

Implementation Results and Review of the Bank's Selective Credit Control Measures

In Aug. 2024, the Bank met with 34 banks to request for self-disciplinary management of the aggregate amount of real estate lending. Moreover, the Bank made the seventh adjustment to the selective credit control measures in Sep. 2024. Since the implementation of the related measures, housing market transactions have somewhat cooled, consumer expectations for housing price rises have eased, the over-concentration of banks' credit resources in real estate lending has gradually improved, and credit resources have been prioritized to support housing loans to non-homeowner borrowers and loans for urban renewal and reconstruction of unsafe and dilapidated buildings, which is in line with government policy objectives.

This report presents, in a Q&A format, discussions on the current conditions and outlook for the housing market, the implementation results of banks' internal quantitative management of aggregate real estate lending in 2025 Q4 and the effectiveness of the Bank's selective credit control measures, as well as other issues of public concern and the Bank's subsequent actions.

Q1: What are the current conditions and outlook for the housing market?

Q2: What was the implementation status of banks' internal quantitative management of aggregate real estate lending in 2025 Q4?

Q3: What have been the effects of the Bank's selective credit control measures?

Q4: What has been the recent progress in banks' implementation of the home replacement assistance measures?

Q5: How have recent excavated soil removal and transportation issues affected developers' ability to commence construction within the prescribed timeframe?

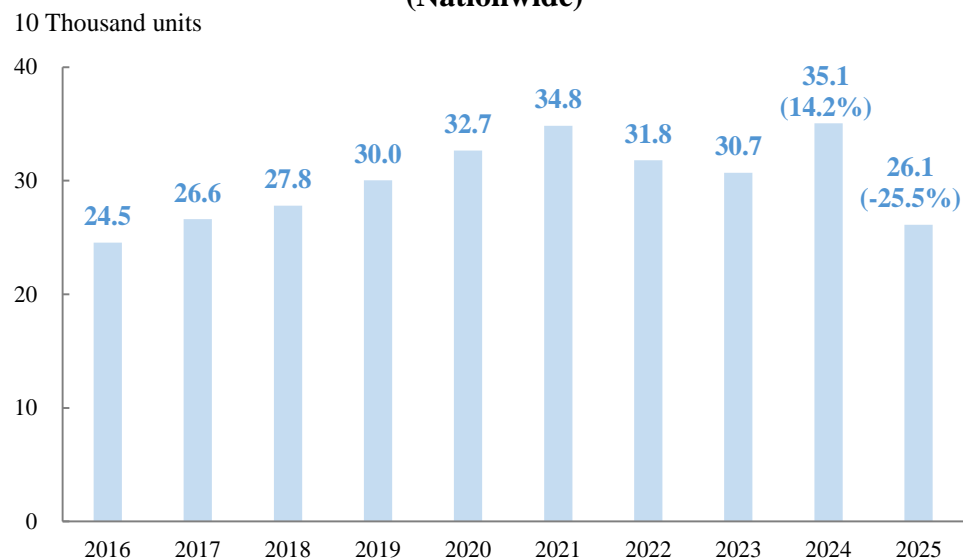
Q6: What are the Bank's subsequent actions?

Q1: What are the current conditions and outlook for the housing market?

A1: In 2025, housing market transactions declined and housing prices entered a consolidation phase. Real estate firms remained conservative about the 2026 housing market outlook, while the public generally expected housing prices to fall.

1. Housing market transactions declined significantly in 2025.
 - (1) As the Bank continued to implement the selective credit control measures and banks strengthened management of aggregate real estate lending, speculative demand gradually receded. In 2025, **the number of building ownership transfers nationwide fell to 261 thousand units, representing a year-on-year decrease of 25.5%** (Fig. 1), indicating a marked contraction in housing market transactions.

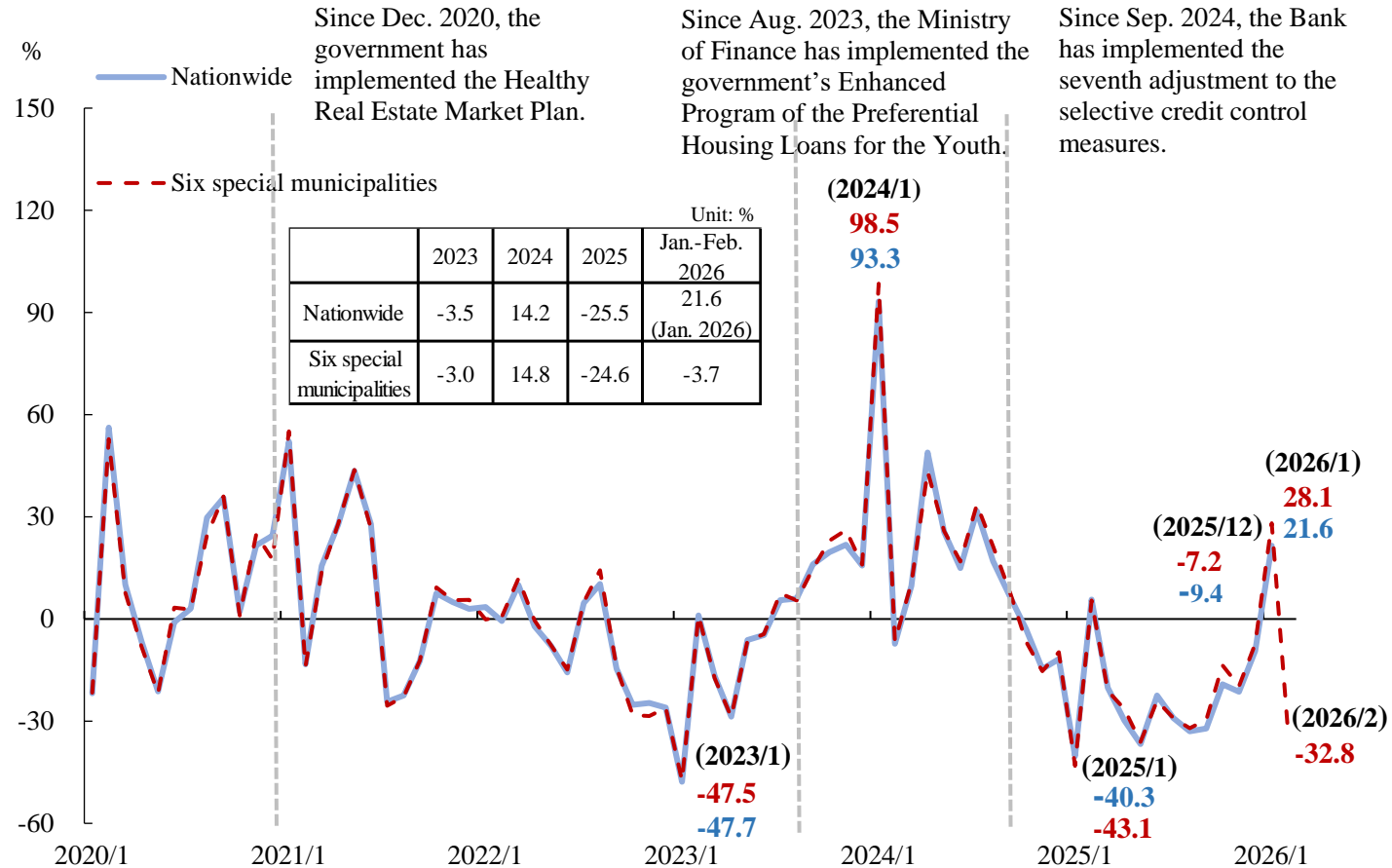
Figure 1 Numbers of Building Ownership Transfers (Nationwide)



Note: Figures in parentheses indicate annual growth rates (%).
Source: MOI.

