



SUBSIDISED SALE FLATS

GUIDANCE NOTES ON

APPLICATION FOR REFINANCING

This pamphlet outlines the policy and procedures to be followed where refinancing is sought in respect of subsidised sale flats. Subsidised Sale Flats in this application form refers to subsidised flats sold by the Hong Kong Housing Authority (HA) without premium paid to HA by the flats owners for removal of the alienation restrictions, for example, flats in Home Ownership Scheme / Private Sector Participation Scheme / Tenants Purchase Scheme / Buy or Rent Option Scheme / Green Form Subsidised Home Ownership Scheme etc. This pamphlet is for information purpose only and shall not have any legal effect.

If further information and / or assistance is required concerning your application for refinancing, enquiries may be made to the respective Estate Office/District Tenancy Management Offices.

HA reserves the right to amend the content of this pamphlet and / or its policy and procedures on refinancing without prior notification.

Guidance Notes on Application for Refinancing

1. Introduction

1.1. Seek prior approval from Director of Housing for approval for refinancing of the property

Owners of subsidised sale flats (SSFs) shall not mortgage their flats without payment of the premium (unless with the prior approval of the Director of Housing). If owners wish to mortgage/remortgage their flats without payment of the premium (or where there is no existing mortgage, creation of a fresh mortgage of flat will also amount to refinancing), prior approval must be obtained from the Director of Housing who may impose such terms and conditions as he thinks fit in giving his approval. Whether the owners can apply for refinancing will depend on the policy of the financial institution providing the refinancing loan, the value of the property and the applicants' income for the repayment over the term of the loan.

1.2 Circumstances for consideration of Refinancing Applications

Refinancing will only be allowed in cases of financial hardship in which an immediate sum of money is needed to meet personal or family expenses arising out of unforeseen circumstances including:

- (a) medical expenses;
- (b) funeral expenses;
- (c) education expenses for family members;
- (d) payment of flat purchase price or maintenance costs to ex-spouse/spouse as a result of divorce/ separation (Notes: For cases involving separation/divorce resulting in subsequent change of ownership, applicants should also apply for consent to the change of ownership and pay the associated administrative fee. For information on change of ownership and its application, applicants should approach the respective Estate Office/District Tenancy Management Office.); or
- (e) financial hardship arising from business or commercial activities.

A further consideration for giving approval is that the estimated amount of money required to meet the need must exceed one month's average household income of the applicant(s) and his/her (their) family members.

Refinancing application on other grounds would be considered based on individual merits.

Besides, owners who are aged 60 or above of subsidised sale flats may join the Reverse Mortgage Programme (RMP) of the Hong Kong Mortgage Corporation Limited (HKMC). Elderly owners can use their subsidised sale flats with premium not yet paid as security to obtain a reverse mortgage loan from a participating bank or the Hong Kong Mortgage Management Limited (HMML). The said arrangement is also a kind of refinancing. For the points to note for RMP application, please refer to item 6 of this Guidance Notes.

2. Information on Refinancing loan

(For the points to note for RMP application, please refer to item 6 of this Guidance Notes.)

2.1 Maximum amount of refinancing loan to be permitted

- (a) **For Home Ownership Scheme/Private Sector Participation Scheme/ Green Form Subsidised Home Ownership Scheme flats**

The amount of loan to be permitted under the refinancing arrangement shall be determined by the following two criteria:

- (1) the amount of money required to meet the applicants' need; and
 - (2) 80% of the difference between the open market value of the flat and the premium payable as assessed by the Director of Housing as at the date of application, less the amount of any outstanding mortgage loan of the flat.
- whichever is the lower.

(b) **For Tenants Purchase Scheme (TPS)/Buy or Rent Option Scheme (BRO) flats**

The amount of loan to be permitted under the refinancing arrangement shall be determined by the following two criteria:

- (1) the amount of money required to meet the applicants' need; and
- (2) (i) Within the first two years from date of first assignment, the maximum amount of refinancing loan permissible shall be limited to 80% of the purchase price of the flat paid by the applicants to the Hong Kong Housing Authority (HA) at the time of purchase, less the amount of any outstanding mortgage loan of the flat, or
 (ii) After two years from the date of first assignment, the maximum amount of refinancing loan permissible will be limited to 80% of the difference between the open market value of the flat and the premium payable as assessed by the Director of Housing as at the date of application, less the amount of any outstanding mortgage loan of the flat.

whichever is the lower.

(c) **Examples on calculation of the maximum amount of refinancing loan permissible**

- (1) Flats with outstanding mortgage loan:

#The difference between the open market value of the flat and the premium payable as assessed by the Director of Housing as at the date of application for refinancing (a)		(b)	-	Outstanding mortgage loan (c)	=	The <u>maximum</u> * amount of refinancing loan permissible (a) x (b) - (c) \$320,000
\$900,000	X	80%		\$400,000		

- (2) Flats without outstanding mortgage loan (either there is no mortgage or that the mortgage has been repaid) :

#The difference between the open market value of the flat and the premium payable as assessed by the Director of Housing as at the date of application for refinancing (a)		(b)	=	The <u>maximum</u> * amount of refinancing loan permissible (a) x (b) \$720,000
\$900,000	X	80%		

For TPS/BRO flats within the first two years from the date of first assignment, the amount shall be the sale price paid by the applicants to HA at the time of purchase.

* As the amount of loan to be permitted under the refinancing arrangement shall be determined by two criteria whichever is the lower, the Director of Housing has the authority to limit the amount of an approved refinancing loan to a sum less than the maximum amount permissible.

