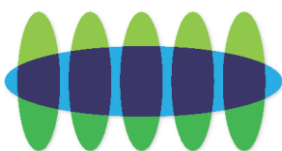


# Foundation for Housing Warranty (HOW)

Foundation for Housing Warranty (“HOW”) is targeting the followings ;

1. Providing Research for Housing Defects, Warranty, Insurance, Quality Assessment, and Inspection in a fair and neutral standpoint
2. Providing financial assistance to small and medium-sized house-builders in order to comply with the Act for Secure Execution of Defect Warranty Liability
3. Underwriting of re-insurance related to losses arising from intention or gross negligence

HOW is contributing improvement of housing quality, consumer protection and development of small and medium-sized house builders.



**HOW provides supports quality  
and safety of houses**

# Research & Study

HOW provides  
- a broad range of researches on housing insurance, housing warranty, defects and technology concerning housing design & built and inspections.  
- support for institutional reform & operation of related organizations.

In Fiscal Year 2008, HOW established Research Division of Housing Warranty in order to provide research (Refer to the Table )

In fiscal year 2019, HOW is going  
- to summarize knowhow to avoid housing conflicts & troubles caused by the Civil Code amendment.  
- to issue awareness guidebook/texts to avoid defects conflicts towards home-buyers.

## Table - Major research works completed over the past 10 years

### 1. Analysis of defects (rain leaking, deformation) of houses

- ① Statistical analysis of houses with nonconformity occurrence
- ② Lessons and prevention measures for nonconformity occurrence
- ③ Collection, classification and analysis of nonconformity occurrence (such as structure issues and rain leaking) of detached houses
- ④ Discussion for establishing systems to collecting, analyzing and utilizing information of losses against housing defects insurance
- ⑤ Conducting seminar regarding acquiring own homes. (Please refer to Ref.1)

### 2. Researches regarding housing defects liability insurance, warranty, and inspection

- ① Survey concerning clauses and wording of housing defects liability under Housing Construction agreement (for detached houses)
- ② Survey concerning clauses and wording of defects liability of House Renovation Contracts

### 3. Research for impacts on housing sector arising from revision of Civil Code

- ① Analysis regarding impacts of defects liabilities related to construction, and sale and purchase activities
- ② Publication of the book "Preparation for troubles regarding housing after implementation of revised Civil Code ⇒ Ref. 2
- ③ Preparation of proposed Revised Standard Construction Agreements (private sector) to comply with revision of Civil Code

### 4. Research for overseas housing warranty systems

- ① Workshop with the French Agence Qualité Construction (AQC) with Chairman Mr. Laurent Peinaud in 2017 ⇒ Ref. 3
- ② Research on overseas housing system and housing warranty systems

### 5. Research upon safety net of Housing Defects Liability Insurance

- ① Discussion regarding action taken by Housing Warranty Fund against significant loss arising from intention and /or gross negligence

#### Reference 1. Seminar for consumers



In Oct 2018, HOW and Meikai University jointly held a seminar titled "Buying own homes focusing on recent study of defective houses and its prevention measures".

#### Reference 3. Holding international conference



In November 2017, HOW, collaborated with IIBH (Institute of International Harmonization for Building & Housing), had a conference to exchange views & opinions with Mr. L. Peinaud, the chairman of the French AQC and Japanese house builders.

#### Reference 2. Publication



To prepare for revision of Civil Code which become effective in April 2020, in order to prevent consumers from having troubles regarding defects of their own houses. HOW published the book which covered various issues such as relevant articles and clauses, impacts on housing industry as well as counter-measures. (issued in January 2017)