(2) For Jan.-Feb. 2026, the number of building ownership transfers in the six special municipalities continued to decline year on year, posting a decrease of 3.7%,¹ although the pace of decline moderated (Fig. 2).

Figure 2 Annual Growth Rates of Building Ownership Transfers (Nationwide and the Six Special Municipalities)



Note: The relatively high annual growth rate in Jan. 2024 was mainly attributable to a wave of project completions and housing handovers, the peak pre-Lunar New Year housing handover season, and a lower base effect caused by fewer working days in Jan. 2023 owing to the Lunar New Year holiday.
Sources: MOI; departments of land administration of the six special municipalities.

¹ For Jan.-Feb. 2026, the number of building ownership transfers in the six special municipalities totaled 28,717 units, down by 3.7% from 29,824 units in the same period of 2025.

2. Prices of existing houses edged down from their peak levels, while prices of new housing projects also recorded slower growth, albeit remaining elevated.

(1) For prices of **existing houses**, the **national housing price index released by the Ministry of the Interior (MOI) in 2025 Q3**, along with **the Sinyi housing price index and the NCCU-Yungching housing price index in 2025 Q4**, declined by **3.7%, 3.7%, and 6.4%, respectively**, from their respective peak levels (Fig. 3), with larger declines recorded in metropolitan areas in central and southern Taiwan (Table 1). In 2025 Q3, the MOI index decreased by 2.8% year on year. In 2025 Q4, the Sinyi index and the NCCU-Yungching index also declined by 3.7% and 3.6% year on year, respectively (Fig. 4), suggesting some softening in prices of existing houses.

Figure 3 Nationwide Housing Price Indices

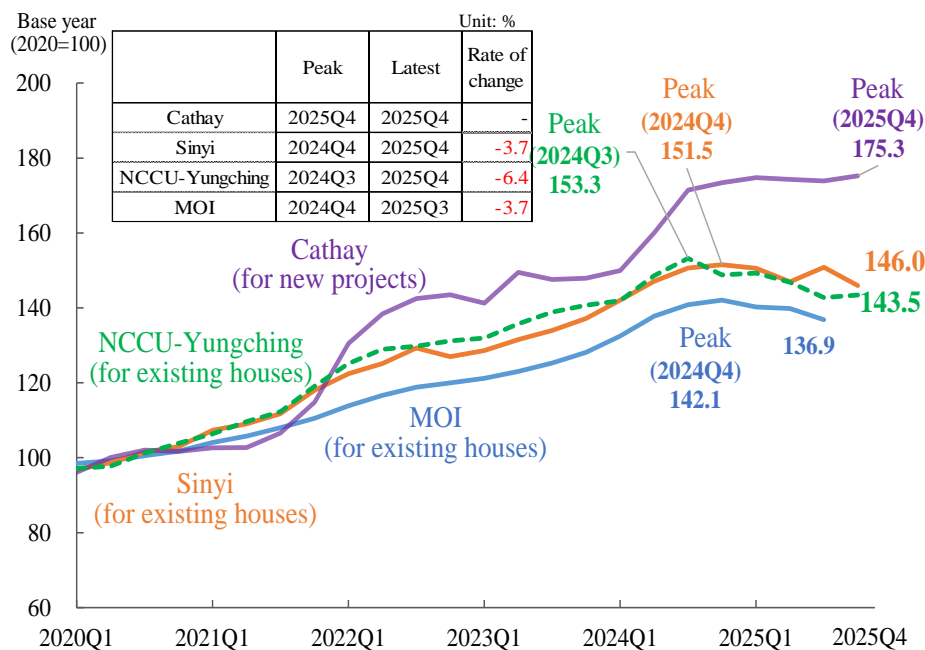
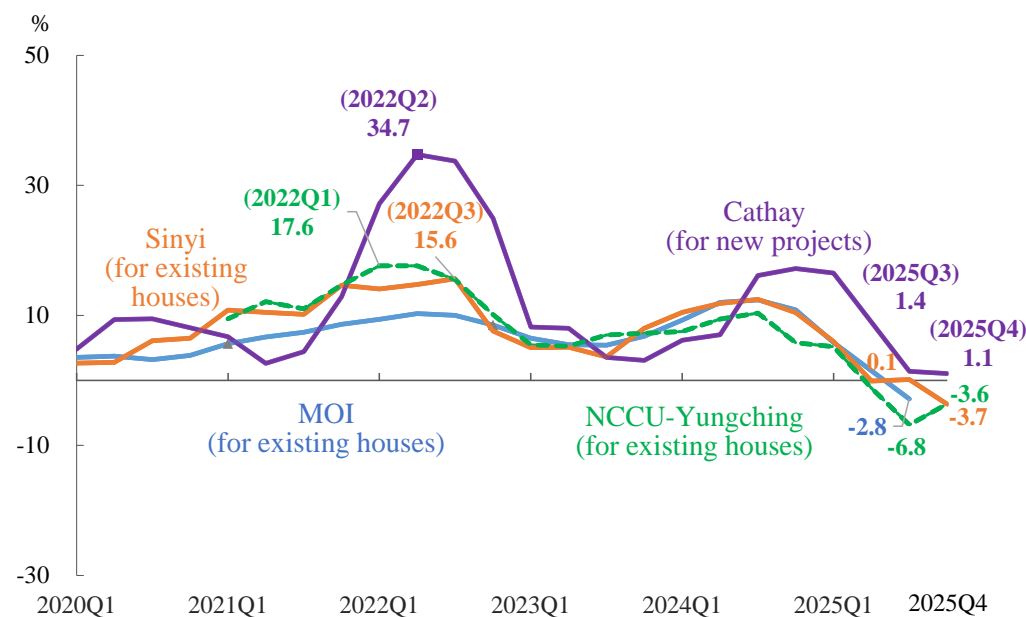


Figure 4 Annual Growth Rates of Nationwide Housing Price Indices



Note: All indices were converted to a base year of 2020 = 100.
 Sources: Real Estate Information Platform of the MOI; Sinyi Real Estate Review;
 Yungching Realty Group website; Cathay Real Estate Index Quarterly Report.

Sources: Real Estate Information Platform of the MOI; Sinyi Real Estate Review;
 Yungching Realty Group website; Cathay Real Estate Index Quarterly Report.

(2) For prices of **new housing projects**, the **Cathay housing price index reached another record high in 2025 Q4**, while its **annual growth rate slowed to 1.1%, narrowing for four consecutive quarters** (Fig. 4). Among the major metropolitan areas, housing price indices in 2025 Q4 for New Taipei City and Hsinchu County and City fell by 6.1% and 1.7%, respectively, from their peak levels recorded in 2024 Q4 and 2025 Q1. In contrast, housing price indices in all other areas continued to rise and reached new highs (Table 1), indicating that prices of new housing projects remained elevated.

**Table 1 Housing Price Indices and Rates of Change
(2025 Q4 vs. Historical Peaks)**

	For existing houses			For new projects
	Sinyi	NCCU-Yungching	MOI	Cathay
Nationwide	146.0 (-3.7%)	143.5 (-6.4%)	136.9 (-3.7%)	175.3 (Record high)
New Taipei City	142.9 (-3.9%)	134.4 (-4.6%)	133.9 (-1.7%)	161.4 (-6.1%)
Taipei City	131.1 (-0.6%)	125.4 (-5.4%)	122.2 (-0.8%)	160.9 (Record high)
Taoyuan City	162.1 (-4.0%)	152.0 (-6.2%)	145.0 (-2.8%)	180.4 (Record high)
Hsinchu County and City	199.5 (-8.5%)	182.8 (-6.8%)	-	209.2 (-1.7%)
Taichung City	152.0 (-6.8%)	141.8 (-8.6%)	139.3 (-6.1%)	193.1 (Record high)
Tainan City	150.2 (-13.0%)	149.6 (-8.2%)	137.2 (-3.2%)	180.9 (Record high)
Kaohsiung City	150.8 (-7.3%)	146.9 (-8.9%)	138.7 (-5.8%)	174.4 (Record high)

Notes: 1. All indices were converted to a base year of 2020 = 100.