2.2 First mortgage guaranteed by HA

Only the first mortgage for the purpose of raising purchase money for the flat will be guaranteed by HA. Any subsequent fresh mortgage or remortgage for other purposes will not be guaranteed by HA and the lenders will not be indemnified. Furthermore, in case of default, the first mortgage guaranteed by the Authority will have priority claims over the refinancing mortgage.

2.3 Restriction on financial institutions providing refinancing loan

The financial institutions providing refinancing loan will be restricted to banks or deposit-taking companies licensed or registered under the Banking Ordinance or the Government of the Hong Kong Special Administrative Region.

2.4 Restriction on the use of the money obtained from the refinancing loan

The money obtained from the refinancing loan must be used for the purpose(s) stated in the Part 4 of the requisition form (**HD1105E**) (i.e. the reason(s) for applying refinancing).

3. Important Notes to Applicants

(For the points to note for RMP application, please refer to item 6 of this Guidance Notes.)

3.1 Application Form (HD1104E)

According to the para (4)a of the Schedule to the Housing Ordinance, owners of SSFs must seek prior approval from the Director of Housing for permission to refinance their flats. Application Form for Refinancing is obtainable from and should be returned to the respective Estate Office/District Tenancy Management Offices.

3.2 Requisition Form (HD1105E)

The Housing Department will serve Requisition Form on the applicants in accordance with Section 25(1) of the Housing Ordinance. Applicants who make any false statement in furnishing the particulars required by the Requisition Form shall be rendered guilty of an offence under Section 26(1)(a) of the Housing Ordinance and shall be liable on conviction to a fine of \$50,000 at level 5 and to imprisonment for 6 months, and applicants who refuse or neglect to furnish any of the particulars specified in the Requisition Form under Section 25(1) shall be guilty of an offence under Section 27(a) and shall be liable on conviction to a fine of \$25,000 at level 4 and to imprisonment for 3 months.

3.3 Administrative Fee

Administrative fee of HK\$4,000 should be paid by a crossed cheque or cashier's order at the time of submission of the application form. The cheque or cashier's order should be made payable to "HONG KONG HOUSING AUTHORITY" and the code address should be marked at the back. The fee is not refundable whether the application is successful or not.

4. Other Application Details

(For the points to note for RMP application, please refer to item 6 of this Guidance Notes.)

4.1 Applicants must be owners of SSFs.

4.2 Applicants should return the following documents by mail or in person to the respective Estate Office/Domestic Tenancy Management Offices:

- (a) the completed Application Form for Refinancing (**HD1104E**);
- (b) the completed Requisition Form for Refinancing (**HD1105E**);
- (c) documentary proofs (Please refer to the Part 8 of the Requisition Form 'Checklist of Supporting Documents' and the 'Notes on How to Complete the Requisition Form for Refinancing'); and
- (d) crossed cheque or cashier's order for the administrative fee.

Attention: Failure to provide the required information and documentary proofs to the Housing Department for vetting may be disable or deter the Housing Department from processing the application.

Applicants who encounter difficulties in completing the application form or requisition form can approach the respective Estate Office/District Tenancy Management Office for assistance.

4.3 Approach the financial institution to apply for the refinancing loan

To avoid running the risk of not having financial institution to provide the refinancing loan after approval for refinancing is granted by the Housing Department, it is advisable that applicants shall first approach the financing institutions and find out if they are interested in granting the loan. After preliminary agreement is obtained from the financial institutions, applicants should apply refinancing from the Housing Department.

4.4 Vetting & assessment of application

Upon receipt of the application forms and the requisitions, the Housing Department will vet the applications, the requisitions and attached documents. In the course of vetting, the Housing Department staff may contact applicant(s) or request supplementary information and documents. Applicants will be notified in writing their application result when the Housing Department's vetting and assessment are completed. The Housing Department reserves the right to reject any application after vetting and the administrative fee paid will not be refunded.

4.5 Points to note upon approval of application

- (a) If application is approved, a letter will be issued to applicant and he/she should then bring the letter to the financial institution to formally apply for the loan. It is the own decision of financial institution whether to approve the loan.
- (b) A legal charge must be properly executed and registered for the refinancing loan if the application is approved.
- (c) The legal charge must be prepared by a solicitor. All costs arising from and incidental to the preparation, completion and registration of the legal charge will be borne by the borrower(s), i.e. the applicant(s).
- (d) The applicant's solicitor must ensure that the legal charge will contain the terms and provisions as required by the Housing Department in accordance with the terms and conditions specified in the consent letter when the solicitor prepares for the legal charge. It is not necessary to submit the draft legal charge to the Housing Department for approval.
- (e) This approval applies to this application only and is **valid only for 6 months** from the date of approval of this application. If the refinancing formalities are not completed within the validity period, this approval shall be deemed to be withdrawn. The administrative fees paid are not refundable. If applicant still wish to complete/process for refinancing formalities by then, applicant shall submit a fresh application to the Director of Housing and pay the administrative fees.
- (f) **A copy of the registered legal charge should also be sent to the Housing Department for record purpose.**

4.6 Request for review of the decision on the application

Applicants may apply in writing for reconsideration of the cases through the respective Estate Office/District Tenancy Management Office. They have to state the reason(s) for objection with supporting evidence to substantiate the cases. If adequate reasons are given, the case will be reconsidered either in respect of the approval or the amount of maximum permitted refinancing loan.

