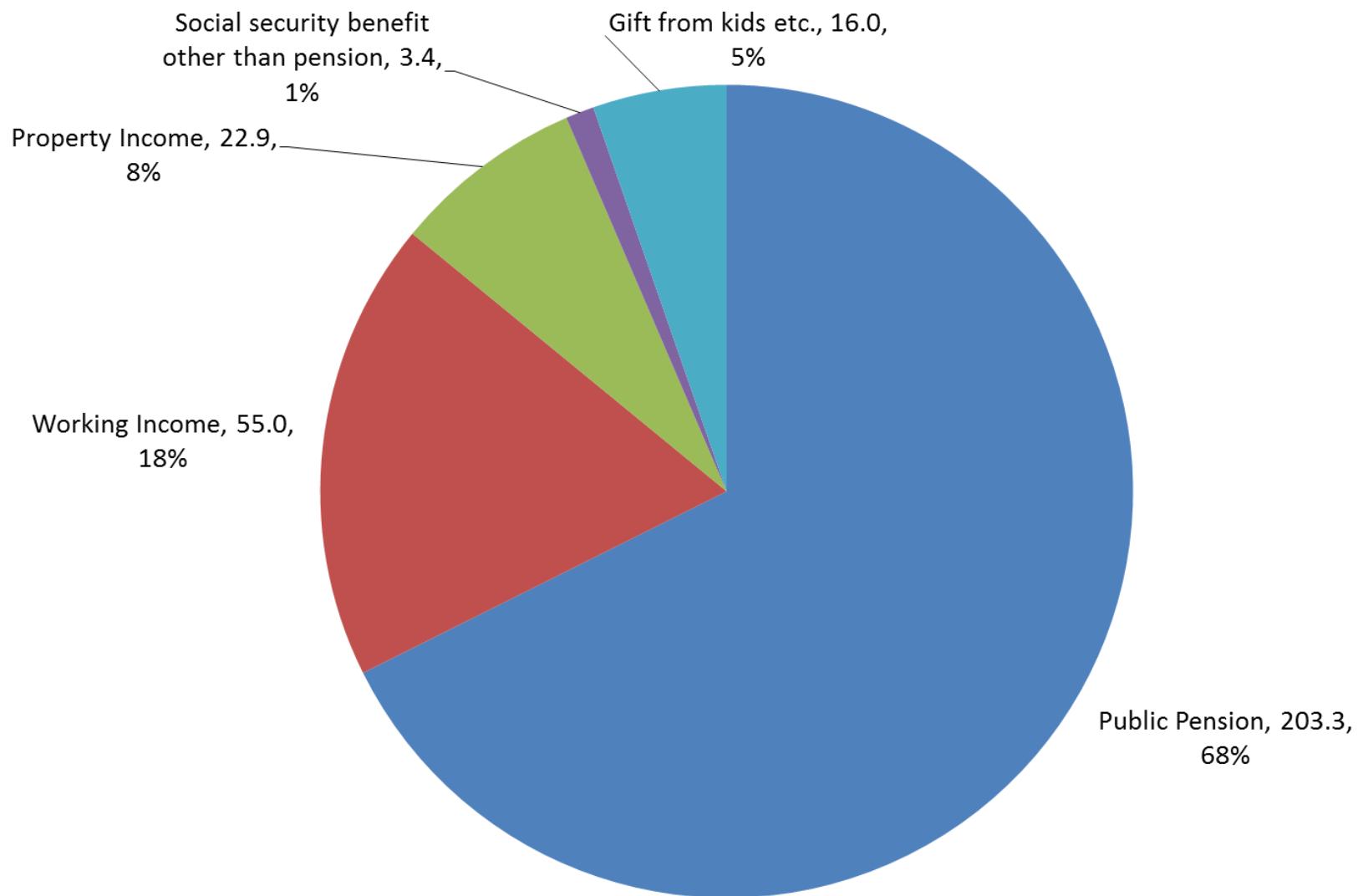


Number of death in Japan by age group



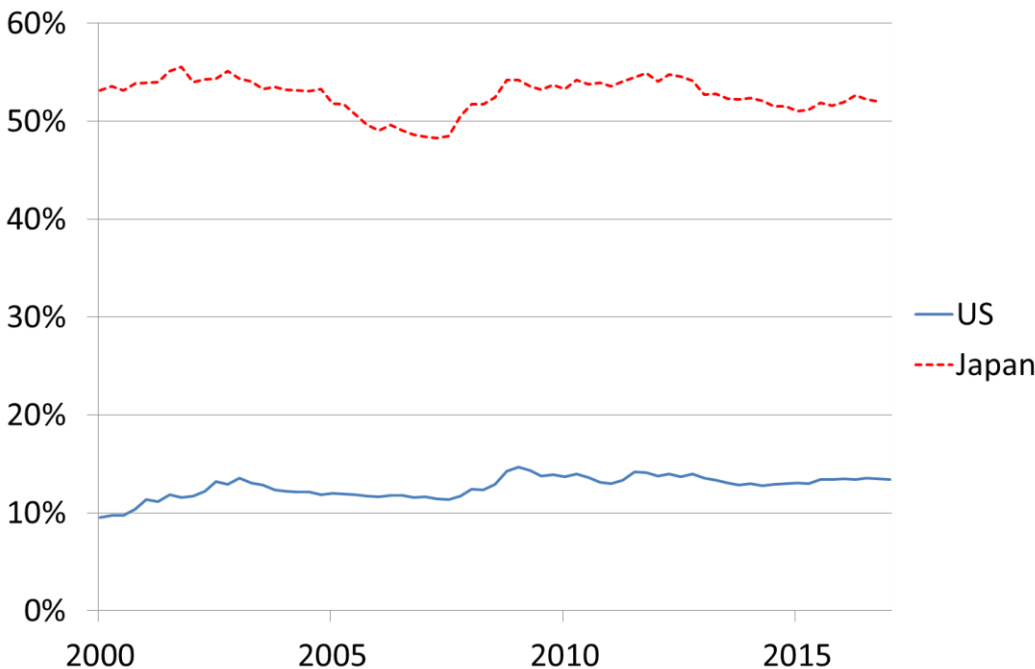
Composition of income of elderlies in Japan

(thousand yen)

