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Financing a Japanese Home Loan – FAQ

Financing a Japanese Home Loan for Non-Japanese Citizens

Introduction: Can Foreigners Get a Home Loan in Japan?

Yes, non-Japanese citizens can obtain home loans in Japan, but eligibility depends on factors like visa status, income stability, and residency. This guide provides general information to help you understand the process, but it is **not financial advice**.

However, if you need help understanding the details or forms that are only available in Japanese, just let me know, I'd be happy to help you out.

Common Issues for Foreign Buyers

- Not being married to a Japanese citizen or not having permanent residency can limit choices
- Foreign income not usually accepted
- Language barrier and lack of English support
- Recently changing jobs can limit options
- May only be eligible for 80% LTV and need to front up a large deposit.

The easy path

- Essentially, if you have PR, have lived in Japan continuously for more than 5 years, have a combined income of more than 10 million yen, have been at the same company for more than 3 years, and can converse in and read some Japanese there are basically no restrictions on which bank you can use or the rates you are entitled to.

However, each person presents a unique case with different attributes, so it is important to look at each of the requirements and find the best match for you.



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- **Residency Status:** Permanent residency, long-term work visa, or spouse visa is required.

All banks prefer that you have PR or a spouse visa, but banks such as Prestia, SBI Shinsei, Suruga and Tokyo Star Bank may accept your application with only a long-term work visa. However without PR or a spouse visa you would only be eligible for 80% loan-to-value (LTV) ratio.

Resona, and Sony bank generally insist on having permanent residence status. These two banks have competitive rates and are a good option if you do have PR.

If you have a Japanese spouse, the megabanks (MUFG, SMBC & Mizuho) may accept your application even if you don't have PR, as long as you have lived in Japan for at least 5yrs and speak a reasonable amount of Japanese.

- **Length of time a resident in Japan.**

Megabanks may ask for 5years time spent in Japan, other banks are more lenient, ranging from between 1 to 3years.

- **Japanese language ability:**

Again, megabanks may ask for close to fluency but in reality as long as you can speak and read some kanji that is usually good enough. Prestia provides documents in English, and are quite lenient in this respect, however the contracts for all banks are in Japanese and English documentation, if provided is only to be used as a guide. Most banks will expect a certain level of Japanese ability.

- **Income and employment history**

Megabanks will look for 3years with the same employer, while for Prestia 6 months to 1 year with your current employer is usually sufficient. However Prestia, as of October 1, 2025 will require all applicants (whether Japanese or foreigners) to have an income of at least 10million yen (increased from 5million yen). This is quite high compared to other banks mostly requiring an income of only 4 – 5 million yen.

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- **Loan-to-Income Ratio:**

Most banks lend up to 30–35% of gross annual income (i.e. payments must not exceed this amount) or roughly 7 times the total combined gross income.

Types of Loans Available

- **Variable Rate:** Lower initial rate, subject to change every 6 months.
- **Fixed-Period Fixed Rate:** Fixed for 3/5/10 years, then converts to variable
- **Flat 35:** 35-year government-backed fixed-rate loan
- **Pair Loans:** where separate spouses each take out a mortgage for the same property
- **Income combination loan:** One person is main borrower, second person (spouse) adds their income but is not a co-borrower, but a guarantor

The final choice of lender should be based not only on rates, but also on the type of loan you select, your visa/residency status, language support, and additional costs such as insurance options.

The following table is a guide to illustrate the difference in payment amounts over 8 and 35 years for loans at different interest rates and different set up costs (principle of 100million yen + costs). Note that after 8 years, the Prestia B plan (low up-front costs, lower interest rate) is cheaper than the Prestia A option (lower interest rate, higher up-front costs), but this is not the case after 35years.



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Bank loan and type	Est costs	rate	Total loan amount	Monthly repayment	Interest and fees after 8years	Interest and fees after 35years
SBI Shinsei	2750000	0.68%	¥102,750,000	¥274,978	¥7,769,433	¥15,490,780
SBI Shinsei Cancer premium	2750000	0.78%	¥102,750,000	¥279,633	¥8,517,680	¥17,445,922
Prestia A	2680000	0.880%	¥102,680,000	¥284,144	¥9,193,969	¥19,340,508
Prestia A Cancer premium	2680000	0.980%	¥102,680,000	¥288,895	¥9,946,629	¥21,335,848
Prestia B	502000	1.130%	¥100,502,000	¥289,832	¥8,723,941	¥21,662,671
Prestia B Cancer premium	502000	1.230%	¥100,502,000	¥294,603	¥9,466,455	¥23,427,926

Loan-Related Fees and Costs

- Loan processing fee (e.g., 2.2% of principal)
- Judicial scrivener and registration fees (¥150,000–¥400,000)
- Stamp duty (¥30,000–¥100,000). Not required if digital contract.

FAQs

Q: Can I apply if I don't speak Japanese?