# Management of Fund

## 1. Management of Housing Warranty Fund

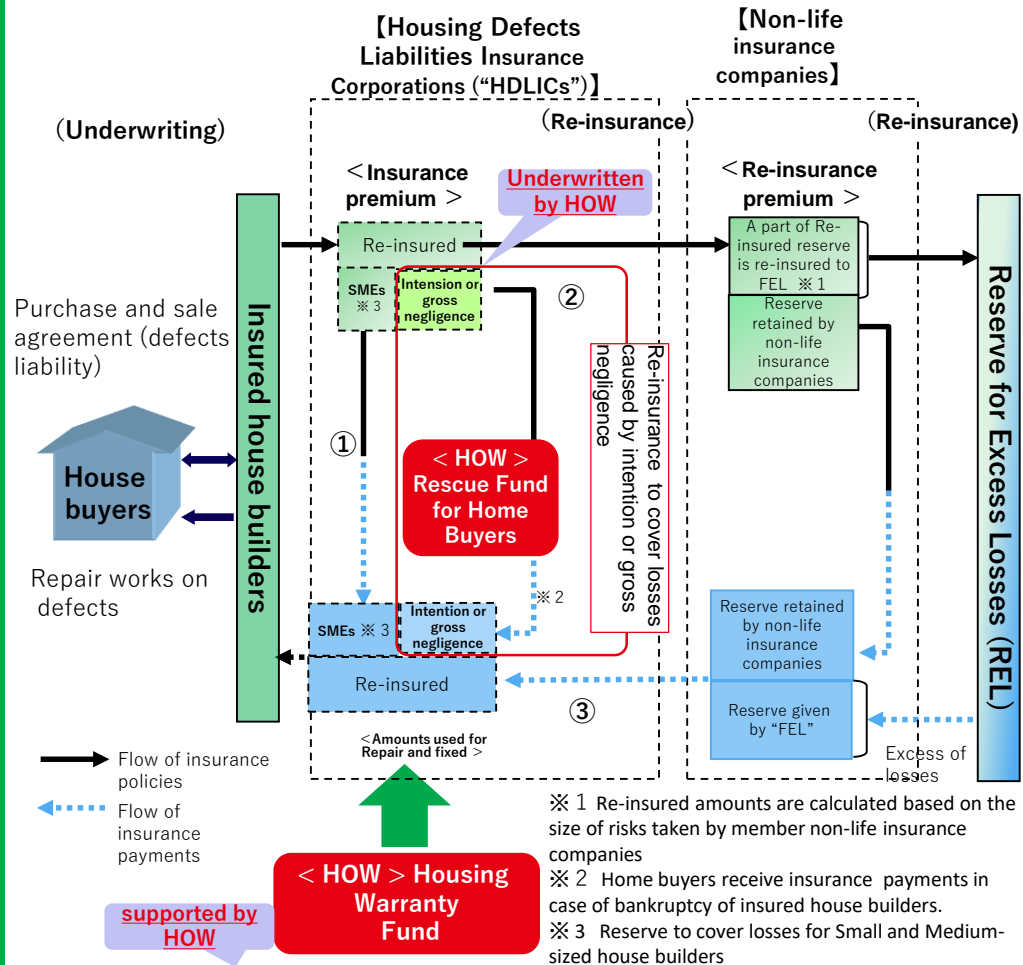
HOW holds Housing Warranty Fund and supports securing housing defect warranty liability, by undertaking risks arisen from housing defects liability insurance, in which small & medium-sized house builders join.

## 2. Administration of Rescue Fund for Home Buyers

Since Oct. 2018, HOW has underwritten re-insurance related to losses arising from intention or gross negligence. Although insurers are exempted from defects arising from insured house builders' intention or gross negligence, at the time of bankruptcy of insured house builders, house buyers are able to receive insurance payments from Housing Warranty Fund.

Year	Background of establishment and improvement of House Warranty Fund
2006	Establishment of Housing Warranty Fund (Providing an assistance related to housing warranty for small and medium-sized house builders)
2007	Enhancement of Housing Warranty Fund (Providing zero interest loans to Housing Defects Liabilities Insurance Corporations ("HDLICs") in the event of occurrence of significant losses arising from intention or gross negligence)
2012	Business regarding Housing Defects Liabilities Insurance and Housing Quality Assurance System were transferred to Organization for Housing Warranty Ltd(OHW). On the other hand, HOW retains business regarding administration and management of Housing Warranty Fund.
2016	HOW set up "Study Committee regarding Housing Warranty Fund" in order to discuss about measures against significant losses arising from intension or gross negligence.
2017	Report of "Working Committee of Safety Net Housing Defects Liability Insurance" (set up by Ministry of Land, Infrastructure, Transport ("MLIT") ) stated that "Re-insurance function in the event of losses arising from intention or gross negligence shall be transferred to the entity which manages Housing Warranty Fund"
2018	Commencement of rescue fund for home-buyers of re-insurance upon approval by MLIT

