

Chinese banks expand house loan preferences to cut debtor burden

Special Report: Global Financial Crisis

STORY HIGHLIGHTS

- Credit interest rates of house loaners could be reduced to 70% of the benchmark rate.
- The discount will be available for Beijing, Shanghai and Qingdao clients
- The move was viewed as a stimulus to the flagging property market.

BEIJING, Jan. 4 (Xinhua) -- Major Chinese lenders are expanding a preferential policy on house loan interests to cut the burden of the country's home buyers hit by the spreading financial crisis.

For individuals who bought houses on mortgage lending before Oct. 27, 2008 and have not paid off the loans, their credit interest rates could be reduced to 70 percent of the benchmark rate from the previous 85 percent, customer service staff of several banks told Xinhua on Sunday.

The discount will be available for Beijing, Shanghai and Qingdao clients of the China Construction Bank after their applications go through default record checks.

The Bank of China branch in Shanghai is also providing the preference but the Beijing branch keeps the rate unchanged.

The Industrial and Commercial Bank of China, the country's largest lender, and the Agricultural Bank of China are also making specific rules for similar rate discounts.

China's central bank announced in October it would reduce the lower limit of interest rates on individual house loans to 70 percent of the benchmark credit rate from 85 percent, starting from Oct. 27 last year.

The move was viewed as a stimulus to the flagging property market but it has been unclear whether house mortgage deals before that date can enjoy the favor.

Under the rate discount, home buyers with a 500,000-yuan (73,500 U.S. dollars) bank loan to be paid off within 20 years can save nearly 60,000 yuan of interest, analysts estimate.

China cuts interest rates, reserve requirement ratio to spur growth

BEIJING, Nov. 26 (Xinhua) -- China's central bank has decided to slash the lending and deposit rates by a bigger-than-expected 1.08 percentage points as of Thursday in the latest strong effort to stimulate the economy.

The People's Bank of China (PBOC) said on Wednesday it would cut the benchmark one-year yuan lending rate to 5.58 percent from 6.66 percent and the one-year yuan deposit rate to 2.52

percent from 3.60 percent. [Full story](#)

China central bank cuts interest rate, reserve requirement to stimulate economy

BEIJING, Oct. 8 (Xinhua) -- China's central bank on Wednesday announced cuts in both the interest rate and reserve-requirement ratio in the latest effort to boost the domestic economy amid worries over the deepening global financial crisis.

The deposit and lending rates would be lowered by 0.27 percentage points from Thursday and the reserve-requirement ratio would be down by 0.5 percentage points from Oct. 15, the People's Bank of China (PBOC) said. [Full story](#)

China's 4 trillion yuan stimulus to boost economy, domestic demand

BEIJING, Nov. 9 (Xinhua) -- China said on Sunday it will loosen credit conditions, cut taxes and embark on a massive infrastructure spending program in a wide-ranging effort to offset adverse global economic conditions by boosting domestic demand.

This is a shift long advocated by analysts of the Chinese economy and by some within the government. It comes amid indications that economic growth, exports and various industries are slowing. [Full story](#)

China central bank cuts interest rate, reserve requirement to stimulate economy

BEIJING, Oct. 8 (Xinhua) -- China's central bank on Wednesday announced cuts in both the interest rate and reserve-requirement ratio in the latest effort to boost the domestic economy amid worries over the deepening global financial crisis.

The deposit and lending rates would be lowered by 0.27 percentage points from Thursday and the reserve-requirement ratio would be down by 0.5 percentage points from Oct. 15, the People's Bank of China (PBOC) said. [Full story](#)

China's central bank reduces credit interest rate, reserve requirement ratio

BEIJING, Sept. 15 (Xinhua) -- China's central bank said on Monday it would reduce the benchmark loan interest rate and the reserve requirement ratio for commercial banks to ensure a steady and rapid economic growth.

The benchmark interest rate for one year yuan denominated loans will be adjusted down 0.27 percentage points from Tuesday, its first downward movement since October 2004. [Full story](#)