5. Other matters

Applicants of TPS/BRO flats must fully understand the consequence of default in repayment of refinancing mortgage. In such event, the lending institution may apply to Court to obtain an Order for Sale and demand vacant possession of the property. Applicants and/or any of the authorized occupants of the property shall then not be able to revert to tenant status in respect of the above property.

6. Participation in the Reverse Mortgage Programme (RMP) of the Hong Kong Mortgage Corporation Limited (HKMC)

- 6.1** The Housing Authority's Subsidised Housing Committee has approved eligible elderly owners of HA's subsidised sale flats with premium not yet paid who are aged 60 or above to join the RMP of HKMC.
- 6.2** Director of Housing has granted a "blanket consent" to participating banks of RMP and HMML to enter into reverse mortgage with eligible elderly owners of HA's subsidised sale flat.
- 6.3** Under the arrangement of the "blanket consent", elderly owners intending to join the RMP of HKMC are not required to submit any information to HD for vetting. HD will not charge any fee for the RMP application. The applicants should directly approach the participating banks or referral banks of the RMP for application, and the relevant application will be vetted by the participating banks or HMML.
- 6.4** For the details of RMP, please visit the website of HKMC at <http://www.hkmc.com.hk/eng>.
- 6.5** During the application process, HKMC will also conduct preliminary screening to identify potential cases of mortgages which might have been obtained by flat owners previously without the approval of Director of Housing for HA to follow up.



For Official Use by Housing Department Only

**Application Form for
Permission to Refinance a Flat Purchased under the
Subsidised Sale Flats Schemes^{Note}**

To. : Director of Housing
via Housing Manager/_____Estate/Court (District Tenancy Management Office)

I/We hereby apply for approval for refinancing the property below.

Property : _____

I/We :

- (1) have read and studied the “Guidance Notes on Application for Refinancing” and “Notes on How to Complete the Requisition Form for Refinancing”;
- (2) understand that the maximum refinancing loan amount is subject to the Housing Department’s determination ;
- (3) A crossed cheque/cashier order (No._____) for \$_____ payable to the “Hong Kong Housing Authority” being the administrative fee is attached. I/We understand that the fee is not refundable whether my/our application is successful or not.

Owner

Joint Owner (If applicable)

Signature : _____

Name in Block Letters : _____

Tel No. : _____

Date (day/month/year): _____ / _____ / _____

Note : Subsidised Sale Flats in this application form refers to subsidised flats sold by the Hong Kong Housing Authority (HA) without premium paid to HA by the flats owners for removal of the alienation restrictions, for example, flats in Home Ownership Scheme / Private Sector Participation Scheme / Tenants Purchase Scheme / Buy or Rent Option Scheme / Green Form Subsidised Home Ownership Scheme, etc.



**Requisition Form for
Permission to Refinance a Flat Purchased under the
Subsidised Sale Flats Schemes^{Note}**

(This requisition is served in accordance with the Housing Ordinance, Cap. 283 (S.25(1)))

To: The Applicant(s),

The Subject Property : _____

Points to note:

1. Before filling in this Requisition Form, please read carefully the “Guidance Notes on Application for Refinancing” and “Notes on How to Complete the Requisition Form for Refinancing”.
2. Applicants are required to return the completed this Requisition together with all the required data and supporting documents according to Part 8 “Checklist of Supporting Documents for Refinancing Application”. The Housing Department may be unable or deterred to process the application for refinancing if applicants fail to provide sufficient information and documentary proofs.
3. The information furnished in this Requisition Form will be subject to rigorous vetting and sample checking by the Housing Department. Applicants and individual household members may be invited to attend an interview conducted by the Housing Department staff to provide more data/ documents and to submit a more detailed declaration. Applicants and all the listed household members are advised to keep the supporting documents relating to the data contained herein for future reference.
4. Please use black or dark blue ball pen to fill in this Requisition Form, sign against amendments, if any. No correction materials such as correction fluid or tapes for obliteration should be used otherwise the Housing Department may be unable to process the application.

Note : Subsidised Sale Flats in this application form refers to subsidised flats sold by the Hong Kong Housing Authority (HA) without premium paid to HA by the flats owners for removal of the alienation restrictions, for example, flats in Home Ownership Scheme / Private Sector Participation Scheme / Tenants Purchase Scheme / Buy or Rent Option Scheme / Green Form Subsidised Home Ownership Scheme, etc.

In connection with our application for permission to refinance the aforesaid property, we and all family members residing in the property hereby declare the required information as follows:

PART 1 – INCOME OF THE OWNER(S) AND ALL FAMILY MEMBERS

(Omitting decimal places, if any, to the nearest dollar)

Particulars and full income of the owner(s) and all family members residing in the property (whether they have income or not) should furnish the information required in this Requisition Form. Where there is no such income, please mark “NIL” in the relevant space provided. **The average monthly** income should be based on the income received over the 6-month period prior to the **date of application**. The owner(s) shall furnish data of all household members aged below 18 (i.e. members who have not reached their 18th birthday on the day of making this requisition).