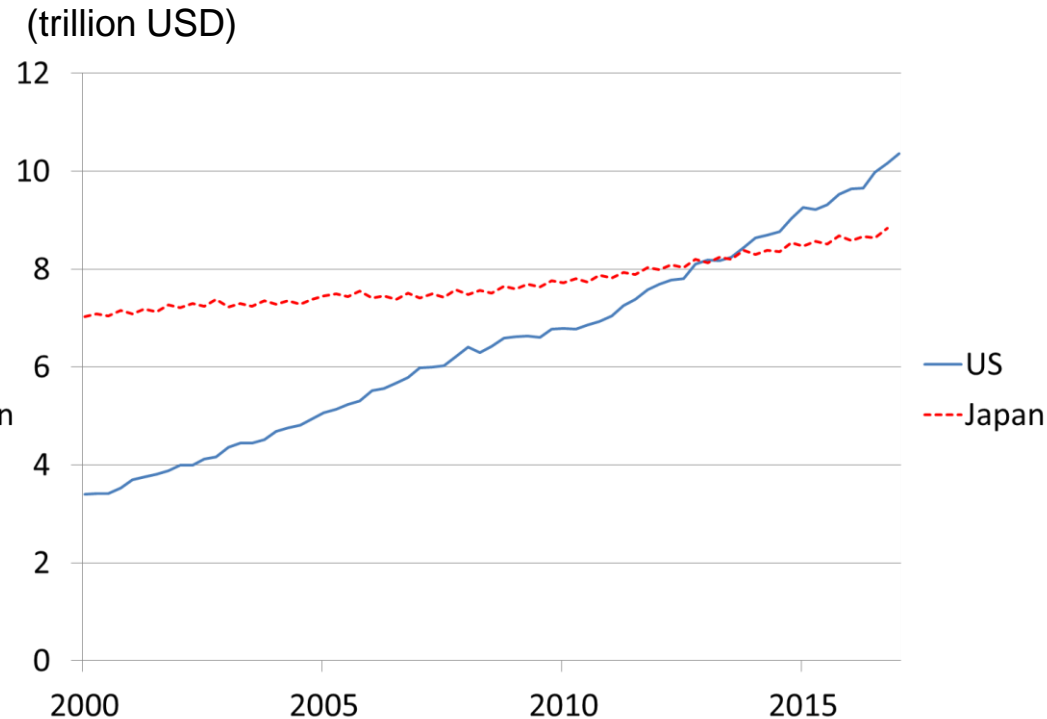


Japanese has strong propensity for cash and deposits

Share of cash and deposits among gross financial assets

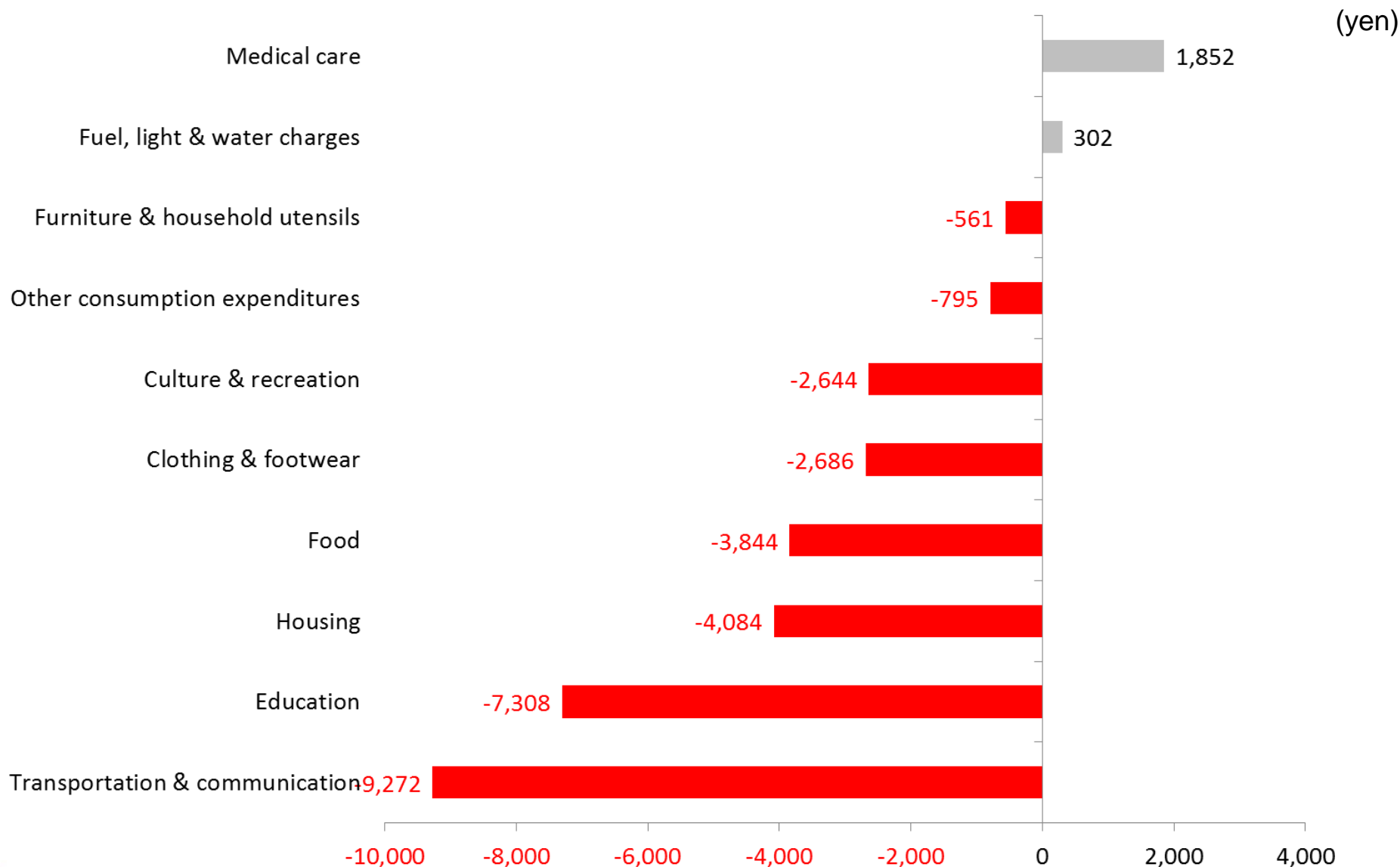


Cash and deposits held by households

