

March 20, 2007

Bank of Japan

**Amendment to “Guidelines on Eligible Collateral”**

At the Monetary Policy Meeting held today, the Policy Board of the Bank of Japan decided to amend “Guidelines on Eligible Collateral” in order to reflect the dissolution of the Government Housing Loan Corporation and the establishment of the Japan Housing Finance Agency, which will succeed to the corporation’s businesses.

See Attachment for the amended “Guidelines on Eligible Collateral.”

## Amendment to "Guidelines on Eligible Collateral"

- Table 1 shall be amended as follows.

Table 1

### Categories of Collateral and Collateral Prices

- 1. }  
5 } (No change)  
19. }

#### (Special Provision)

Among the collateral listed from 1 to 12 above, bonds whose principal balance may decrease due to prepayments before the final maturity date such as pass-through bonds:

- (1) ~~Residential mortgage secured pass-through notes issued by the Government Housing Loan Corporation;~~ Residential mortgage-secured pass-through notes issued by the Japan Housing Finance Agency; 92% of market price
- (2) (No change)

#### (Supplementary Provision)

- (1) This amendment shall become effective on April 1, 2007.
- (2) Residential mortgage-secured pass-through notes issued by the Government Housing Loan Corporation shall be regarded as those issued by the Japan Housing Finance Agency in application of the provision in Table 1, "Categories of Collateral and Collateral Prices".