

Housing Finance Policy

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Thailand – Korea Forum 2016

Securitization and Reverse Mortgage

เสนอแนะอย่างมีหลักการ
ศึกษาโดยไม่หยุดนิ่ง
คนคลังที่มีคุณภาพ

สคค

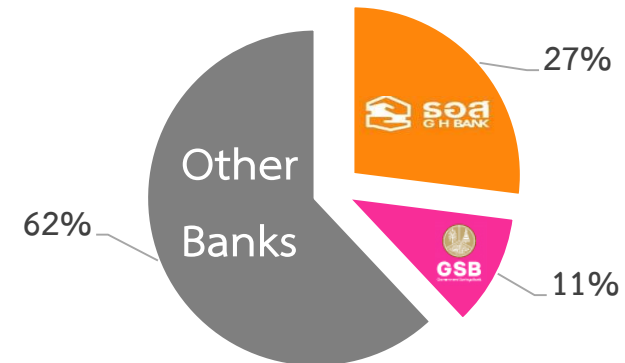
- Housing Finance Market Developments & Policy Implementation
- Product Diversification
(Reverse Mortgage Loan)

Institutional Developments



- **Established:** 1926 (B.E. 2496)
- **Mission:** to help secure appropriate housing finance for the general public
- **Asset size:** 924,269 Million Baht
- **Loan value:** 865,935 Million Baht

Market Share on Housing Loan



Secondary Mortgage Corporation
บริษัทตลาดรองสินเชื่อก่ออยู่อาศัย

- **Established:** 1997 (B.E. 2540)
- **Mission:** to develop the secondary market for housing mortgage loan in order to establish robustness in real estate sector and enhance economic stability
- **Asset size:** 15,669 Million Baht
- **Loan value:** 11,940 Million Baht

- Policies Implementation:

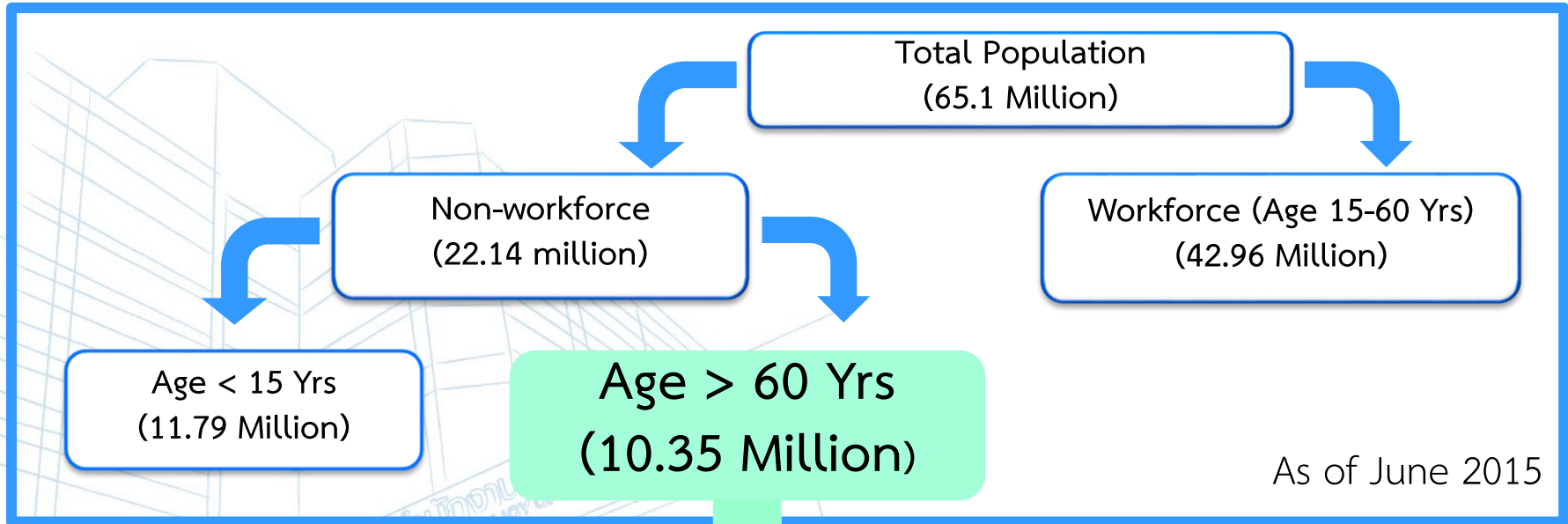
- Real estate stimulus scheme (2015 – 2016)

- Soft loan: Post finance
- Reduction on Mortgage and Real Estate Transfer Fees
- Tax concessions

- Low income housing scheme (Cabinet approved on 22 Mar 16)

- Special promotions from developers
 - Developers pay for Mortgage and Real Estate Transfer Fees
 - 1 year common fee waived
 - Special price deduction: 2% on top of current offer
- Soft loan: Pre-finance & Post-finance
- Coverage: New housing project + housing stock + NPA + home repairs

Product Diversification



RML



Easing Fiscal Strain



Definition

- Homeowner can borrow money against the value of his/her house
- The repayment will be required when the borrower dies or the house is sold

Conditions

- Own property only
- No requirements for income flow or lump sum payment

Pros

- Providing a financial option to elderly
- Alleviating fiscal burden on elderly welfare

Cons

- Difficulty in designing products to suit country context

RML in Other Country

- First introduced in Japan (1981), then US (1989)
- 3 types of RML
 1. Single-purpose Reverse Mortgage
 2. Proprietary Reverse Mortgage
 3. Home Equity Conversion Mortgages: HECM



Turning Equity into Liquidity