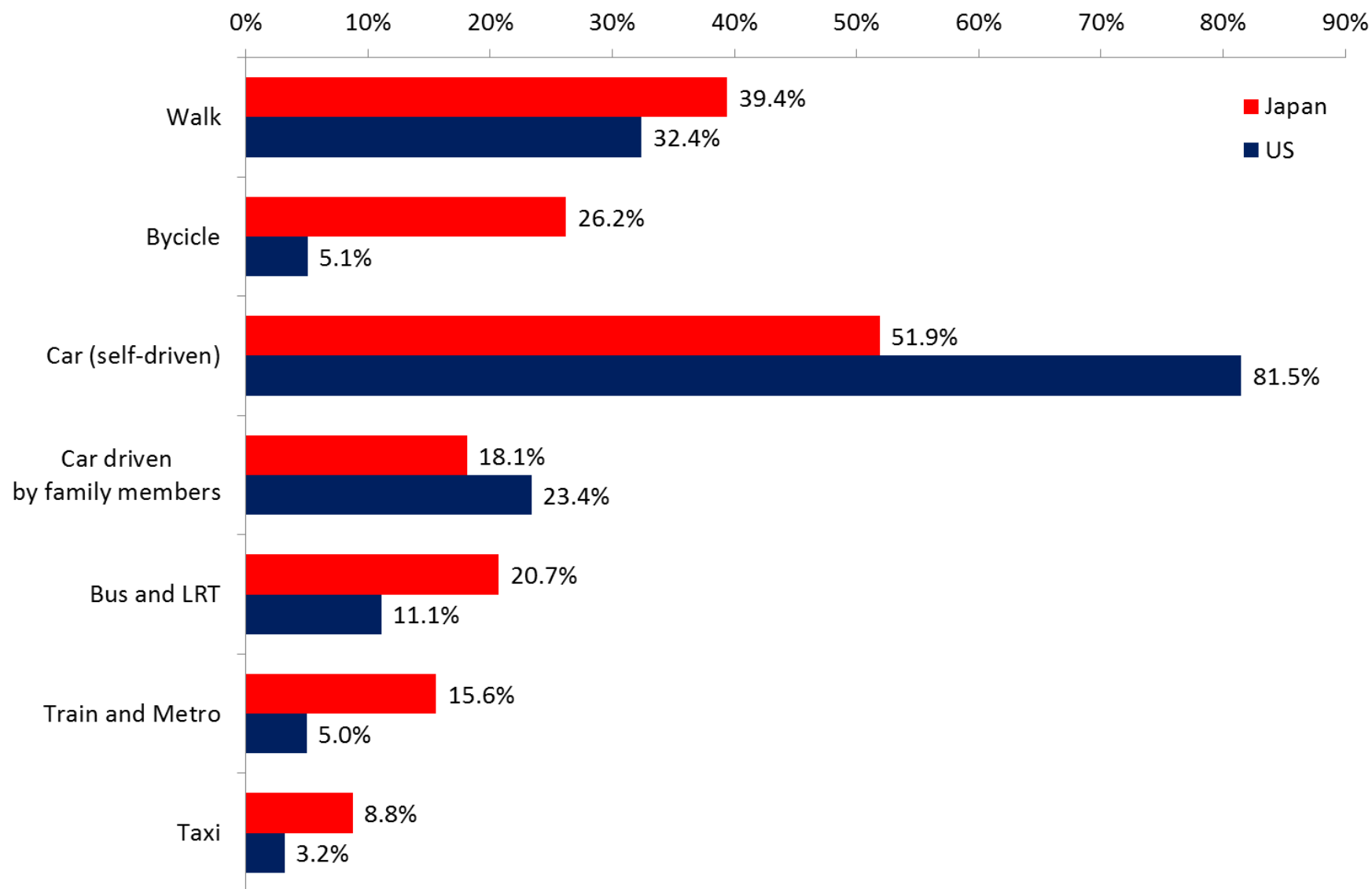


(note) average exchange rate between 2000 and 2016 is applied for the entire period

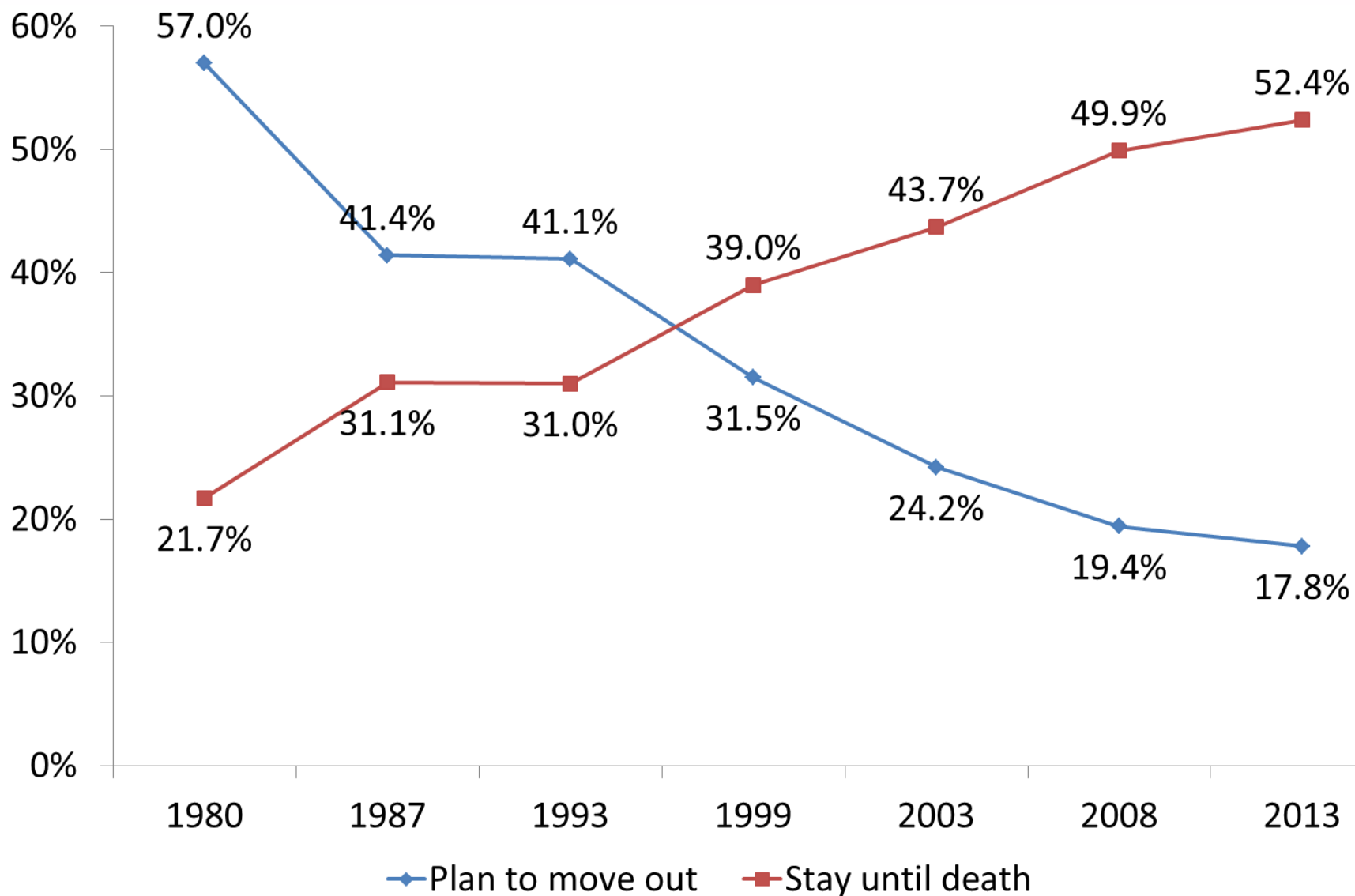
Difference of monthly expenditures for elderlies and others