2. Figures in parentheses indicate the changes in housing price indices for the major metropolitan areas in 2025 Q4 relative to their respective historical peaks.

Sources: Real Estate Information Platform of the MOI; Sinyi Real Estate Review; Yungching Realty Group website; Cathay Real Estate Index Quarterly Report.

3. Since the onset of the COVID-19 pandemic in 2020, housing prices in Taiwan have risen sharply, placing a heavy burden on homebuyers.
- (1) As housing constitutes both an important household asset and key collateral for financial institutions, **continued surges in housing prices could further increase** the public's **debt burden**. **A reversal in economic and financial conditions or housing market sentiment could** in turn elevate loan default risks and **undermine financial stability**. Accordingly, the Bank has consistently paid close attention to housing price-related issues.
- (2) **Since** the outbreak of the **COVID-19** pandemic (2020 Q1–2025 Q4), **increases in both nominal and real housing prices in Taiwan have exceeded** those in major economies.
- A. For **nominal housing price indices**, **Taiwan posted the largest cumulative increase** in housing prices among major economies, **with the Sinyi housing price index rising by 51.0%**, while the cumulative increase in the national housing price index released by the MOI for Taiwan (39.7%) was lower only than those recorded in the U.S. (50.0%), Australia (47.0%), and Singapore (40.0%) (Table 2).
- B. As for **real housing price indices**, **Taiwan also registered the largest cumulative increase**² among major economies, with the Sinyi real housing price index and the national housing price index released by the MOI rising by 34.9% and 25.3%, respectively (Table 2).
- (3) Compared with major economies, **Taiwan's housing price-to-income ratio reached 9.7 times** in 2025 Q3, **on par with Australia as the highest among major economies** and far exceeding those of South Korea (7.0 times), the U.K. (5.6 times), and the U.S. (4.8 times). Compared with major metropolitan areas, **Taipei City's housing price-to-income ratio reached 15.0 times**, also **ranking the highest**, exceeding those of Hong Kong (14.4 times) and Sydney (13.8 times) and far surpassing those of London (9.1 times), Seoul (8.3 times), and New York (7.4 times) (Table 3), indicating that mortgage burdens in Taiwan remained relatively heavy.

² Amid elevated global inflation during 2022 to 2023, increases in CPI-adjusted real housing price indices across countries were generally smaller than those in nominal housing price indices. In Taiwan, however, relatively stable inflation resulted in a still substantial increase in real housing prices.

Table 2 Changes in Nominal and Real Housing Price Indices (2020Q1–2025Q4)

Unit: %

Economies	Nominal	Real
U.S.	50.0	19.1
New Zealand	25.6	-0.6
U.K.	26.6	-1.4
Australia	47.0	18.9
Japan	29.1	15.8
Taiwan (the Sinyi index)	51.0	34.9
Taiwan (the MOI index)	39.7	25.3
Hong Kong	-23.8	-29.7
Singapore	40.0	19.5
South Korea	16.9	-0.1

Notes: 1. Housing price changes over 2020Q1–2025Q4 are based on 2025Q4 vs. 2019Q4.

2. Latest data: Taiwan’s Sinyi index (2025Q4); others (2025Q3).

Sources: BIS selected residential property price indices (2010=100).

Table 3 Housing Price-to-Income Ratio (Major Economies and Metropolitan Areas)

	By country			By metropolitan area	
	P/I ratio (times)	Latest data point		P/I ratio (times)	Latest data point
Taiwan	9.7	2025Q3	Taipei City	15.0	2025Q3
Australia	9.7	2024Q3	Hong Kong	14.4	2024Q3
New Zealand	7.7	2024Q3	Sydney	13.8	2024Q3
South Korea	7.0	2025Q1	London	9.1	2024Q3
U.K.	5.6	2024Q3	Toronto	8.4	2024Q3
U.S.	4.8	2024Q3	Seoul	8.3	2025Q1
			Auckland	7.7	2024Q3
			New York	7.4	2024Q3
			Sigapore	4.2	2024Q3

Note: Housing price-to-income ratio = median house price / median household disposable income.

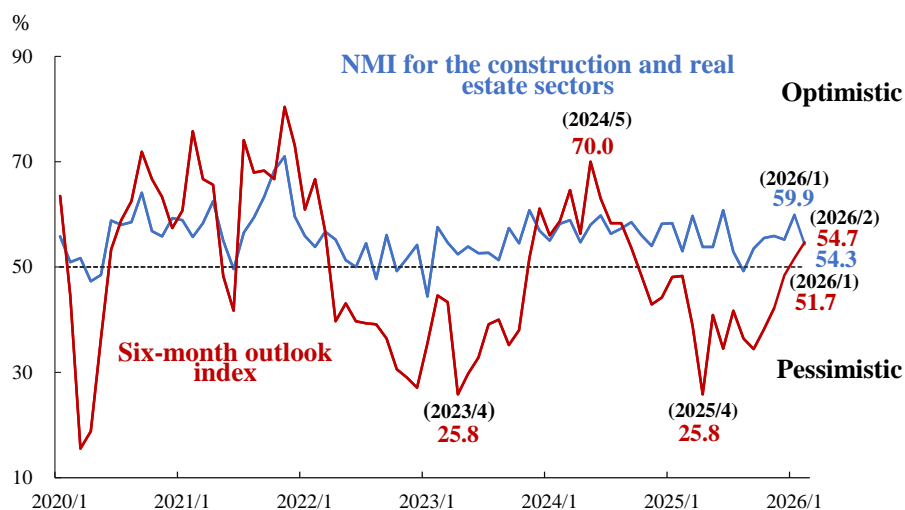
Sources: Taiwan and South Korea: MOI housing affordability statistics; others: Demographia International Housing Affordability (2025 edition, latest data 2024Q3).

4. Real estate firms remained conservative about the 2026 housing market outlook, while the public generally expected housing price declines and mostly supported the Bank’s continued implementation of the selective credit controls.
- (1) In **Feb. 2026**, the Non-Manufacturing Index (NMI) for the construction and real estate sectors edged down to 54.3%. However, supported by demand for semiconductor- and logistics-related plants and facilities, **the six-month outlook index continued to rise to 54.7%** (Fig. 5), indicating that real estate firms have become more optimistic about future business conditions, although the **overall performance** of the **residential, office, and retail property markets in 2026** was still expected to **remain relatively subdued**.³

³ See the press release on Taiwan’s Purchasing Managers’ Index (PMI) for Jan. 2026, published by the Chung-Hua Institution for Economic Research (CIER).

(2) According to an online survey conducted by Yungching Realty Group on **housing price trends for 2026 Q1**, although the share of **consumers expecting housing price declines narrowed** from 50% in the survey on expectations for 2025 Q4 to **39%**, it remained **higher than the 26%** share **expecting housing price rises** (Fig. 6). In addition, **68% of consumers supported the Bank's** continued implementation of the **seventh round of selective credit control measures**, indicating that most consumers preferred housing market transactions to be driven primarily by owner-occupier demand.

