

ENFORCEMENT RULE OF THE KOREA HOUSING FINANCE  
CORPORATION ACT

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Ordinance of the Ministry of Finance and Economy No. 352, Feb. 28, 2004  
Amended by Ordinance of the Ministry of Finance and Economy No. 409, Jan. 13, 2005  
Ordinance of the Ministry of Finance and Economy No. 557, May 3, 2007  
Ordinance of the Prime Minister No. 875, Mar. 3, 2008

## **Article 1 (Purpose)**

The purpose of this Rule is to regulate matters delegated by the Korea Housing Finance Corporation Act and the Enforcement Decree thereof and those necessary for the enforcement thereof. *⟨Amended by Ordinance of the Ministry of Finance and Economy No. 409, Jan. 13, 2005⟩*

## **Article 2 (Overseas Employees)**

(1) With regards to workers under Article 2 (1) 4 of the Enforcement Decree of the Korea Housing Finance Corporation Act (hereinafter referred to as the “Decree”), the fact that they are employed overseas shall be evidenced by a confirmation document issued by the competent Minister or the president of the Korea International Cooperation Agency under the Korea International Cooperation Agency Act. *⟨Amended by Ordinance of the Ministry of Finance and Economy No. 409, Jan. 13, 2005; Ordinance of the Ministry of Finance and Economy No. 557, May 3, 2007⟩*

(2) In the confirmation document under paragraph (1), following matters shall be stated:

1. Name and registration number of the relevant worker;
2. Title or name the relevant employer;
3. Place of work and period of employment;
4. Monthly wage.

## **Article 3 (Scope of Contribution-Base Loans of Housing Finance Credit Guarantee Fund, etc.)**

(1) The “ratio provided for Ordinance of the Prime Minister” in Article 56 (3) of the Korea Housing Finance Corporation Act (hereinafter referred to

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as the “Act”) shall mean the contribution ratio in annexed Table. *⟨Amended by Ordinance of the Prime Minister No. 875, Mar. 3, 2008⟩*

(2) The scope of loans of financial institutions which are the subject to make contributions to the Housing Finance Credit Guarantee Fund (excluding the Account of Guarantee for Reverse Annuity Mortgage under Article 59-2 of the Act: hereinafter the same shall apply) in accordance with Article 56 (4) of the Act, shall be loans (hereinafter referred to as the “Fund Contribution-Base Loans”) falling under any of following subparagraphs:

1. Loans from the National Housing Fund under the Housing Act: *Provided*, That the loans prescribed by the president of the Korea Housing Finance Corporation from among loans which lends funds without acquiring mortgages against public organizations, including the state and local governments, etc.;
2. In cases of financial institutions under Article 56 (3) of the Act (the National Housing Fund under the Housing Act shall be excluded; hereafter in this Article the same shall apply), loans under any of following items:
  - (a) A loan (a loan secured by mortgage (including a right of fixed collateral) to be created over the relevant house within three months from the registration date of ownership preservation or ownership transfer, shall be included, but any loan to be secured by a guarantee for reverse annuity mortgages under subparagraph 8-2 of Article 2 of the Act shall be excluded) to be used by a house owner for the construction, purchase or lease (including the lease of a house on a deposit basis) of houses or home improvement;
  - (b) A loan to be used by a housing business operator for the construction, purchase of houses with the aim of selling in lots or leasing;
  - (c) A loan by a business proprietor provided for in Article 2 (1) of the Decree for the construction or purchase of houses in order to sell in lots or to lease (including an unsecured lease) to workers;
  - (d) A loan to be used to concluding a contract for buying in lots of a house (including a lease) and pay the amount indicated on such contract;
  - (e) Loaned finds secured by a credit guarantee under subparagraph 8 of Article 2 of the Act;
  - (f) Loaned finds for which an agreement on transfer by acquisition of mortgage-backed

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claims in accordance with Article 22-2 of the Act;

(g) Other kinds funds of loans for housing.

(3) Each financial institution shall, when it prepares a balance sheet under Article 56 (3) of the Act, classify loaned funds under paragraph (2) 2 as a housing loan and separate them from loans from other funds.

*[This Article Wholly Amended by Ordinance of the Ministry of Finance and Economy No. 557, May 3, 2007]*

**Article 4 (Time of Contribution to Housing Finance Credit Guarantee Fund, etc.)**

(1) The financial institutions under Article 56 (3) of the Act shall contribute the amount computed by multiplying the monthly average balance of Fund Contribution Base Loans of each monty by the contribution ratio under Article 3 (1) to the Housing Finance Credit Guarantee Fund by the end of the following month.