		Owner(s)		Household Member	Household Member	Household Member
		(1)	(2)	(3)	(4)	(5)
Name						
Hong Kong Identity Card/ HK Birth Certificate No.		()	()	()	()	()
Date of Birth (day/month/year)		/ /	/ /	/ /	/ /	/ /
Principal Income	Occupation/ Position (Note 1)					
	Employment/ Self-Employment (Note 2) (Please ✓ on the <input type="checkbox"/> chosen, may choose more than one <input type="checkbox"/>)	<input type="checkbox"/> Employed <input type="checkbox"/> Self-employed	<input type="checkbox"/> Employed <input type="checkbox"/> Self-employed	<input type="checkbox"/> Employed <input type="checkbox"/> Self-employed	<input type="checkbox"/> Employed <input type="checkbox"/> Self-employed	<input type="checkbox"/> Employed <input type="checkbox"/> Self-employed
	Name of employer/ company (Note 3)					
	Address and telephone no. of the workplace/company (Note 4)					
	Monthly income (Note 5)	\$	\$	\$	\$	\$
Other Income	Income from the average monthly interest, bonus and dividends, etc. from fixed deposits, insurance and investments (Note 6)	\$	\$	\$	\$	\$
	Net Rental Income from lands/landed properties (Note 7)	<input type="checkbox"/> No <input type="checkbox"/> Yes [___ No(s).] \$	<input type="checkbox"/> No <input type="checkbox"/> Yes [___ No(s).] \$	<input type="checkbox"/> No <input type="checkbox"/> Yes [___ No(s).] \$	<input type="checkbox"/> No <input type="checkbox"/> Yes [___ No(s).] \$	<input type="checkbox"/> No <input type="checkbox"/> Yes [___ No(s).] \$
	Commercial vehicles Registration No.:	<input type="checkbox"/> No <input type="checkbox"/> Yes [___ No(s).] _____	<input type="checkbox"/> No <input type="checkbox"/> Yes [___ No(s).] _____	<input type="checkbox"/> No <input type="checkbox"/> Yes [___ No(s).] _____	<input type="checkbox"/> No <input type="checkbox"/> Yes [___ No(s).] _____	<input type="checkbox"/> No <input type="checkbox"/> Yes [___ No(s).] _____
	Average monthly net profit/ (loss) (Note 8)	\$	\$	\$	\$	\$
Other income (Note 9) (more than one ✓ in <input type="checkbox"/> is allowable)	<input type="checkbox"/> Pension <input type="checkbox"/> Maintenance fee <input type="checkbox"/> Financial support from relatives and friends <input type="checkbox"/> CSSA payment <input type="checkbox"/> Others \$	<input type="checkbox"/> Pension <input type="checkbox"/> Maintenance fee <input type="checkbox"/> Financial support from relatives and friends <input type="checkbox"/> CSSA payment <input type="checkbox"/> Others \$	<input type="checkbox"/> Pension <input type="checkbox"/> Maintenance fee <input type="checkbox"/> Financial support from relatives and friends <input type="checkbox"/> CSSA payment <input type="checkbox"/> Others \$	<input type="checkbox"/> Pension <input type="checkbox"/> Maintenance fee <input type="checkbox"/> Financial support from relatives and friends <input type="checkbox"/> CSSA payment <input type="checkbox"/> Others \$	<input type="checkbox"/> Pension <input type="checkbox"/> Maintenance fee <input type="checkbox"/> Financial support from relatives and friends <input type="checkbox"/> CSSA payment <input type="checkbox"/> Others \$	
Total	(a)\$	(b)\$	(c)\$	(d)\$	(e)\$	
		Total Household Income: (a) + (b) + (c) + (d) + (e) = \$ _____				

Please ✓ in as appropriate
If there is insufficient space, an additional form may be used

EMDI M12/2019 Annex 1

PART 2 FULL DETAILS OF ANY MORTGAGE ON THE SUBJECT PROPERTY

(Please “√” in the appropriate)

- Mortgage settled / no mortgage (please go to Part 3 direct)
- Mortgage not yet settled (Please provide the following information)

Information of Mortgage	Name of Bank :	
	Amount of Mortgage Loan :	\$
	Date of Legal Charge :	/ / (dd/mm/yyyy)
	Repayment Period :	
	Monthly Repayment :	\$
	Outstanding Amount :	\$
Will use the refinancing loan to settle outstanding mortgage loan on the subject property		<input type="checkbox"/> Yes <input type="checkbox"/> No

PART 3 REFINANCING LOAN (Please “√” in the appropriate)

Is initial approval of refinancing loan obtained from lending institution?

- No (please go to Part 4 direct)
- Yes (Please provide the following information)

Information of Refinancing loan	Name of Proposed Lending Institution :	
	Amount of Intended Refinancing Loan :	\$
	Interest on Refinancing Loan :	%
	Repayment Period :	
	Monthly Repayment :	\$

PART 4 REASONS FOR APPLYING TO REFINANCE THE PROPERTY

(Please “✓” in the appropriate)

If the refinancing application is/are for medical, funeral, education, divorce / separation or business/commercial reasons, please complete **Part 4.1**.

For other reason, please complete **Part 4.2**.