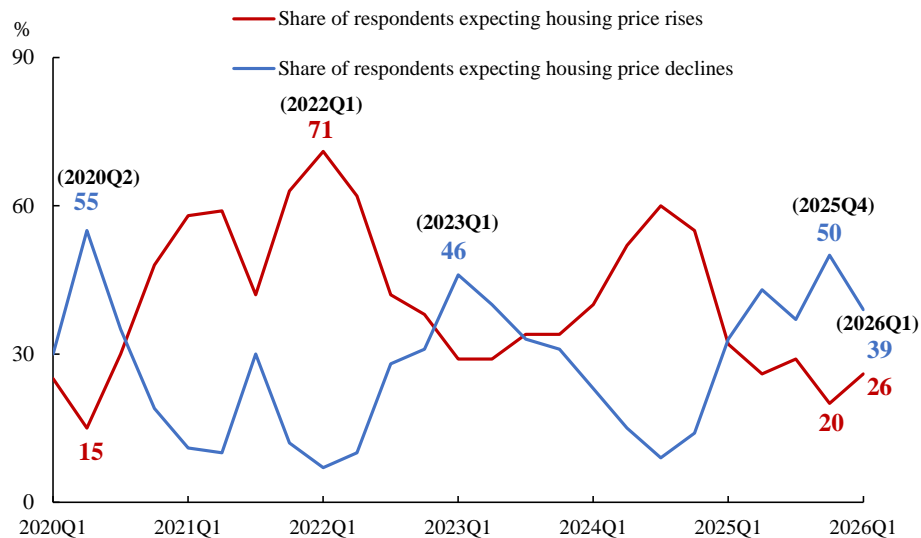
Figure 5 NMI and Future Outlook for the Construction and Real Estate Sectors



Note: The NMI for the construction and real estate sectors is compiled from monthly surveys of purchasing managers at sampled enterprises. A reading above 50 indicates expansion in business conditions, while a reading below 50 indicates contraction.

Source: CIER.

Figure 6 Survey on Consumer Expectations of Housing Prices by Yungching Realty Group



Source: Housing Market Outlook Report by Yungching Realty Group.

Q2: What was the implementation status of banks' internal quantitative management of aggregate real estate lending in 2025 Q4?

A2: In 2025 Q4, most of the 34 domestic banks have already met their self-set targets for internal quantitative management of aggregate real estate lending.

1. In 2025 Q4, the **average actual concentration ratio of real estate lending** for the 34 banks⁴ was **0.24 percentage points lower than the average of their self-set targets**. This was mainly because the “construction loans” component under the numerator item “real estate loans” was NT\$409.4 billion lower than the average target level, and the “other loans” component (referring to loans other than real estate loans, primarily corporate loans) under the denominator item “total loans” was NT\$33.4 billion higher than the average target level (Table 4).
2. **A small number of banks failed to meet their self-set targets, mainly because they prioritized housing loans to non-homeowner borrowers and loans for urban renewal and reconstruction of unsafe and dilapidated buildings**, which is in line with government policy objectives. Moreover, the shares of such loans extended by these banks all increased compared with Jun. 2024 (the base period for banks' internal quantitative management of aggregate real estate lending). This is consistent with the Bank's policy intention of urging banks to channel credit resources continuously towards priority uses aligned with government initiatives.
3. The **concentration of real estate lending** by all banks⁵ **gradually came down to 36.45%** as of the end of 2025 Q4.

⁴ Referring to the 34 domestic banks with the largest amount of real estate lending.

⁵ Including domestic banks as well as local branches of foreign and Mainland Chinese banks.

**Table 4 Implementation of Self-Disciplinary Quantitative Management of Aggregate Real Estate Lending
by 34 Domestic Banks in 2025 Q4**

Item	Difference between actual values and the average of banks' self-set targets	Unit
Concentration of real estate lending	-0.24	Percentage points
1. Total loans (A=B+C)	-98.5	NT\$billion
2. Real estate loans (B)	-131.9	NT\$billion
(1) House-purchasing loans	278.9	NT\$billion
(2) Construction loans	-409.4	NT\$billion
(3) Home renovation loans	-1.4	NT\$billion
3. Other loans (C)	33.4	NT\$billion

Notes: 1. The 34 domestic banks here exclude the three internet-only banks, the Export-Import Bank of the R.O.C., and Citibank Taiwan Limited, but include the Agricultural Bank of Taiwan.

2. Other loans refer to government loans, corporate loans, personal working capital loans, and other related lending extended by banks.

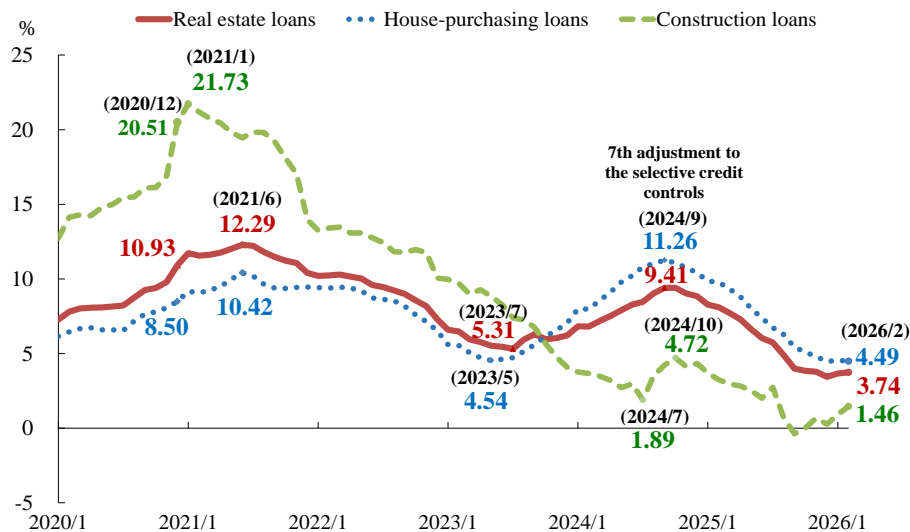
Source: CBC.

Q3: What have been the effects of the Bank’s selective credit control measures?

A3: The concentration of bank credit resources in real estate lending gradually improved, credit resources were prioritized for housing loans to non-homeowner borrowers and loans for urban renewal and reconstruction of unsafe/old buildings, and the NPL ratio of real estate lending remained low, suggesting that the related credit risk management remained generally sound.

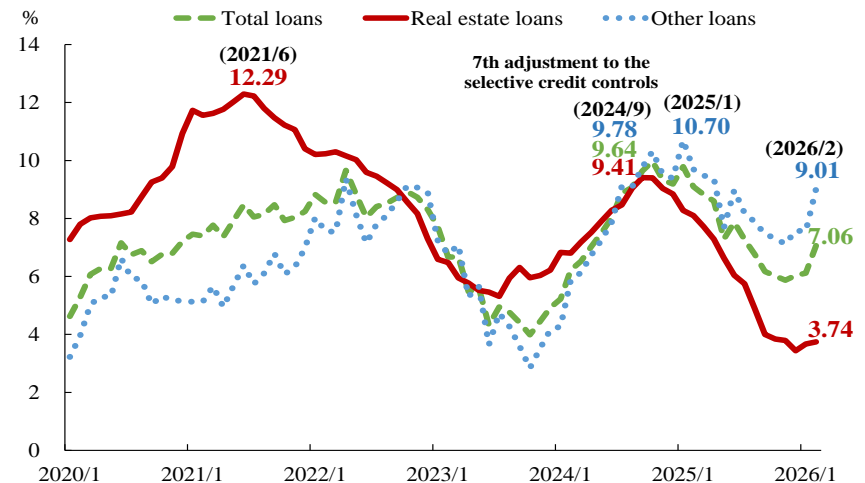
1. The concentration of bank credit resources in real estate lending showed improvement as of the end of Feb. 2026.
- (1) **The annual growth rates of outstanding real estate loans, house-purchasing loans, and construction loans of all banks also declined from recent highs of 9.41% and 11.26% at the end of Sep. 2024 and 4.72% at the end of Oct. 2024 to 3.74%, 4.49%, and 1.46%, respectively, at the end of Feb. 2026 (Fig. 7).**
- (2) Since 2025, buoyant domestic exports have supported growth in other loans excluding real estate lending. As a result, **the annual growth rate of other loans extended by all banks reached 9.01% at the end of Feb. 2026, exceeding the growth rates of total loans and real estate loans, which stood at 7.06% and 3.74%, respectively (Fig. 8).**

Figure 7 Annual Growth Rate of Real Estate Loans of All Banks



Source: CBC.

