

## **ONLINE ONE-STOP LOAN TRANSFER SERVICE AVAILABLE FOR HOME MORTGAGE LOANS FROM JANUARY 9**

- The online one-stop loan transfer service will be available for home-backed mortgage loans from January 9 and for jeonse loans from January 31, 2024.
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The Financial Services Commission announced that the online one-stop loan transfer service set up in May last year to help borrowers get lower interest rates on credit loans will start to be available for home-backed mortgage loans and jeonse loans from January 9 and January 31, respectively. Borrowers will be able to use this service for mortgage loans secured with an apartment worth KRW1 billion or less and for guaranteed jeonse loans.

From January 9, borrowers will be able to check eligibility and make a switch from seven online loan comparison platforms and the mobile apps of thirty-four individual financial companies. In the future, more financial institutions are expected to join the system.

To ensure protection for financial consumers, the authorities have required a verification of algorithms for loan comparison platform service providers. The authorities also plan to require loan comparison platform service providers to disclose their commission rates to ensure that consumers are not burdened with extra fees.

To make sure that the availability of loan transfer service for housing loans will not push up the size of household debt, the authorities have put in place certain restrictions. For instance, borrowers cannot switch to get more in total loan amounts and that the maximum amount available for the switched loan should be up to the remaining balance of loan. The maturity can be set equally as the initial loan period but cannot be extended to a longer period.

To prevent abrupt money moves from taking place between financial institutions, the authorities will require them to establish maximum levels of handling housing loan transfers processed through this system, while closely monitoring the system usage in close coordination with the Korea Financial Telecommunications & Clearings Institute and financial industry associations.

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