Part 4.1

<input type="checkbox"/> Medical Expenses	
Name of Patient:	:
Relationship with Owner(s)	:
Diagnosis	:
Treatment recommended by doctor	:
Name of Doctor and Hospital (if applicable)	:
Estimated Expenses required for Treatment	: \$
Requested Refinancing Amount	: \$

<input type="checkbox"/> Funeral Expenses	
Name of Deceased	:
Relationship with Owner(s)	:
Date of Death	: / / (dd/mm/yyyy)
Date of Funeral	: / / (dd/mm/yyyy)
Funeral and Related Expenses	: \$
Requested Refinancing Amount	: \$

<input type="checkbox"/> Education Expenses	
Name of Student	:
Relationship with Owner(s)	:
Name of school to be Attended and Country	:
Level of study to be Pursued and duration of Study	: \$
Total Amount of School Fees Required	: \$
Total Amount of Living Expenses	: \$
Does the student obtain any allowance /scholarship / grant/ loan ? (Please “✓” in the appropriate <input type="checkbox"/>)	: <input type="checkbox"/> Yes, \$ _____ <input type="checkbox"/> No
Amount of education expenses requested	: \$
Requested Refinancing Amount	: \$

<input type="checkbox"/> Payment Arising from a Divorce or Separation	
Reason for Application (e.g Divorce, Separation)	:
Effective Date of Divorce or Separation	: / / (dd/mm/yyyy)
Requested Refinancing Amount	: \$

<input type="checkbox"/> Financial hardship arising from business or commercial activities	
Reason for Application:	
Requested Refinancing Amount :	\$

(Please go to Part 5 direct if the reason for refinancing application is one of the above)

Part 4.2 (Please “✓” in the appropriate)

<input type="checkbox"/> Other Reasons : (Reasons for application must be provided and “Summary of Household Expenses” and “Summary of Outstanding Debts” must be completed)	
Requested Refinancing Amount :	\$
Reason for Application :	

PART 5 HOUSEHOLD EXPENSES PROOF

All household expenses over the 6-month period prior to the date of application should be declared after being converted into an average monthly household expenses. The average monthly household expenses should be calculated by dividing the total household expenses over the past 6 months by 6. Household expenses items include rates & government rent, water & sewage charges, electricity charges, town gas/LPG charges, management fee, domestic telephone charges, mobile phone charges, home online services charges, meal expenses, transportation expenses, household sundry expenses, school fee, miscellaneous expenses (e.g. textbook, school uniform), taxes payment and others household expenses items, etc.

Summary of Household Expenses	
Household Expenses Items	Average Monthly Expenses (\$) (Please input to the nearest hundred dollars and write "0" if no such expense)
Rates & Government Rent	\$
Water & Sewage Charges, Electricity Charges, Town Gas/LPG Charges	\$
Management Fee	\$
Domestic Telephone Charges, Mobile Phone Charges, Home Online Services Charges	\$
Meal Expenses, Transportation Expenses, Household Sundry Expenses	\$
School fee, Miscellaneous expenses (e.g. textbook, school uniform)	\$
Taxes payment	\$
Others, please specify	\$
(A) Household Expenses Sub-Total :	\$
(B) Total repayment for outstanding debts:	\$
Total Household Expenses [(A)+(B)] :	\$

PART 6 SUMMARY OF OUTSTANDING DEBTS

(i) Loan Agreement, (ii) Schedule of repayment & (iii) the latest monthly statement must be provided for each loan.

Item	Borrower(s)	Name of Lender / Bank / Financial Institution (Account No.)	Loan Type (e.g. mortgage loan/ personal loan/ credit card loan, etc)	Commencement Date of the loan (dd/mm/yyyy)	Loan Amount (\$)	Date of mature (dd/mm/yyyy)	Date of the latest bill/statement (dd/mm/yyyy)	Monthly Repayment amount \$(A)	Monthly Minimum payment amount \$(B)	Loan outstanding as at the date of application (\$)
1		()		/ /		/ /	/ /			
2		()		/ /		/ /	/ /			
3		()		/ /		/ /	/ /			
4		()		/ /		/ /	/ /			
5		()		/ /		/ /	/ /			
6		()		/ /		/ /	/ /			
7		()		/ /		/ /	/ /			
8		()		/ /		/ /	/ /			
9		()		/ /		/ /	/ /			
10		()		/ /		/ /	/ /			
(If space is not sufficient, please reproduce this part for completion and attach to this requisition.)								Total		

Monthly Repayment Total (A) + (B) : \$ _____

**PART 7 DECLARATION OF THE APPLICANT(S) AND HOUSEHOLD MEMBERS(S)
AGED 18 OR ABOVE**

I/We agree and declare that:

- (1) I/We have read and studied the “Guidance Notes on Application for Refinancing” and “Notes on How to Complete the Requisition Form for Refinancing”
- (2) I/We agree that Housing Department staff may, by prior arrangement interview me/us and/or carry out an inspection of the subject property for valuation purposes.
- (3) I/we understand that applicant and all family members residing in the property should provide documentary proofs or evidences as may be required by the Housing Department staff to substantiate our application, failing which Housing Department may be unable or deterred to process the application for refinancing.
- (4) I/We declare that the information given above regarding myself/ourselves and my/our family members is true to the best of my/our knowledge and belief and that the refinancing loan, if permitted, will be used for the purpose(s) stated under Part 4. I/We understand that any person who knowingly makes any false statement to the Housing Authority in respect of any particulars required by this Requisition shall be guilty of an offence under Section 26(1)(a) of the Housing Ordinance, Cap. 283 and shall be liable on conviction to a fine of \$50,000 at level 5 and to imprisonment for 6 months, and any person who refuses or neglects to furnish any of the particulars specified in this Requisition under Section 25(1) shall be guilty of an offence under Section 27(a) and shall be liable on conviction to a fine at level 4 of \$25,000 and to imprisonment for 3 months.
- (5) I/We hereby authorize the Hong Kong Housing Authority and Housing Department to check and compare (whether by manual means or otherwise) the personal data and information provided above with the personal data and information collected by the Hong Kong Housing Authority and Housing Department or any other person, and the Hong Kong Housing Authority and Housing Department may use such comparison for the purpose of taking any appropriate action against me/us as required. I/We also expressly authorize the Hong Kong Housing Authority and Housing Department to collect the necessary information or personal data from other government departments concerned including Social Welfare Department, Treasury and those government departments responsible for dealing with various types of registration and record of the public and from my/our relevant employers for the purpose of verification of the information provided herein. I/We further expressly authorize the government departments concerned including Social Welfare Department, Treasury and those government departments responsible for dealing with various types of registration and record of the public and my/our relevant employers to supply my/our personal data and information to the Hong Kong Housing Authority and Housing Department for comparison and verification of the information provided on this Requisition.
- (6) The personal data in this Requisition Form are furnished to HA for the purpose of refinancing application. Pursuant to the Personal Data (Privacy) Ordinance, the Applicant and his/ her household member(s) are entitled to request access to or correction of those personal data related to him/her stated in this Requisition Form. Where necessary, such requests should be made in writing and directed by post or fax (No. 2761 6363) to the Departmental Data Controlling Officer of Housing Authority (Address : Housing Authority Headquarters, 33 Fat Kwong Street, Homantin, Kowloon). A fee may be charged for the request for access to personal data.