## Responsibility of Housing Warranty Fund and Rescue Fund for House Buyers

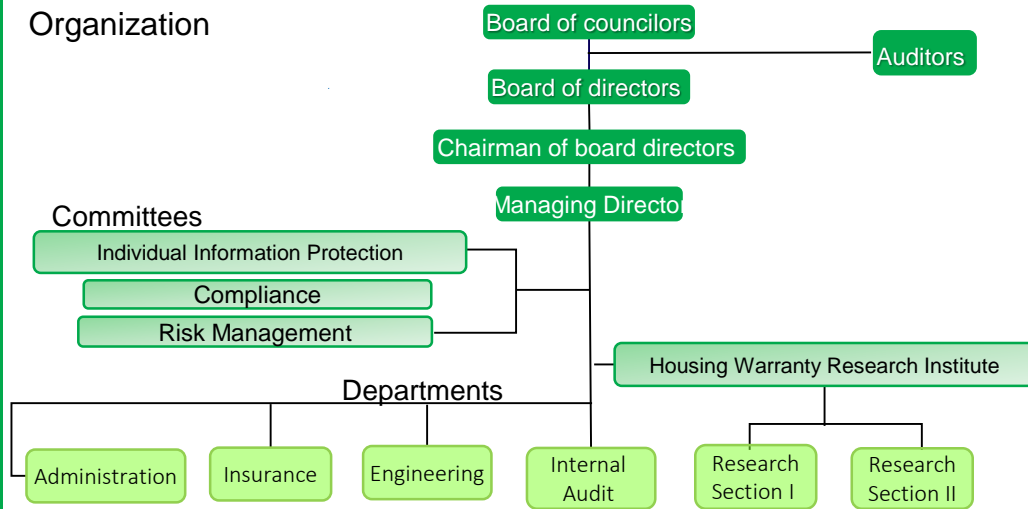


Roles of Housing Warranty Fund:  
 ① re-underwriting extraordinary risks which HDLICs underwrite towards small & medium-sized house-builders  
 ② Providing zero interest-rate loans to HDLICs in the case of shortage of Rescue Fund for Home Buyers.  
 ③ Providing zero interest-rate loans to HDLICs in the case of losses occurrence exceeding the size of the REL (=Reserve for Excess Losses), because of catastrophe.  
 (Notes: ② & ③ are 10 year provisional measures starting from May 30, 2017)

# History

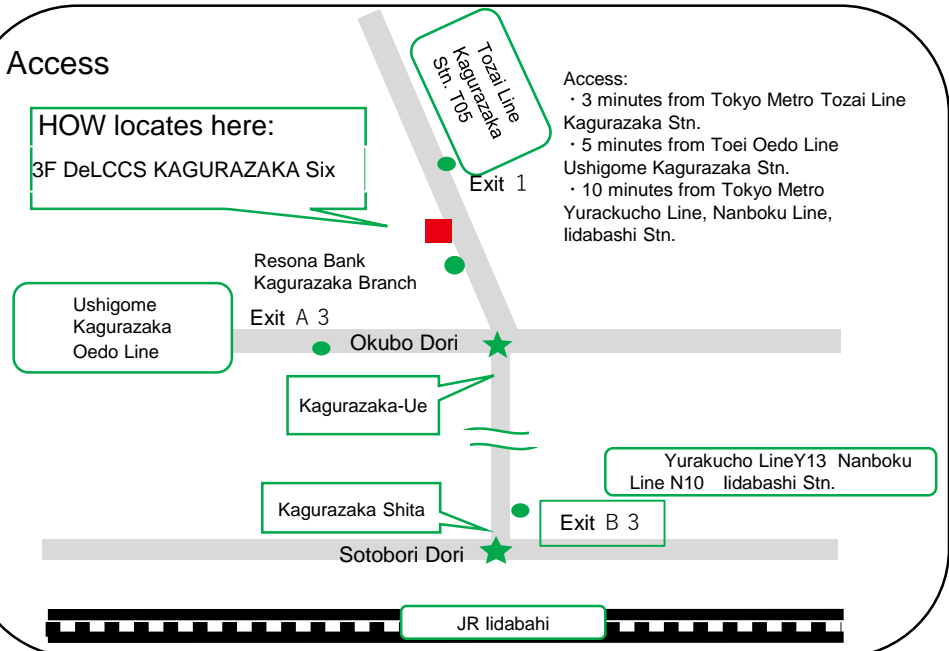
Year	Items
1980	Registration Organization for Warranted Houses was established as a voluntary organization. Establishment of Housing Quality Assurance System
1982	Establishment of Registration Organization for Warranted Houses("ROWH")
1999	ROWH changed its name to Organization for Housing Warranty (OHW)
2000	Change of governance in comply with Act on Assurance of Performance of Specified Housing Defect Warranty
2005	Convene of International Housing Construction and Quality Assurance Conference (Tokyo)
2008	Commencement of Housing Defects Liability Insurance System based on license given by MLIT in accordance with implementation of the Act for Secure Execution of Defect Warranty Liability.
2012	OHW transferred business related to Housing Defects Liability Insurance and Housing Quality Assurance to Organization for Housing Warranty Ltd (new OHW).
2013	OHW was reorganized as "General Foundation" and the name was changed to "Foundation for Housing Warranty ("HOW")
2018	Upon an approval from Minister of MLIT, HOW started re-insurance business in the event of losses caused by intention or gross negligence

## Organization



## Access

HOW locates here:  
3F DeLCCS KAGURAZAKA Six



Address:  
3F  
DeLCCS KAGURAZAKA SIX  
6-67 Kagurazaka  
Shinjuku Tokyo, JAPAN  
162-0825

TEL : 03-6280-7241  
FAX : 03-6280-7342

E-mail:  
information@how.or.jp  
URL :  
http://www.how.or.jp/