A: It depends on the bank. Prestia (SMBC Trust) and a few others offer English-speaking staff and documentation. However, the majority of banks conduct the entire process in Japanese. Even if some English support is available, you will often need to understand key Japanese terms or have someone translate. Bringing a Japanese spouse, friend, or professional interpreter to meetings is common. Some banks may also require that you sign Japanese-only contracts, even if explanations are given in English.

Q: Can I use foreign income?

A: Very rarely. Most Japanese banks require income to be earned and taxed in Japan, since this makes it easier for them to assess repayment ability and enforce legal protections if necessary. If your primary income is overseas, you'll generally be declined unless you can show substantial assets in Japan. In rare cases, certain international banks or specialized lenders may consider partial foreign income, but you should expect higher deposit requirements and stricter conditions.

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Q: What if I leave Japan to live somewhere else before the loan is completed?

A: Your mortgage contract is typically based on the assumption that the property is your primary residence in Japan. If you move abroad, the bank may require you to:

- Repay the remaining balance immediately, or
- Refinance into a different loan category (such as an investment or second-home loan), which usually carries higher interest rates.

Failing to notify your bank could put you in breach of contract. If you expect to move abroad in the future, it's best to discuss this possibility with the lender upfront.

Q: Do I need permanent residency (PR) to get a loan?

A: PR is not always mandatory, but it makes approval much easier. Without PR, banks are more cautious since they worry you could leave Japan and default. Many banks will accept applicants with:

- A Japanese spouse, or
- A long-term stable work visa (e.g., 5 years or more).

Even then, the loan conditions may be stricter (lower loan-to-value ratio, higher deposit requirements). With PR, you're more likely to be offered favorable terms, including higher LTV (up to 100%).

Q: How much of a down payment do I need?

A: If you have PR or a Japanese spouse with stable income, some banks may offer full financing (100%). Without PR, most lenders require 10–20% of the property price as a deposit. On top of that, you'll also need to budget for taxes and fees (around 5–8% of the property price). For example, on a ¥50 million property, a non-PR borrower may need to provide ¥5–10 million upfront, plus an additional ¥2–3 million in fees.

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Q: Is a guarantor required?

A: Requirements vary. Some banks (such as SBI Shinsei) will insist on your Japanese spouse acting as a guarantor if you don't have PR. Others may use a guarantor company instead, with the cost bundled into your loan. Having a Japanese spouse co-sign the loan generally improves approval chances and may unlock better conditions. Without a guarantor or PR, your options become limited.

Q: Will my age affect loan eligibility?

A: Yes. Japanese mortgages usually must be fully repaid by the age of 75–80. This means that if you apply at 50 years old, you may only qualify for a 25–30 year loan instead of the standard 35-year term. Some banks may also impose stricter conditions or higher rates on older applicants. This is important because shorter repayment periods increase monthly installments significantly.

Q: Can I get a loan for a second home or investment property?

A: It's possible, but much more difficult. Many banks restrict foreign buyers to purchasing a primary residence. Where second-home or investment loans are available, eligibility usually requires:

- PR or a Japanese spouse, and
- Higher deposits (20–30% minimum).

In addition, some banks limit investment loans to major metropolitan areas, meaning holiday homes in rural or resort areas may not qualify. Specialized local banks in resort regions (e.g., Nagano, Hokkaido) sometimes offer options, but conditions are strict.

Making an application / gaining pre-approval

- Always apply for **pre-approval** before placing an offer for a property.
- Allow up to 2 months from pre-approval to final signing.
- You can make an application via the bank's website given in the links on the following page.

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Home Loan Webpages by Bank

1. **Prestia SMBC (シティバンク/プレスティア)**
 - [Prestia SMBC Home Loan](#)
(English available)
2. **SBI Shinsei Bank (住信 SBI ネット銀行)**
 - [SBI Shinsei Home Loan](#)
(Japanese only; uses external “Flat 35” and partner broker platforms)
3. **Tokyo Star Bank (東京スター銀行)**
 - [Tokyo Star Bank Home Loan](#)
(Japanese only)
4. **Suruga Bank (スルガ銀行)**
 - [Suruga Bank Housing Loan](#)
(Japanese only)
5. **Resona Bank (りそな銀行)**
 - [Resona Housing Loan](#)
(Japanese only)
6. **Paypay Bank (formerly Net Bank)**
 - [PayPay Home Loan](#)
(Japanese but with English machine translation)
7. **Sony Bank (ソニー銀行)**
 - [Sony Bank Housing Loan](#)
(Japanese and some English pages)
8. **MUFG (三菱 UFJ 銀行)**
 - [MUFG Housing Loan](#)
(Japanese only)
9. **SMBC (三井住友銀行)**
 - [SMBC Home Loan](#)
(Japanese only)
10. **Mizuho Bank (みずほ銀行)**
 - [Mizuho Housing Loan](#)
(Japanese only)

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This guide is for informational purposes only and **does not constitute financial or legal advice**. Please consult directly with a lender for up-to-date terms and eligibility.