Figure 8 Annual Growth Rates of Real Estate Loans and Total Loans of All Banks

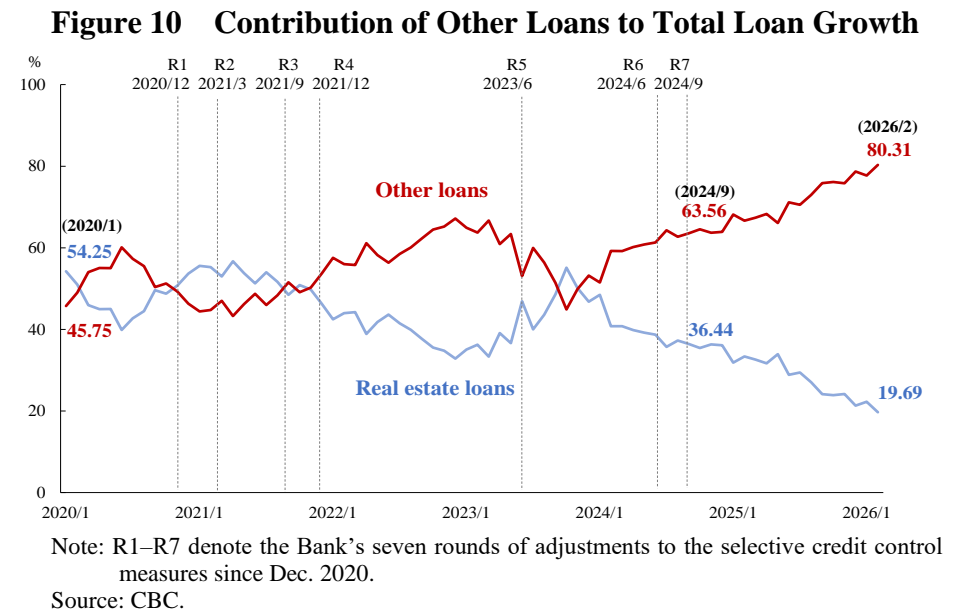
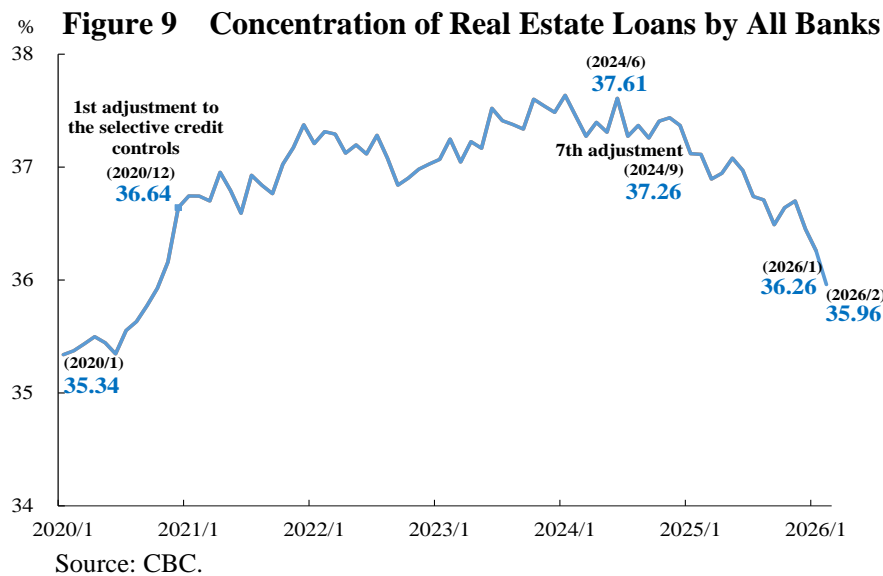


Note: Other loans refer to total loans excluding real estate loans.
Source: CBC.

(3) **The concentration of real estate lending by all banks declined** from a recent peak of 37.61% at the end of Jun. 2024 (the base period for banks' self-disciplinary management of aggregate real estate lending) **to 35.96%** at the end of Feb. 2026 (Fig. 9), suggesting an improvement in the concentration of bank credit resources in real estate lending.

(4) Since the Bank's seventh adjustment to the selective credit control measures, the contribution of other loans to total loan growth has increased significantly, while that of real estate loans to total loan growth has declined.

A. Since 2025, growth in other loans extended by banks has exceeded that in real estate loans. Consequently, the **contribution of growth in other loans** to total loan growth⁶ **increased** from 63.56% in Sep. 2024 (when the Bank made the seventh adjustment to the selective credit control measures) **to 80.31%** at the end of Feb. 2026. By contrast, the **contribution of growth in real estate loans** to total loan growth **fell** from 36.44% **to 19.69%** over the same period (Fig. 10), indicating that the effectiveness of the Bank's selective credit control measures has gradually become evident.



⁶ The contribution of other loans to total loan growth is calculated by decomposing total loans into real estate loans and other loans, and then calculating their respective contribution shares (expressed as percentages) based on their annual growth rates and shares in total loans. Taking Feb. 2026 as an example, the contribution of other loans to total loan growth was derived by dividing the product of the annual growth rate of other loans in Feb. 2026 and the share of other loans in total loans in Feb. 2025 (5.67 percentage points) by the annual growth rate of total loans in Feb. 2026 (7.06 percentage points).

- B. Given that the decline in the concentration of real estate lending mainly reflected stronger growth in other loans, the concentration ratio could still reverse should growth in other loans moderate. Accordingly, **in addition to monitoring the concentration of real estate lending, the Bank** will continue to closely **monitor real estate market conditions using a range of indicators**⁷ and prudently assess subsequent market developments.
2. Domestic banks complied with the applicable LTV ratio requirements for regulated mortgage loans, while managing mortgage interest rates in a differentiated manner.
- (1) Banks remained in compliance with the applicable LTV ratio requirements, while the **LTV ratios** for the relevant **regulated loan categories** all **declined significantly** (Table 5).
- (2) Although mortgage interest rates are not subject to the Bank’s selective credit control measures, banks have adopted **differentiated mortgage interest rate pricing** in line with risk-based pricing principles. Therefore, **the average mortgage interest rate rose** from 2.55%-2.88% in Aug. 2024 to **2.60%-3.30%** in Feb. 2026.

