

Table : The CBC's targeted macro-prudential measures on real estate lending

Year/month	Measures	Contents of the measures
2010/6	Enacting the regulations governing housing loans in Specific Areas	<ol style="list-style-type: none"> 1. Applying to second or more housing loans granted to an individual in Specific Areas, including Taipei City and ten districts in New Taipei City. 2. Capping the loan-to-value (LTV) ratios at 70% and removing the grace period.
2010/12	1. Expanding the scope of Specific Areas	Expanding the scope of Specific Areas to include three more districts in New Taipei City, enlarging regulated entities to include corporates and lowering the LTV ratio cap to 60%.
	2. Regulating land collateralized loans	For the loans collateralized by residential or commercial land plots in urban planning districts, requiring borrowers to submit concrete construction projects, capping LTV ratios at 65% and requesting 10% of approved loans to be extended only after the construction commences.
2012/6	Enacting the guidelines governing high-priced housing loans	<ol style="list-style-type: none"> 1. Defining high-priced properties as: (1) located in Taipei City or New Taipei City valued at NT\$80 million or more; (2) located in other areas valued at NT\$50 million or more. 2. Capping LTV ratios of those loans at 60% and removing their grace period.
2013/3	Adopting self-discipline measures for housing loans in districts outside Specific Areas	Requiring banks to exercise self-discipline for housing loans in districts outside Specific Areas with considerable surges in housing prices.
2013/12	Adopting self-discipline measures for loans collateralized by industrial zone land	<p>Urging banks to strengthen risk management on loans collateralized by industrial zone land, including:</p> <ol style="list-style-type: none"> 1. Requiring borrowers to submit construction projects and related financial information. 2. Requiring borrowers to commit to writing that construction will commence on the collateralized land within a specific period. 3. Conducting post lending reviews to ensure the fulfillment of commitments by borrowers.
2014/6	Amending the regulations governing home mortgage loans in Specific Areas	<ol style="list-style-type: none"> 1. Expanding the scope of Specific Areas to include four more districts in New Taipei City and four districts in Taoyuan County, and capping their LTV ratio at 60%. 2. Capping the LTV ratio at 50% for third or more housing loans granted to an individual across the country. 3. Revising the definition of high-priced properties to include residential properties valued at more than NT\$70 million in Taipei City, NT\$60 million in New Taipei City and NT\$40

		<p>million in other areas, and lowering their LTV ratio ceiling to 50%.</p> <p>4. Lowering the LTV ratio ceiling of home mortgage loans granted to a corporate body to 50% across the country.</p>
2015/2	Further enhancing self-discipline measures for land loans in idle industrial zones	<p>Inviting related competent authorities and main banks to discuss lending principles for idle industrial zone land, and reaching the following consensuses:</p> <ol style="list-style-type: none"> 1. For loans collateralized by idle industrial zone land stated in the Joint Credit Information Center's database: <ol style="list-style-type: none"> (1) Renewed loans or transferred loans: capping LTV ratio at 55% if the construction does not commence. (2) New loans: capping LTV ratio at 55% if borrowers fail to implement construction projects. 2. For other land collateralized loans: continuing to implement self-discipline measures issued by the CBC in December 2013. 3. Above-mentioned lending principles should be encompassed into internal credit procedures of banks and listed as the examination targets of financial authorities.
2015/8	Revising regulations governing home mortgage loans	<ol style="list-style-type: none"> 1. Revising the scope of the designated Specific Areas by removing two districts in New Taipei City, namely Bali and Yingge, and four districts in Taoyuan City, namely Taoyuan, Luzhu, Zhongli and Guishan. 2. Raising the loan-to-value (LTV) ratio ceiling on high-priced housing loans taken by a borrower, home mortgage loans taken out by a corporate body and loans taken out for purchasing the third (or more) house by an individual from 50% to 60%.
2016/3	Revising regulations governing home mortgage loans	<p>Except for the guidelines governing loans for high-priced house purchases, the following loan regulations are repealed:</p> <ol style="list-style-type: none"> 1. Housing loans in Specific Areas 2. Third or more housing loans granted to an individual 3. Home mortgage loans granted to a corporate body 4. Land collateralized loans
2020/11	Calling for banks to continue to strengthen the risk management of real estate loans, and fulfill social responsibilities	<p>Inviting 14 main banks to reiterate the following expectations for banks:</p> <ol style="list-style-type: none"> 1. Reinforcing the risk management on loans for investing properties, construction and unsold houses. 2. Fulfilling social responsibility by preventing credit from overly flowing into the real estate market, fully disclosing information about mortgage burden, and guiding funds to real investment.

2020/12	Revising regulations governing home mortgage loans extended by financial institutions	<ol style="list-style-type: none"> 1. Imposing new restrictions on loans for house purchases granted to corporate legal entities: capping LTV ratio at 60% on the first and 50% on the second or more loans for house purchases, respectively. No grace period is granted. 2. Launching new restrictions on the third or more loans for house purchases granted to natural persons: capping LTV ratio at 60% without a grace period. 3. Imposing new restrictions on loans taken out for purchasing residential or commercial land plots located in urban planning districts: requiring borrowers to offer elaborated and concrete plans of construction projects, and capping LTV ratio at 65% on these loans, where 10% of the approved loan amount shall not be disbursed until the construction commences. 4. New regulations to govern loans for unsold houses: capping the LTV ratio at 50%.
2020/12	Urging for self-discipline by banks, life insurance companies and bills finance companies on loans collateralized by industrial zone land	<ol style="list-style-type: none"> 1. Inviting main banks to discuss lending principles and urging them to exercise rigorous self-discipline measures required by the CBC in 2015, including pre-lending assessment, reviews on approved loan cases, and tightening credit conditions for loans taken out for short-term real estate investment. 2. Inviting main life insurance companies and bills finance companies to discuss lending principles, and requiring them to reinforce prudent management on loans collateralized by industrial zone land.

Source: CBC.