Method of transportation by elderlies

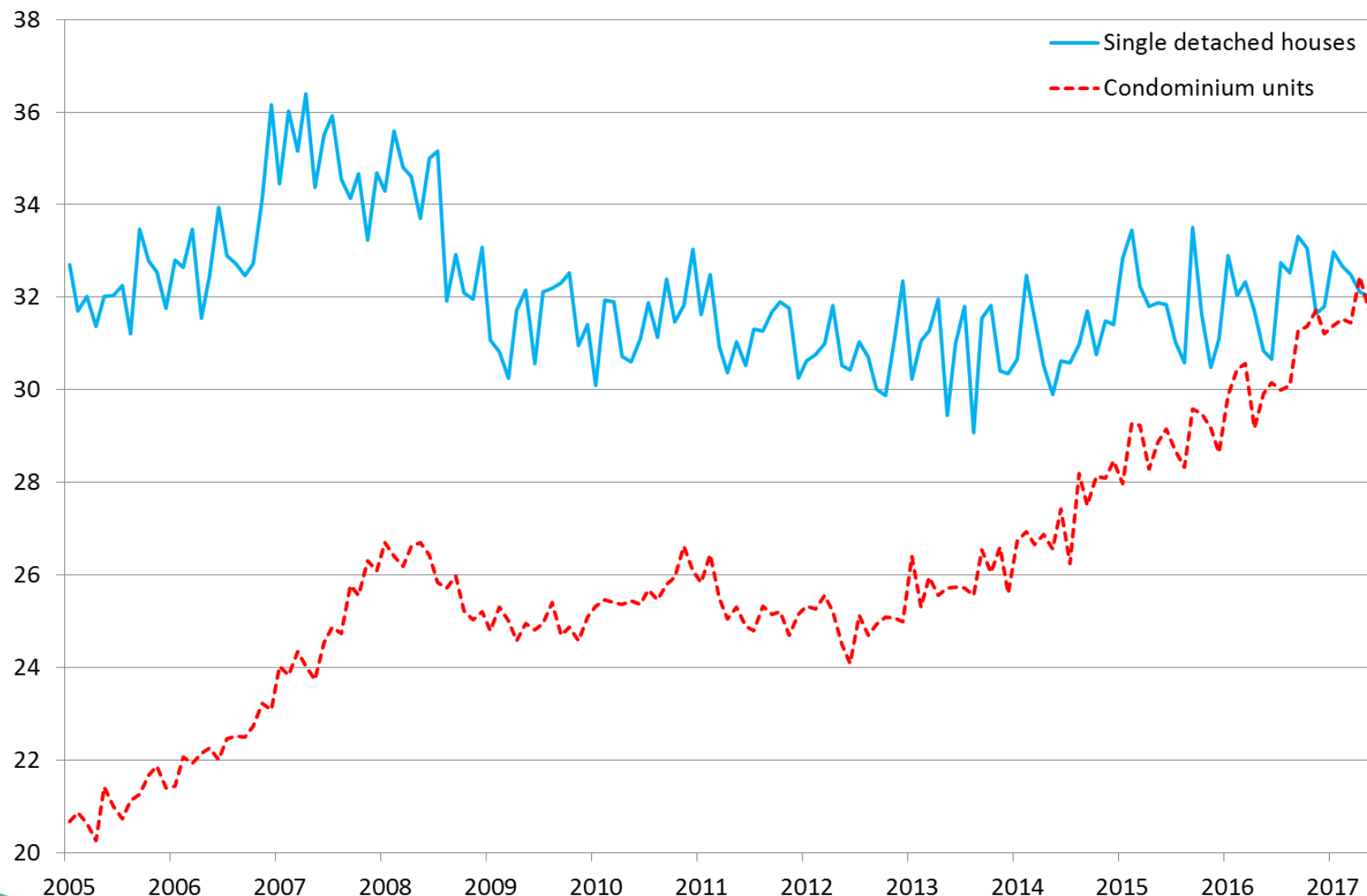


Willingness to live in Condo until death



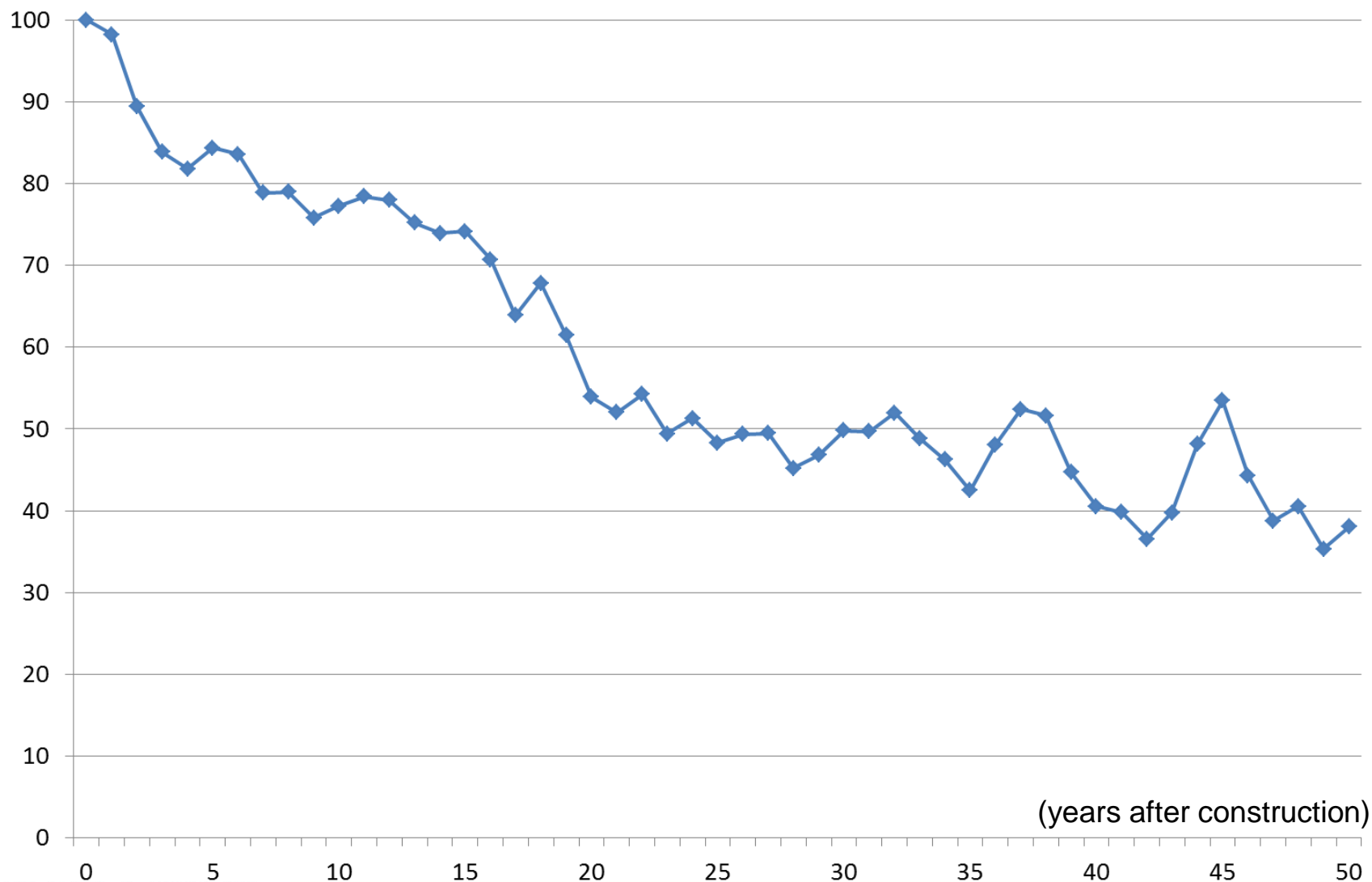