Table 5 Mortgage Loans Subject to the Bank’s Selective Credit Control Measures Extended by Domestic Banks Unit: %

Loans		Domestic banks’ pre-regulation LTV ratios ¹ (mainly Jan.-Sep. 2020)	Domestic banks’ post-regulation LTV ratios ²		The Bank’s LTV Ratio Caps (from Sep. 20, 2024)	
			(Aug. 2024) ³	(Feb. 2026)		
Housing loans	Corporate entities	63.97	32.32	29.88	30	
	Natural persons	First housing loans for current homeowners	(Nil)	(Nil)	73.51	No Restrictions
		Second housing loans	77.16	57.87	48.95	50
		Third (or more) housing loans	63.97	39.40	29.82	30
		High-value housing loans	71.00	38.58	28.45	30
Land loans	69.19	48.32	49.81	50		
Unsold housing unit loans	51.03	35.15	28.78	30		

Notes: 1. “Pre-regulation” figures mainly refer to data for Jan.-Sep. 2020 submitted by the 14 banks participating in the Bank’s consultation meeting in Nov. 2020. For high-value housing loans, figures refer to data prior to the Bank’s implementation of relevant regulations in Jun. 2012. For second housing loans in specific areas, figures refer to the Bank’s compiled LTV ratio data for Jan.-May 2023.

2. “Post-regulation” figures refer to newly extended loans reported monthly by 39 domestic banks (including the Agricultural Bank of Taiwan) and compiled by the Bank.

3. Data for one month prior to the implementation of the Bank’s seventh adjustment to the selective credit control measures.

Source: CBC.

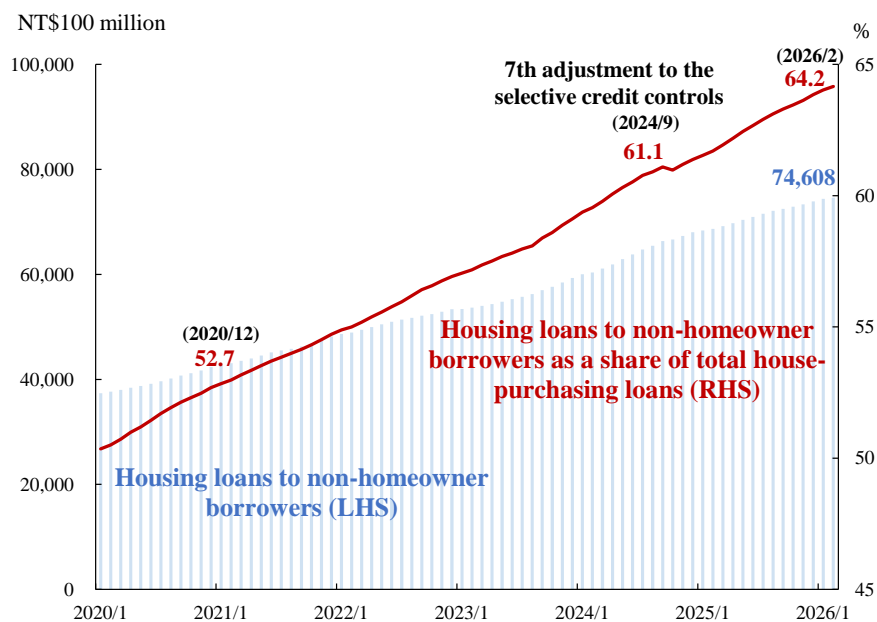
⁷ The range of indicators referenced by the Bank includes developments in the real estate market (such as housing market transaction volume and prices, housing supply and demand, and market expectations), trends in real estate lending (such as the annual growth rate of outstanding real estate loans and the NPL ratio of real estate loans), financial institutions’ implementation of the Bank’s selective credit control measures, and other housing-related policies (such as the government’s Enhanced Program of the Preferential Housing Loans for the Youth).

3. Banks' credit resources were prioritized to support funding needs aligned with government policies, including housing loans for non-homeowner borrowers and loans for urban renewal and reconstruction of unsafe and dilapidated buildings.

(1) At the end of Feb. 2026, **housing loans** extended by domestic banks **to non-homeowner borrowers rose further to account for 64.2% of total house-purchasing loans** from 52.7% at the end of Dec. 2020 (when the Bank first implemented the selective credit control measures)(Fig. 11), with the outstanding balance increasing to NT\$7,460.8 billion.

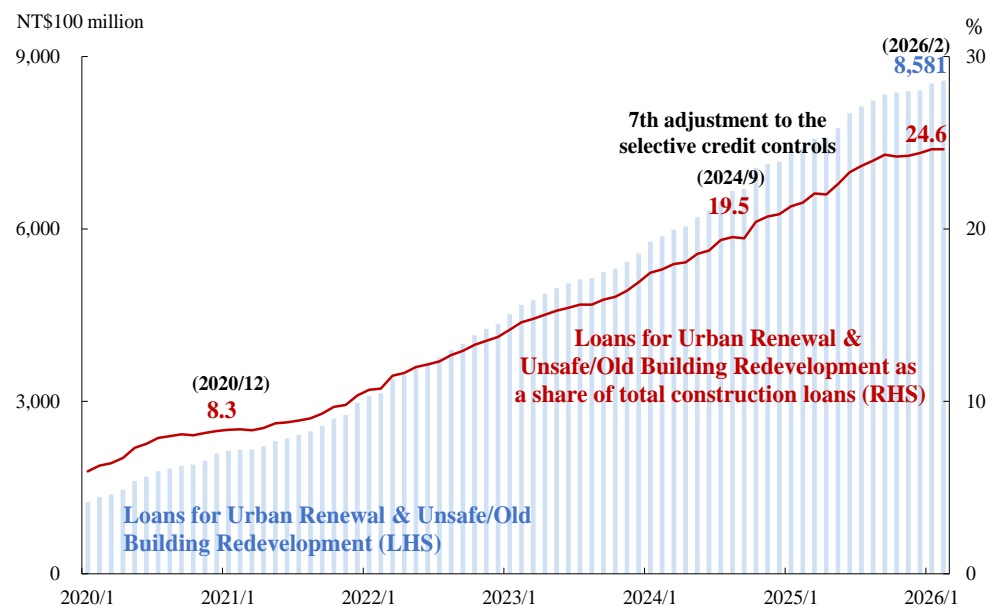
(2) **Loans for urban renewal and reconstruction of unsafe and dilapidated buildings to total construction loans increased to 24.6%** at the end of Feb. 2026 from 8.3% at the end of Dec. 2020, while the outstanding balance rose to NT\$858.1 billion (Fig. 12).

Figure 11 Housing Loans to Non-Homeowner Borrowers to Total House-Purchasing Loans



Source: Financial Supervisory Commission (FSC).

Figure 12 Loans for Urban Renewal & Unsafe/Old Building Redevelopment to Total Construction Loans

