

## **Notice of the People's Bank of China and China Banking and Insurance Regulatory Commission on Temporary Adjustment to the Differential Housing Credit Policies**

PBC Shanghai Head Office, branches, operation management offices, and central sub-branches in capital cities of provinces (autonomous regions) and sub-provincial cities; and CBIRC local offices:

To act on the principle that “houses are for living in, not for speculation,” fully establish the long-term mechanism for real estate regulation, make full use of the policy toolbox and introduce city-specific policies, better support the rigid housing demand, and promote stable and sound development of the real estate market, this *Notice* is hereby released, in accordance with the relevant arrangements of the State Council, regarding the temporary adjustment to the differential housing credit policies.

1. In cities that have exhibited both month-on-month and year-on-year decreases in the sales prices for newly built commercial residential housing units between June and August, 2022, local governments may relax the interest rate floor of commercial individual mortgages for first-time home buyers by the end of 2022. Current rules remain in effect regarding the interest rate floor for the second housing unit.

2. In line with the principle of “city-specific policy implementation,” local governments of qualified cities may, at their sole discretion, temporarily maintain, lower, or remove the lower limit for interest rates on local newly-issued first-home mortgages based on the developments and regulatory needs of the local real estate market. The local offices of PBC and CBIRC will advise the provincial-level self-regulatory mechanisms for market-based interest rate pricing to support the implementation of the new policies.

People's Bank of China

China Banking and Insurance Regulatory Commission

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