Unit price of existing houses in Tokyo

(million JPY)

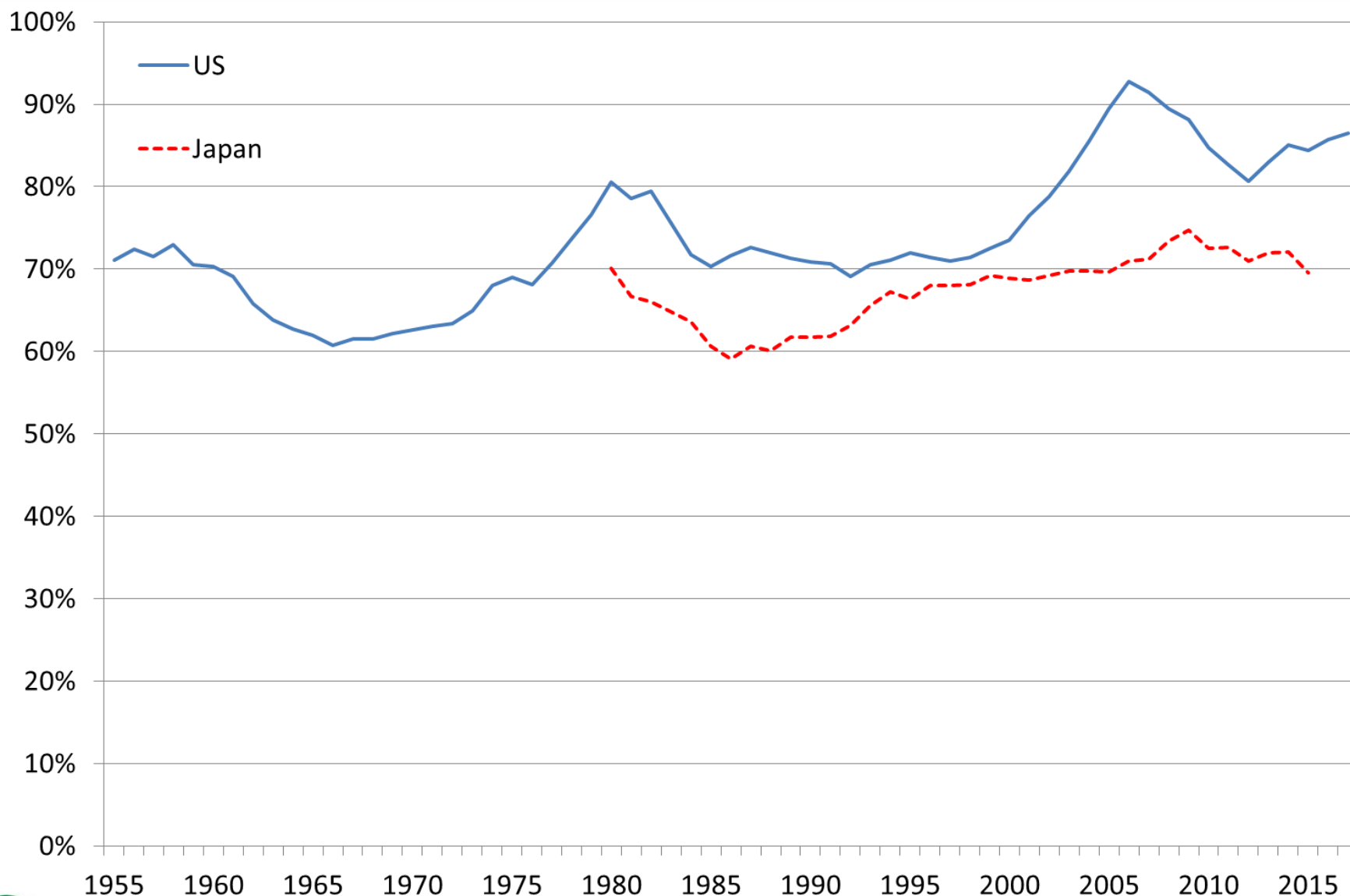


Per square meter price of existing condo units in Tokyo (2016)