**Attention : (i) The Applicant(s) and all family members aged 18 or above who are listed in Part 1 are required to sign below.
(ii) The Applicant(s) shall be held liable for the data of family member(s) aged below 18 furnished herein.**

	<u>Name</u>	<u>HKIC (No)</u>	<u>Signature</u>	<u>Date</u> (Day/Month/Year)
Applicant (Owner)	_____	()	_____	/ /
Applicant (Joint Owner)	_____	()	_____	/ /
Family Member	_____	()	_____	/ /
Family Member	_____	()	_____	/ /
Family Member	_____	()	_____	/ /
Family Member	_____	()	_____	/ /

PART 8 CHECKLIST OF SUPPORTING DOCUMENTS FOR REFINANCING APPLICATION (Please “√” in the appropriate)

Applicants are required to submit the supporting documents concerned and all the required data according to the checklist below at the time of returning the requisition. The Housing Department would be unable to process the application for refinancing if applicants fail to provide sufficient information or supporting documents.

Supporting Documents	
Information of the subject property	<input type="checkbox"/> Copy of the updated land records of the properties registered in the Land Registry
Part 1 Documents for Applicants and Family Members	
Identity documents of applicant(s) and individual family members	<input type="checkbox"/> Copy of Hong Kong Identity Card
	<input type="checkbox"/> Copy of Birth Certificate (for persons aged below 11)
	<input type="checkbox"/> Copy of Marriage Certificate /Court order of divorce/ Birth Certificate/Dead Certificate, etc where applicable
Occupation /Position	<input type="checkbox"/> Copy of relevant supporting documents (e.g employment letter, staff card, etc.)
Employment income	<input type="checkbox"/> Copy of relevant supporting documents
Self-employed income	<input type="checkbox"/> Copy of relevant supporting documents
Where applicants or family members are on retirement, unemployed or without any employment	<input type="checkbox"/> Copy of relevant supporting documents
Net Rental Income from lands/landed properties	<input type="checkbox"/> Copy of relevant supporting documents
Net Profits from Commercial vehicles	<input type="checkbox"/> Copy of relevant supporting documents
Dividends and Interest	<input type="checkbox"/> Copy of relevant supporting documents
Other Income	<input type="checkbox"/> Copy of relevant supporting documents
Part 2 Status of mortgage repayment	
Mortgage settled	<input type="checkbox"/> Copy of Discharge Deeds
Mortgage not yet settled	<input type="checkbox"/> Copy of Mortgage Loan Agreement
	<input type="checkbox"/> Copy of the statement/advice on monthly mortgage repayment for the previous month or letter from bank
Part 3 Details of Refinancing loan	
Initial Approval from lend institution	<input type="checkbox"/> Copy of initial consent letter from bank/lending institution.
Part 4 Reasons for applying to refinance the property	
Medical expenses	<input type="checkbox"/> Copy of letter from Doctor providing diagnosis, and recommended treatment and estimated total amount of medical expenses for patient
Funeral expenses	<input type="checkbox"/> Copy of death certificate or relevant documentary proof
	<input type="checkbox"/> Copy of evidence to substantiate estimates of funeral and related expenses
Education expenses	<input type="checkbox"/> Copy of admission letter from school
	<input type="checkbox"/> Copy of Demand Note/Advice for school fees must be provided
	<input type="checkbox"/> Copy of evidence of amount of allowance/ scholarship/grant/loan etc obtained (if applicable)
Divorce/ separation	<input type="checkbox"/> Copy of Court Order, letter from solicitor and relevant evidence to substantiate the separation/divorce
Financial hardship arising from business or commercial activities	<input type="checkbox"/> Copy of the valid Business Registration Certificate
	<input type="checkbox"/> Copy of Tax Return for the past 2 years
	<input type="checkbox"/> Copy of Profit and Loss Accounts for the past 2 years
	<input type="checkbox"/> Copy of evidence to substantiate the reasons for applying refinancing and the amount of loan needed

Supporting Documents	
Other Reason	<input type="checkbox"/> (i) loan agreement; (ii) monthly repayment schedule; and (iii) bank statement and/or record of latest repayment must be provided for <u>each loan</u> . Please “✓” in the <input type="checkbox"/> for furnished the above said documents
	<input type="checkbox"/> Copy of the loan agreement of each loan
	<input type="checkbox"/> Copy of the repayment schedule of each loan
	<input type="checkbox"/> Copy of the latest bank statement and/or records of latest repayment
	<input type="checkbox"/> Copy of evidence to substantiate the reasons for applying refinancing and the amount of loan needed

Notes on How to Complete the Requisition Form for Refinancing

The notes below are intended to assist Subsidised Sale Flats (SSFs) owners to complete the requisition form for refinancing of SSFs. The Housing Department reserves the right to amend, correct or revise this notes without prior notification. For further enquiry, owners may approach respective Estate Office/District Tenancy Management Office and the staff will be pleased to assist.