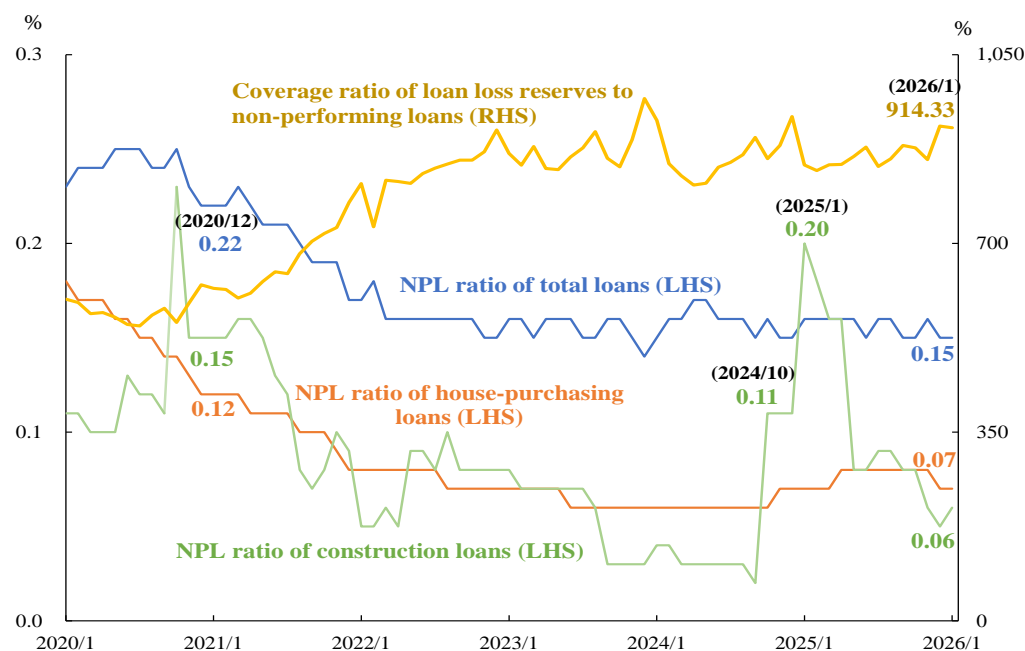


Note: Loans related to urban renewal & unsafe/old building redevelopment refer to the combined outstanding balance of loans extended by domestic banks that qualify for exclusion from Article 72-2 of *The Banking Act of The Republic of China*, as reported in the AI395 Credit Business Reporting Form. Construction loans refer to the outstanding balance of construction loans extended by all banks, as reported in the Bank's *Financial Statistics Monthly*.

Sources: FSC and CBC.

4. The NPL ratio of real estate loans extended by domestic banks remained at a low level, indicating generally sound management of related credit risks.
- (1) At the end of Jan. 2026, the NPL ratios of construction loans and house-purchasing loans extended by domestic banks remained stable at 0.06% and 0.07%, respectively, both lower than the overall NPL ratio of total loans of 0.15% (Fig. 13), suggesting that domestic banks generally maintained sound risk management for real estate-related lending.
 - (2) At the end of Jan. 2026, the coverage ratio of loan loss reserves to non-performing loans for domestic banks stood at 914.33% (Fig. 13), indicating a sound level of loan loss provisioning.

Figure 13 NPL Ratios and Loan Loss Reserve Coverage Ratio of Domestic Banks



Note: The NPL ratio of construction loans rose to 0.11% and 0.20% in Oct. 2024 and Jan. 2025, respectively, owing to individual loan defaults.

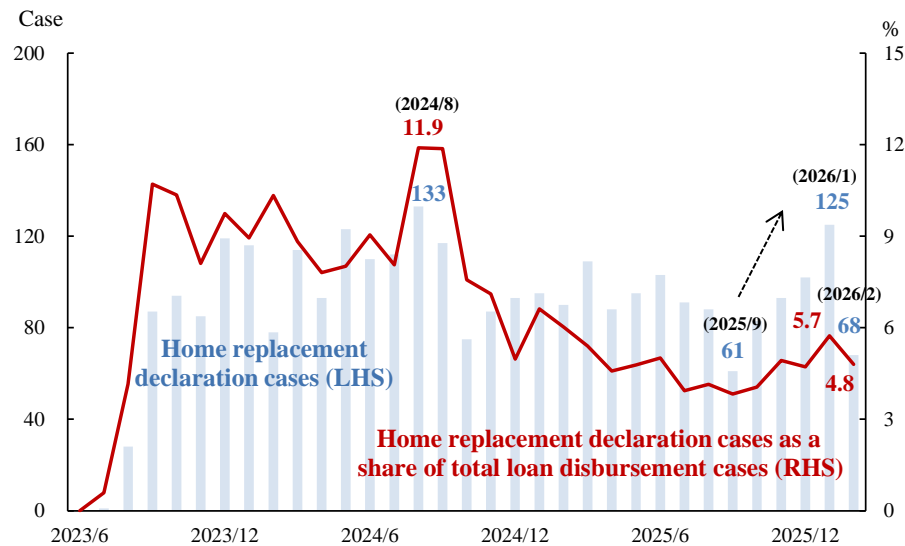
Source: FSC.

Q4: What has been the recent progress in banks' implementation of the home replacement assistance measures?

A4: Since the Bank extended the home sale period under the home replacement assistance measures to 18 months in Sep. 2025, banks have actively implemented such measures. The number of borrowers filing declarations for home replacement has continued to rise, while related complaint cases submitted to the Bank have gradually decreased.

1. **Since the Bank extended the deadline for selling the original property to 18 months in Sep. 2025, the number of borrowers filing home replacement declarations with banks rebounded from 61 cases in Sep. 2025 to 125 cases in Jan. 2026 (Fig. 14; the subsequent decline to 68 cases in Feb. 2026 mainly reflected fewer working days during the Lunar New Year holiday).**

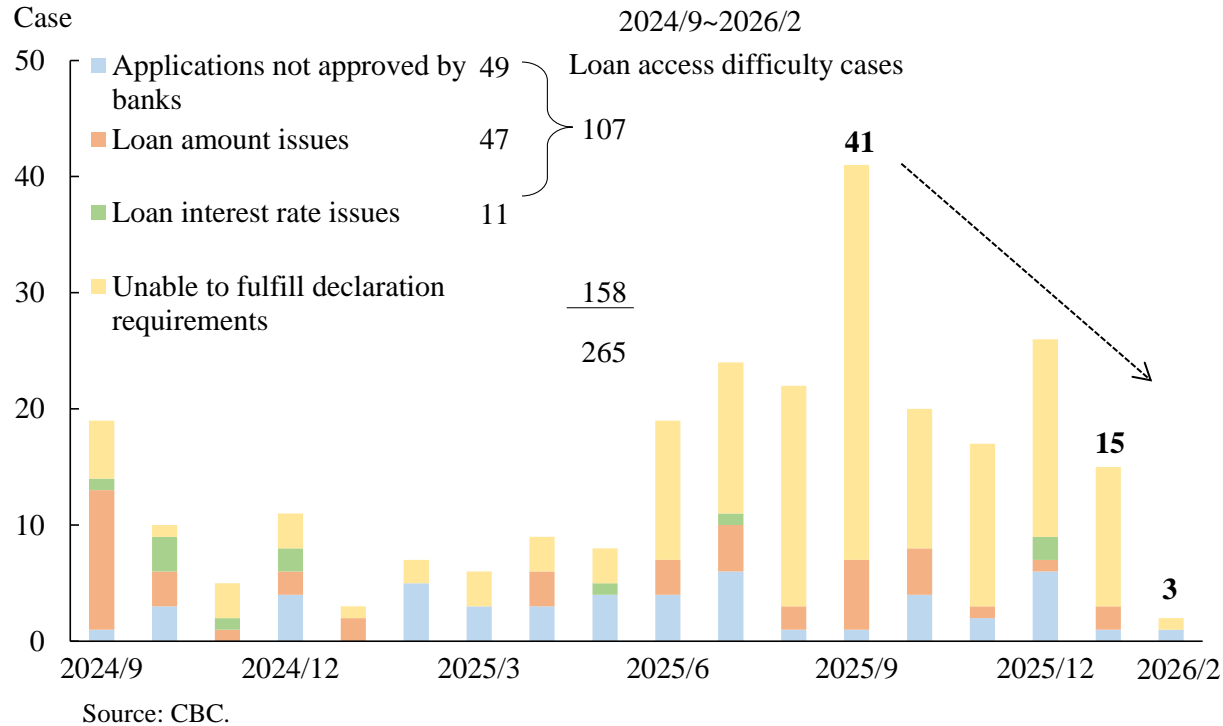
Figure 14 Restricted Mortgage Loans and Home Replacement Declaration Cases Handled by Banks



Source: CBC.