(years 0 = 100)

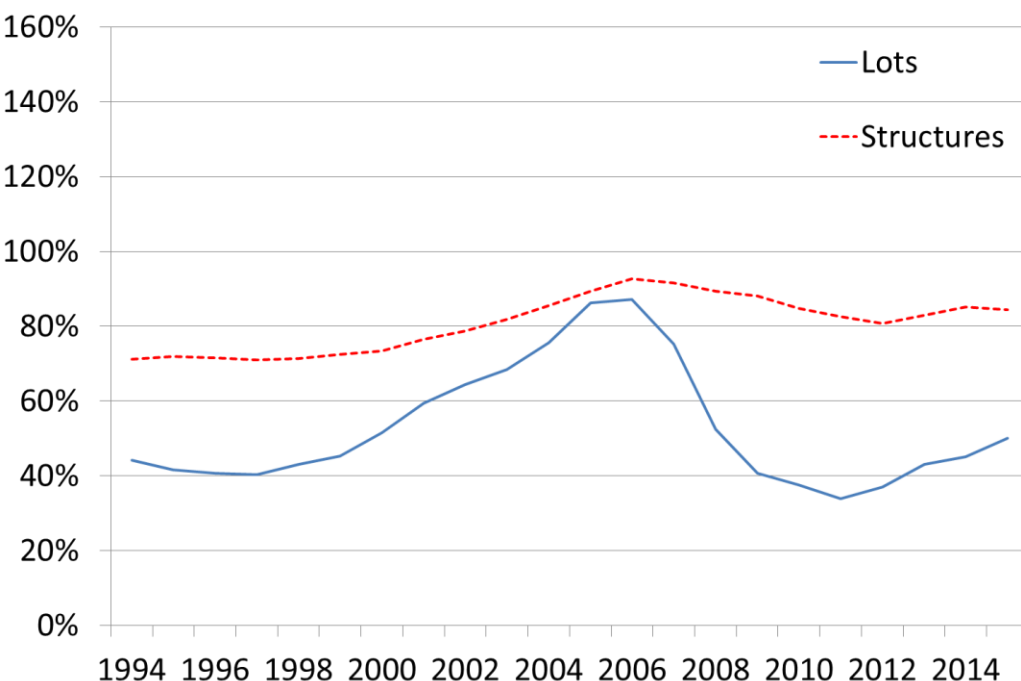


Residential structures (current cost basis) per nominal GDP

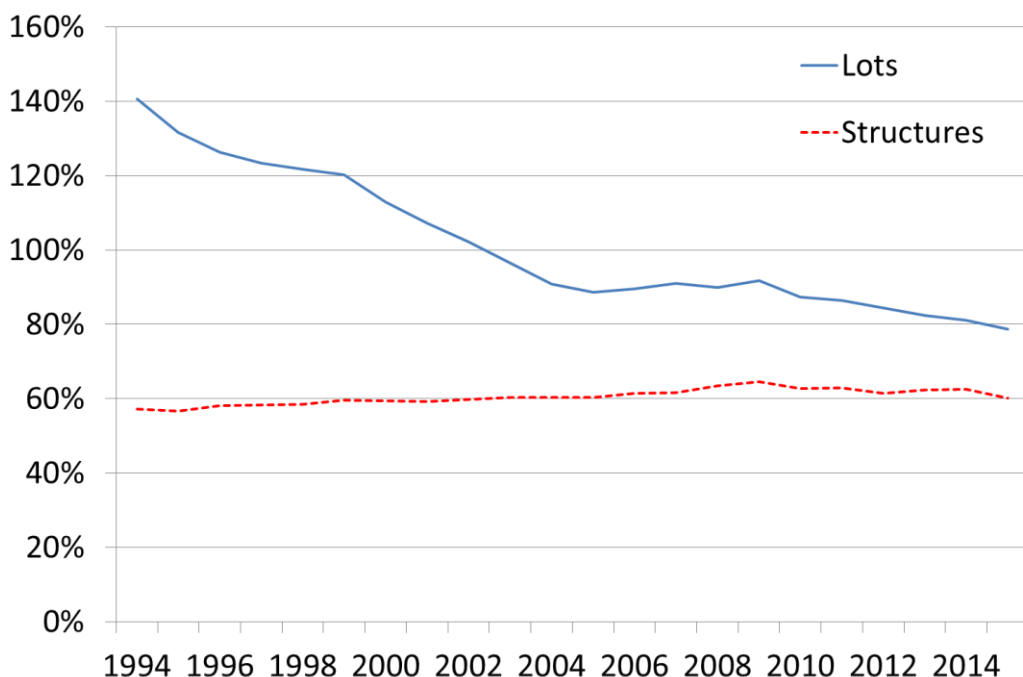


Residential structures and lots per nominal GDP

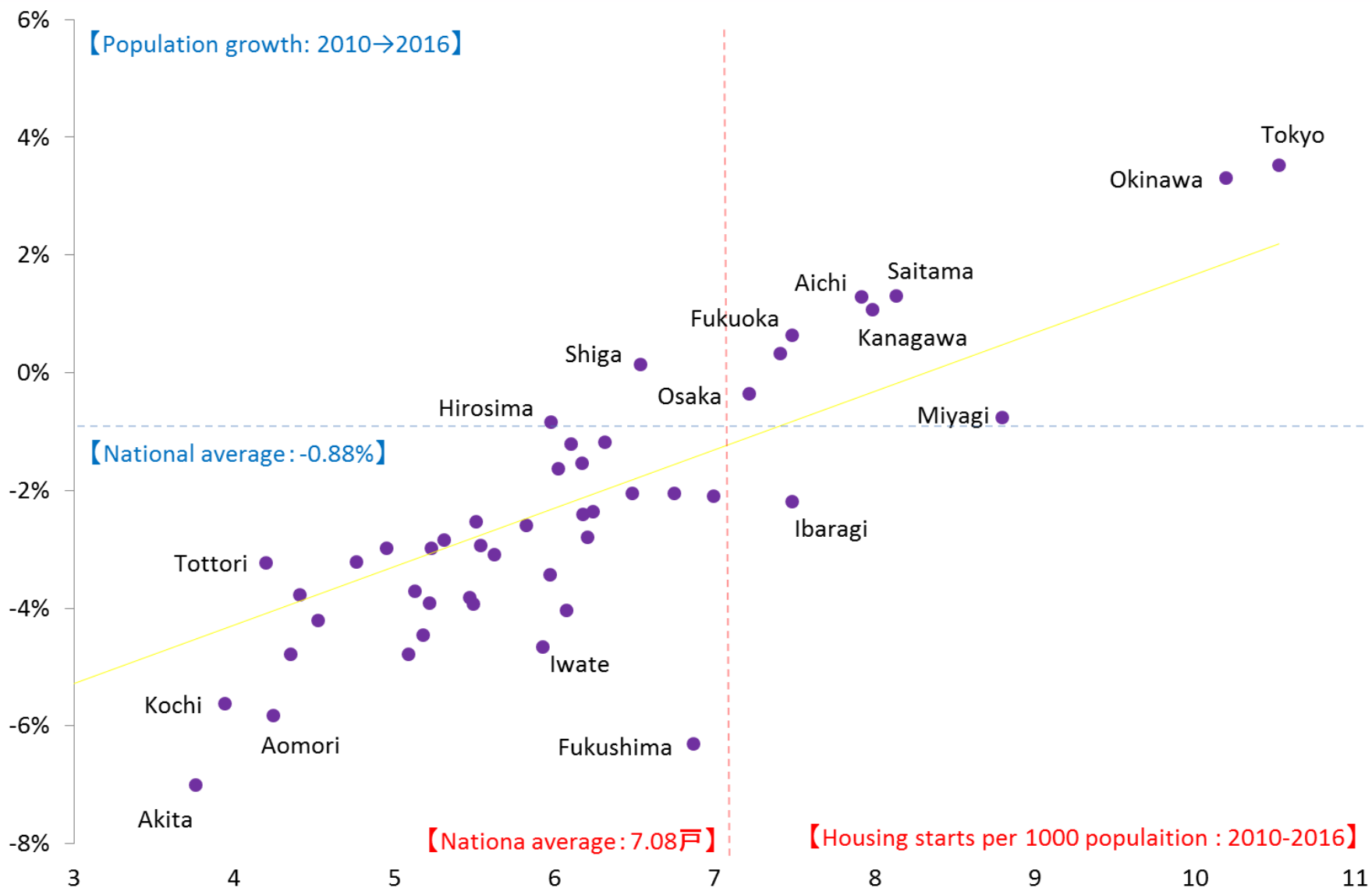
US



Japan



Population and housing starts in Japan (2010-2016)

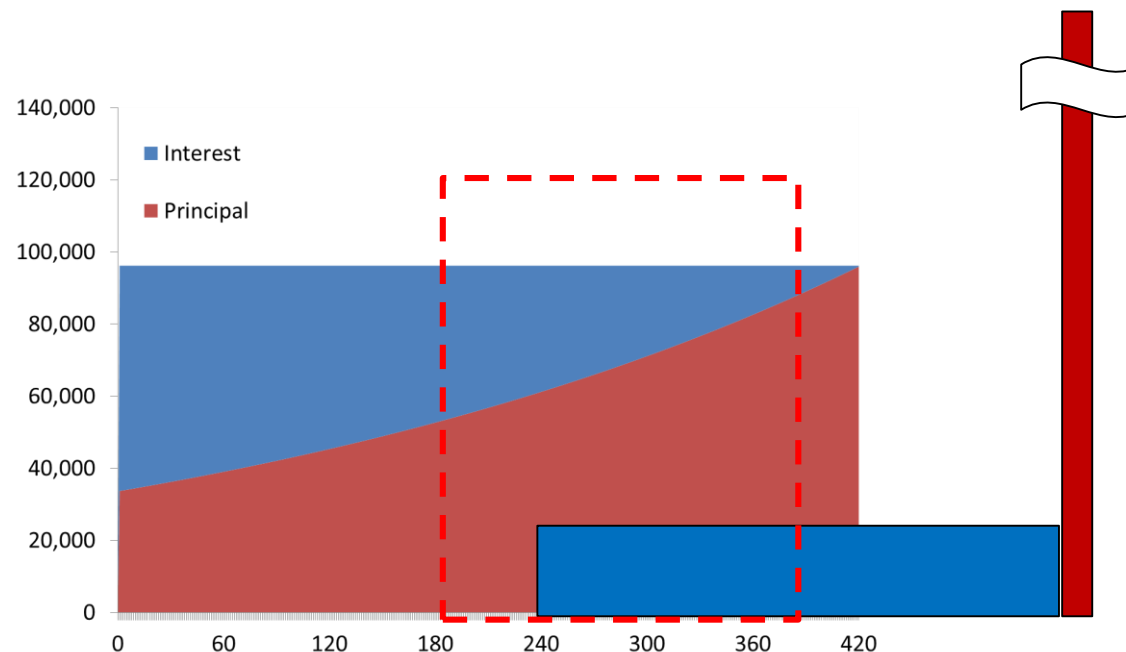


New Programs for elderlies by JHF in FY2017①

Special loan modification for elderlies facing payment difficulties

In loss mitigation effort, JHF introduced special loan modification for elderlies aged 70 years old or older who have not become delinquent but face payment difficulty. Under this program, the borrower is allowed to pay only interest portion until death. Upon death of the borrower, the outstanding balance is paid in lump sum.