Part 1 of the Requisition Form: Income of the Owner(s) and All Family Members

- (1) All household income should be based on the income received over the 6-month period prior to the date of application. The Applicant and all household member(s) should declare all the income received during the assessment period in the spaces provided in Part 1. Please complete the form clearly and provide relevant supporting documents, otherwise the Housing Department would be unable to process the application.
- (2) Applicants should provide documentary proofs or evidences as may be required by the Housing Department staff to substantiate their applications, failing which the Housing Department may be unable or deterred to process the application for refinancing.

The general items that should be included and excluded/ deducted in income calculation:

Sources of Income to be included

- i. Employment income (pre-tax)(including income from household members working overseas) (Please see Note 5A)
- ii. Allowances from employers (including education, housing allowances, etc.) (Please see Note 5A)
- iii. Self-employment and business income (Please see Note 5B)
- iv. Income from the average monthly interest, bonus and dividends, etc. from fixed deposits, insurance and investments (Please see Note 6)
- v. Income from lands/ landed properties, etc. (Please see Note 7)
- vi. Income from commercial vehicles (Please see Note 8)
- vii. Comprehensive Social Security Assistance for individual household member(s) (Please see Note 9)
- viii. Financial support from relatives and friends not living together (Please see Note 9)
- ix. Maintenance fee of divorce (Please see Note 9)
- x. Surviving Spouses' and Children's Pension/ Widow and Orphans Pension (Please see Note 9)
- xi. Monthly Pension (Please see Note 9)
- xii. The guaranteed monthly annuity payment under annuity plans (including Hong Kong Mortgage Corporation Annuity Plan) (Please see Note 9)
- xiii. Remuneration received by Council members (Please see Note 9)
- xiv. Living Allowance for Carers of Elderly Person from Low-income Families (Please see Note 9)
- xv. Living Allowance for Low-income Carers of Persons with Disabilities (Please see Note 9)
- xvi. Any other income not covered by the above items (Please see Note 9)

Income to be excluded

- i. Old Age Allowance, Old Age Living Allowance and Disability Allowance or any special allowances relating to disability under CSSA scheme
- ii. Monthly compensation for pneumoconiosis
- iii. Scholarship granted on competitive basis
- iv. Education allowance received in form of all means-tested education grants
- v. Severance payment and lump-sum retirement benefits
- vi. Payment in-lieu-of notice in case of termination of employment contract
- vii. Work Incentive Transport Subsidy Scheme
- viii. Pre-primary Education Voucher Scheme
- ix. Traffic accident compensation or other accident compensation (lump-sum compensation is exempted from the assessment)
- x. Working Family Allowance

Income to be deducted from individual household member(s)

- i. Contribution under the Mandatory Provident Fund Schemes Ordinance (MPF Ord.) or the Occupational Retirement Scheme(s)(ORS) recognized by the MPF Ord.
- ii. Maintenance fee paid to departed household members subsequent to a legal divorce
- iii. Surviving Spouses' and Children's Pension/ Widow and Orphans Pension contribution

Income not to be deducted from individual household member(s)

- i. Repayment of loan (e.g. bankruptcy, loan, etc.)
- ii. Installments for purchasing properties or appliances, etc.
- iii. Hire-purchase loan interest of taxi/ public light bus license

(The above items are not exhaustive. For enquiries, please contact the staff of the respective Estate Office/District Tenancy Management Office.)

Note 1 Occupation/ Position

- (1) For employed cases (including part-time and contract job), please state the occupation/ position in the space provided (e.g. clerk, manager, teacher, civil servant, etc.).
- (2) For self-employed cases, please state the occupation/ position in the space provided (e.g. hawker, taxi-driver, trader, director, shareholder, etc.).
- (3) For neither employed nor self-employed cases, please specify the status (e.g. housewife, full-time student, retiree or unemployed person, etc.).
- (4) For concurrently employed and self-employed cases, please specify the details of all the occupations/ positions, (e.g. sale assistant, taxi-driver, etc.).
- (5) For those who do not have fixed employers (e.g. casual worker), please state so.

Note 2 Employment/ Self-employment

Owner(s)/household members are required to state clearly whether they are employed or self-employed. For self-employed cases, please specify whether in sole proprietorship, partnership or shareholding in limited company. For those who are concurrently employed and self-employed, please state so.

Note 3 Name of employer/ self-employed company

The name of the company/ firm of employment or self-employment should be stated. For those who are concurrently employed and self-employed, the names of the respective companies/ firms should be stated.

Note 4 Address and telephone number of the workplace/ company

The addresses and telephone numbers of the companies/ firms of employment or self-employment should be stated. For those who are concurrently employed and self-employed, the addresses and telephone numbers of the respective companies/ firms should be stated.