(2) When a financial institution makes an investment in accordance with paragraph (1), it shall submit the following documents to the Korea Housing Finance Corporation: *<Amended by Ordinance of the Prime Minister No. 875, Mar. 3, 2008>*

1. Calculation sheets of contributions;
2. Compound trial balance;
3. Documents evidencing monthly average balances; and
4. Other documents determined and published by the Financial Services Commission.

*[This Article Wholly Amended by Ordinance of the Ministry of Finance and Economy No. 557, May 3, 2007]*

**Article 5 (Scope of Contribution Base Loans of Account for Guarantee of Reverse Annuity Mortgage, etc.)**

(1) The “rate prescribed by Ordinance of Prime Minister” prescribed in Article 59-3 (3) of the Act shall be 2/1000 per annum. *<Amended by Ordinance of the Prime Minister No. 875, Mar. 3, 2008>*

(2) The scope of loans from financial institutions which are subject to making contributions to the Account for Guarantee of Reverse Annuity Mortgage in accordance with Article 59-3 (4) of the Act shall mean the loans for which the guarantee for reverse annuity mortgages (hereinafter refers to as “Account Contribution Base Loans”) to be provided for under subparagraph 8-2 of Article 2 of the Act.

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(3) A financial institution shall, when it prepares balance sheets, separate loaned funds under paragraph (2) from loans from other funds and classify as reverse annuity mortgage loans.

*[This Article Newly Inserted by Ordinance of the Ministry of Finance and Economy No. 557, May 3, 2007]*

**Article 6 (Time for Contribution to Account for Guarantee of Reverse Annuity Mortgage, etc)**

(1) Each financial institution shall contribute the amount computed by multiplying the monthly average balance of the Account Contribution Base Loans of each month by the contribution ratio under Article 5 (1) to the Account for Guarantee of Reverse Annuity Mortgage by the end of following month.

(2) When a financial institution makes an investment in accordance with paragraph (1), it shall submit the following documents to the Korea Housing Finance Corporation: *<Amended by Ordinance of the Prime Minister No. 875, Mar. 3, 2008>*

1. Calculation sheets of contributions;
2. Compound trial balance;
3. Documents evidencing monthly average balances;
4. Other documents determined and published by the Financial Services Commission.

*[This Article Newly Inserted by Ordinance of the Ministry of Finance and Economy No. 557, May 3, 2007]*

ADDENDA

**Article 1 (Enforcement Date)**

This Rule shall enter into force on March 1, 2004.

**Article 2 (Abrogation of Other Act and Subordinate Statutes)**

The Enforcement Rule of the Act on the Assistance to Residential Stability and Lump Sum-raising Savings of Workers shall be abrogated.

**Article 3** Omitted.

**Article 4 (Relations with Other Acts and Subordinate Statutes)**

(1) When the former Enforcement Rule of the Act on the Assistance to Residential Stability and Lump Sum-raising Savings of Workers or any provisions of such former Rule cited by other Acts and subordinate statutes at the time when this Rule enter into force, and there exist provisions corresponding thereto in this Rule, it shall be

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deemed to cite this Rule or the corresponding provisions in this Rule in lieu of the former provisions.

(2) The Housing Finance Credit Guarantee Fund cited by other Acts and subordinate statutes at the time this Rule enter into force shall be deemed the Housing Finance Credit Guarantee Fund under these Rules in lieu thereof.

ADDENDUM *〈Ordinance of the Ministry of Finance and Economy No. 409, Jan. 13, 2005〉*

This Rule shall enter into force on February 1, 2005.

ADDENDA *〈Ordinance of the Ministry of Finance and Economy No. 557, May 13, 2007〉*

**Article 1 (Enforcement Date)**

This Rule shall enter into force on the date of their promulgation: *Provided*, That the amended provisions of Articles 3 and 4 and annexed Table shall enter into force on July 1, 2007.

**Article 2 (Applicability)**

The amended provisions of Articles 3 and 4 and annexed Table shall apply starting with the portion for which liability for contributions occurs after July 1, 2007 and the portion of loans secured by mortgages (including a right of fixed collateral: hereinafter the same shall apply) established on the relevant house within three months from the ownership preservation registration or ownership transfer registration of the relevant house, from among the provisions of Article 3 (2) 2 (a) of Article 3, shall apply to cases where the first mortgage is established after July 1, 2007.

ADDENDA *〈Ordinance of the Prime Minister No. 875, Mar. 3, 2008〉*

**Article 1 (Enforcement Date)**

This Rule shall enter into force on the date of their promulgation.

**Articles 2 through 5** Omitted.