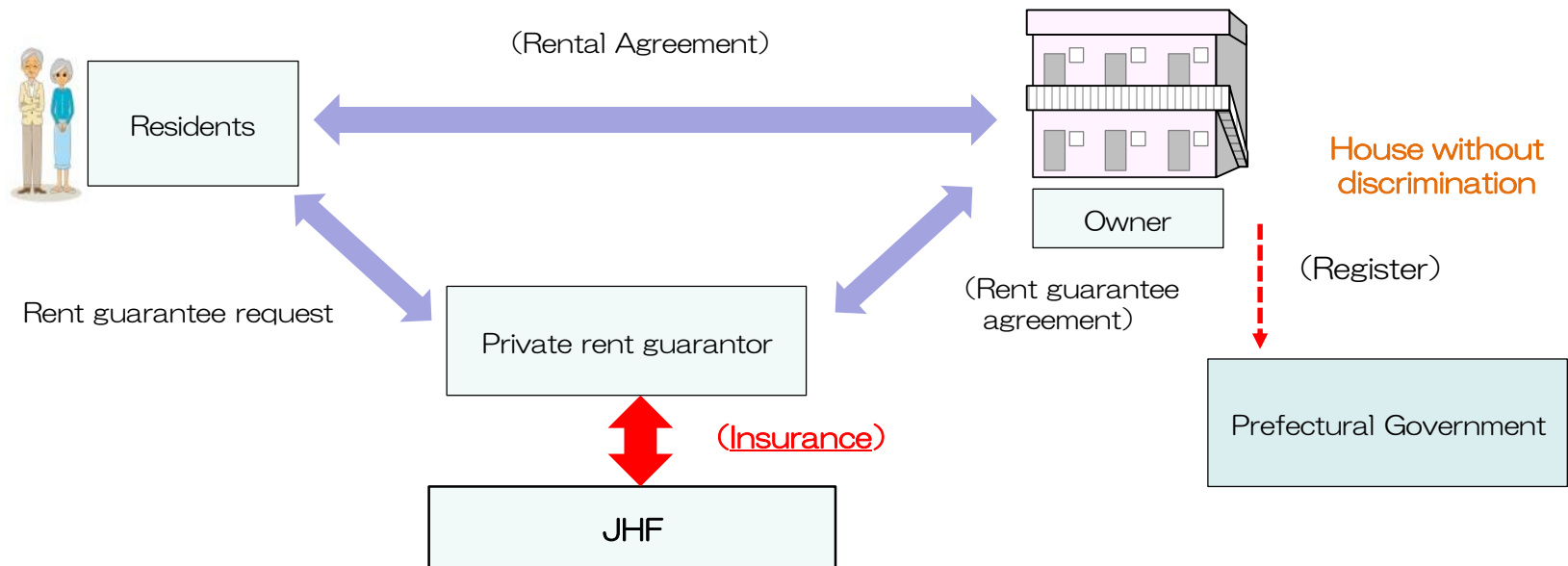
Even if there remains deficiency after the disposition of the collateralized property, JHF will not recourse the remaining balance to the heirs. In this regard, this program is a sort of non-recourse loan.



New Programs for elderlies by JHF in FY2017②

New insurance program for the private rent guarantor

In order to facilitate the elderlies and other people who find it difficult to reach an rental agreement to reside in houses that are registered as “houses without discrimination” smoothly, JHF extends insurance program for the private rent guarantors that guarantee the payment of rent to the owner of such property.



JHF also extend loans to the owners of such properties to renovate the structure to be better suited for the elderly residence. JHF also extend insurance program for private lenders that extend loans for the same purpose as such.

Thank you for your attention.

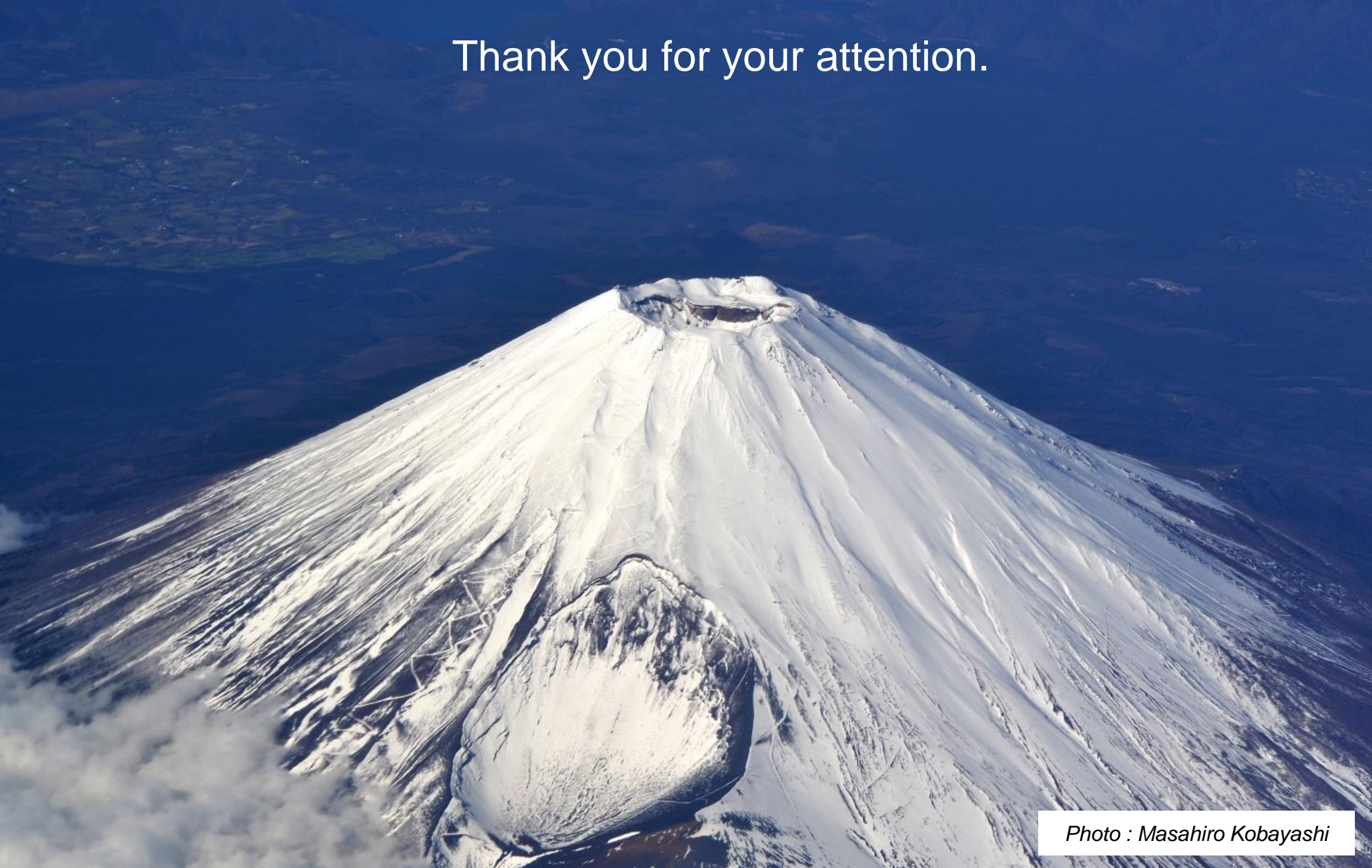


Photo : Masahiro Kobayashi

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