Note 5 Monthly income (The applicant and all family members (including those aged below 18 and with income) are required to declare the average monthly income. For member(s) without any income, please mark “nil” in the relevant space provided. The average monthly income should be based on the **income received over the 6-month period prior to the date of application.**)

Calculation of income as detailed below should be read carefully:

A. Income from employment (including part-time and/ or contract job)

- (1) The average monthly income should be based on the income received monthly or irregular earnings over the 6-month period prior to the date of application (For example, supposing the date of application is 8 January 2019, the average monthly income is calculated by dividing the total income received over the period from 1 July 2018 to 31 December 2018 by 6 months).
- (2) All commissions, bonuses and various allowances* received on non-yearly basis over the 6-month period prior to the date of application should be declared after being converted into a monthly average (For example, if the total overtime allowance over the period from 1 July 2018 to 31 December 2018 is HK\$3,600, the monthly average is $\text{HK\$}3,600 / 6 \text{ months} = \text{HK\$}600$).

**Allowances include but not limited to overtime allowance, housing allowance, travelling allowance, medical allowance, education allowance, hardship allowance, etc.*

- (3) For rewards/ payments (e.g. double pay) received on yearly basis in the year preceding the date of application should be declared after being converted into a monthly average (For example, if the double pay received is HK\$24,000, the monthly average is $\text{HK\$}24,000 / 12 \text{ months} = \text{HK\$}2,000$).
- (4) Contributions to the Mandatory Provident Fund Schemes and Recognised Occupational Retirement Schemes are deductible*.

**For mandatory contribution, the acceptable deduction stands at 5% of the income. For contribution under recognized ORS, the deductible contribution is 5% of the income or the actual contribution amount, whichever is less. If the income is over the maximum relevant level specified under MPF Ord., the acceptable deduction, regardless of mandatory contribution or that under recognized ORS, cannot exceed the amount calculated from the maximum relevant income level under the MPF Ord. or it shall be the actual contribution amount, whichever is less. All voluntary or non-mandatory contributions are not deductible.*

EMDI M12/2019 Annex 1

- (5) Those who were employed for part of the time over the past 6 months should convert their total income into a monthly average and declare it as their average monthly income (For example, if he/she was unemployed in the past two months, he/she should calculate the average monthly income for the past 6 months by dividing the total income for the 4 months of being employed by 6).

B. Income from Self-employment

- (1) For those self-employed or business operators in sole proprietorship or partnership (please state), profits from business activities (i.e. the total net profits) and income from other investments earned over the 6-month period prior to the date of application (for example, 1 July 2018 to 31 December 2018, supposing the date of application is 8 January 2019) should be converted into a monthly average income.
- (2) If, in addition to the profits, the business operator also receives a monthly salary, dividends or gratuities receivable by shareholders and private expenses from his/ her self-owned company, he/ she must also declare such income and profits.

C. Not been employed and not been self-employed

Applicant(s)/ family members who declare(s) not being employed and self-employed (e.g. housewife(ives), full-time student(s), retired person(s), unemployed, etc.) should state clearly the relevant information.

Note 6 Income from the average monthly interest, bonus and dividends, etc. from fixed deposits, insurance and investments

Any interest, bonus and dividends from fixed deposits, savings insurance and investments (e.g. funds, bonds, stocks/shares, certificates of deposits, etc.) received over the 6-month period prior to the date of application should be converted into a monthly average income.

Note 7 Net Rental Income from lands/ landed properties

Monthly average rental income over the 6-month period prior to the date of application from the letting of land, parking spaces and properties solely or jointly owned in and outside Hong Kong, including the income from subletting as a principal tenant. Both the rates and government rent payable per month are deductible from the monthly rental income, and a further 20% of the remaining sum is also deductible for meeting expenses. If the property or land is vacant, its monthly rental income should be calculated by deducting rates and government rent from the monthly equivalent of the latest ratable value, and a further 20% of the remaining sum for meeting expenses. For properties jointly owned with others, the income calculated as above should be adjusted on a pro rata basis according to the share of interest.

Note 8 Net Income derived from Commercial Vehicles

All net income/profits derived from commercial vehicles (e.g. private car/ motor cycle/taxi/van/ light goods vehicle/ lorry/ container tractor and trailer, etc.) over the 6-month period prior to the date of application should be converted into a monthly average income. Depreciation and expenses like registration fee, insurance premium, hire charges, etc. may be deducted.

Note 9 Other income

- (1) Any income received over the 6-month period prior to the date of application, such as Comprehensive Social Security Assistance for individual member(s) (including the average long-term supplement), financial support from relatives and friends not living together, maintenance fee of divorce, Surviving Spouses' and Children's Pension/ Widow and Orphans Pension, monthly pension, the guaranteed monthly annuity payment under annuity plans (including Hong Kong Mortgage Corporation Annuity Plan), remuneration received by Council members or any other income not covered by the above items, etc. should be declared with the source of the income stated. However, there is no need to declare Old Age Allowance, Old Age Living Allowance and Disability Allowance.
- (2) In addition, ad hoc allowances/ subsidies (including but not limited to Living Allowance for Carers of Elderly Persons from Low-income Families, Living Allowance for Low-income Carers of Persons with Disabilities) received over the 6-month period prior to the date of application should be declared. The average monthly amount should be calculated by the division of 6 months from the total amount received.

(The Housing Department reserves the right to amend, correct or revise this notes without prior notification.)