2. Banks have continued to actively implement the home replacement assistance measures **since the Bank extended the deadline** for selling the original property **to 18 months** in Sep. 2025. As a result, **the number of home replacement-related complaint cases** submitted through the “Contact Us” service on the Bank’s official website **fell** from 41 cases in Sep. 2025 to 15 cases in Jan. 2026 (Fig. 15; the number further decreased to only three cases in Feb. 2026, also owing to fewer working days during the Lunar New Year holiday).
3. From Sep. 2024 (when the Bank made the seventh adjustment to the selective credit control measures) to Feb. 2026, a cumulative total of 265 home replacement-related complaint cases were submitted to the Bank (Fig. 15), with the case types analyzed as follows:
 - (1) A total of 49 cases were not approved by banks, mainly because the collateral properties were located in less favorable areas, borrowers did not satisfy banks’ 5P credit assessment principles, or the loans did not involve genuine owner-occupied home replacement needs.
 - (2) A total of 58 cases were related to loan amount and interest rate issues, mainly because the loan terms approved by banks under their 5P credit assessment principles fell short of borrowers’ expectations.
 - (3) A total of **158 cases** (60% of all cases), **the largest case category, involved borrowers being unable to fulfill the declaration requirements.** Among these, for borrowers who considered that they might be unable to sell their original homes within one year because of slower housing sales amid a cooling housing market, **the Bank has properly addressed such cases** as follows. Accordingly, the number of such cases has gradually declined month by month:
 - A. For loan **cases filed on or after Sep. 20, 2024**, the **deadline for selling the original home** was **extended** from one year **to 18 months**.
 - B. For loan **cases filed before Sep. 20, 2024**, borrowers **may negotiate with the lending bank** for an extension **to 18 months**, provided that the bank verifies the original home has already been listed for sale and **no adverse default events** have occurred.

Figure 15 Number of Home Replacement-Related Complaint Cases Submitted to the Bank
(Sep. 20, 2024-Feb. 28, 2026)



- The Bank also surveyed cases handled under the home replacement assistance measures by the top 20 domestic banks in terms of mortgage market share. As **most borrowers sold their original homes within 1 to 12 months**, the Bank’s extension of the deadline for selling the original home to 18 months should be sufficient to meet the needs of home replacement borrowers.

Q5: How have recent excavated soil removal and transportation issues affected developers' ability to commence construction within the prescribed timeframe?

A5: Cases in which developers are unable to commence construction within the prescribed period owing to issues related to the removal and transportation of surplus construction soil remain isolated cases at present, and banks handle such cases on a case-by-case basis in accordance with relevant regulations.

1. Under the Bank's regulations governing land loans, borrowers are required to **commence construction within "a specified timeframe,"** which in principle **should not exceed 18 months.** This requirement reflected a **consensus reached** at the Bank's Jan. 2022 meeting **with domestic banks,** and banks have generally considered the regulation reasonable since its implementation.
2. The Bank has consulted with a number of banks regarding surplus construction soil removal and transportation issues.⁸ Most banks indicated that such issues have not affected projects already under construction. As **for projects yet to commence, borrowers** are mostly financially sound or large-scale developers and are therefore **less likely to be unable to commence construction on schedule because of such issues.** In addition, the MOI has been actively addressing the matter.
3. Given that cases involving delays in construction commencement owing to surplus construction soil issues remain limited at present, banks should continue to evaluate such cases on a case-by-case basis based on actual circumstances. Where **failure to commence construction on schedule** is confirmed to be attributable to **factors beyond the borrower's control,**

⁸ Starting from Jan. 2026, the National Land Management Agency of the MOI implemented the "Comprehensive Tracking Management Policy for Surplus Construction Soil and Rocks," requiring vehicles transporting surplus soil and rocks to install positioning systems and replacing the previous paper-based manifest reporting system with electronic reporting. The policy aims to curb illegal practices by unscrupulous operators, such as false reporting of soil and rock quantities, and to strengthen tracking management of the flow of processed surplus soil and rocks from soil resource sites to their final destinations.

borrowers may negotiate with banks for a reasonable **extension of the construction commencement deadline**. The handling principles are as follows:

- (1) Borrowers shall provide valid supporting documents for banks' verification and assessment.
- (2) Banks shall take individual case risk management into consideration.
- (3) Currently, there is a case in the Kaohsiung area in which the lending bank granted a six-month extension of the construction commencement deadline on the grounds that the delay was attributable to factors beyond the borrower's control, which may serve as a reference.

Q6: What are the Bank's subsequent actions?

A6: Starting from 2026, banks may carry out internal quantitative management of aggregate real estate lending at their own discretion. Nevertheless, the Bank continued to require banks to submit monthly reports on real estate lending-related data and to conduct targeted financial examinations to urge banks to improve the over-concentration of credit resources in real estate lending. According to banks' reported data for Feb. 2026, the average concentration of real estate lending by all banks declined to 35.96%, suggesting that banks have continued to improve the over-concentration of credit resources in real estate lending after such management reverted to banks' internal discretion.

1. Starting from 2026, banks may carry out internal quantitative management of aggregate real estate lending at their own discretion, as the effectiveness of the Bank's selective credit control measures has gradually become evident.

In Aug. 2024, the Bank requested banks to conduct self-disciplinary management of the aggregate amount of real estate lending, and subsequently made the seventh adjustment to the selective credit control measures in Sep. 2024. Since the implementation of these measures, their **effectiveness** has gradually **become evident** in several respects: (1) **mitigating the over-concentration of credit resources in real estate lending**; (2) **channeling credit resources towards priority uses aligned with government policies**, such as housing loans for non-homeowner borrowers and loans for urban renewal and reconstruction of unsafe and dilapidated buildings; and (3) **curbing public expectations of housing price rises**, thereby promoting financial stability and sound banking operations.

2. To further improve the allocation of bank credit resources and monitor domestic banks' real estate lending activities, **the Bank has undertaken the following actions:**

- (1) At the end of Dec. 2025, **the Governor of the Bank sent letters separately to the chairpersons of the 34 banks**, urging them to strengthen internal quantitative management of aggregate real estate lending starting from 2026 and to appropriately adjust the allocation of credit resources to real estate lending.
 - (2) The Bank's Department of Banking also **requested banks⁹ to submit monthly reports on real estate lending-related data** for review, and urged banks to prudently conduct real estate lending business in accordance with the 5P credit assessment principles. In addition, banks are required to reinforce monitoring of the use and flow of funds for working capital loans and other loans to prevent circumvention of the Bank's regulations.
 - (3) **The Bank will continue to conduct targeted financial examinations** to ensure banks' compliance with relevant regulations.
3. According to data reported by banks for **the end of Feb. 2026**, the **average concentration of real estate lending** by all banks **declined by 0.49 percentage points** from the end of Dec. 2025 to **35.96%**. This suggests that, although the aggregate amount of real estate lending has reverted to internal management by banks, **banks have continued to improve the over-concentration of credit resources in real estate lending.**
 4. The Bank will continue to closely monitor future developments in the housing market, banks' real estate lending activities, the effectiveness of the Bank's selective credit control measures, as well as the impact of the expiration and adjustment of the government's Enhanced Program of the Preferential Housing Loans for the Youth. **The Bank will also conduct rolling reviews of the relevant measures** as warranted, with a view to promoting financial stability and sound banking operations while also accommodating the public's funding needs for owner-occupied housing purchases.

⁹ Data on banks' real estate lending activities were reported quarterly by 34 domestic banks starting from Dec. 2024. Beginning in Jan. 2026, the reporting frequency was changed to monthly reporting by 38 domestic banks (with the addition of Next Bank, LINE Bank, Rakuten Bank, and Citibank Taiwan Limited, while excluding the Export-Import Bank of the R.O.C.).