

HONG KONG HOUSING AUTHORITY

INFORMATION FOR APPLICANTS ON
APPLICATION FOR
CHANGE IN MORTGAGE ARRANGEMENT
OF
SUBSIDISED SALE FLATS SCHEME FLATS

Prepared by
Housing Subsidies Sub-division
Housing Department

**Information for Applicants on
Change in Mortgage Arrangement of Subsidised Sale Flats Scheme^{Note 1} Flats**

1. Pursuant to the Housing Ordinance (Cap. 283) or the requirements under the Deed of Assignment and the Government lease, a flat owner of Subsidised Sale Flats Scheme (SSFS) of the Hong Kong Housing Authority (HA) with premium unpaid is required to obtain prior approval from the Director of Housing for any change in mortgage arrangement for the flat.

2. The usual reasons for applying for a change in mortgage arrangement are as follows :

- A. Change of ownership and the consequential change in the existing mortgage arrangement.
- B. Change of lender and/ or mortgage plan for commercial reasons, such as offer of more favourable mortgage terms.

Points to note

- (i) Starting from 1 November 2022, those banks and financial institutions which had entered into deeds of guarantee with the HA and provide mortgage finance to purchasers of SSFS flats in the primary market and under the Secondary Market Scheme (SMS) (participating financial institutions) may offer a mortgage plan that makes reference to the Hong Kong Interbank Offered Rate (HIBOR Plan) to mortgagors of SSFS flats, in addition to the mortgage plan that makes reference to the Best Lending Rate (BLR Plan).
 - (ii) If the participating financial institutions approve their existing mortgagors/ other mortgagors to switch from a BLR Plan to a HIBOR plan or vice versa, or from an existing HIBOR Plan to a new HIBOR Plan, it is necessary for the mortgagors to submit an application for change in mortgage arrangement and obtain the relevant approval from the Director of Housing prior to the execution of the legal document to effect such change in mortgage arrangement. The mortgagor should approach the relevant participating financial institutions and his/ her own legal adviser regarding the way to effect the change in mortgage arrangement for switching to a HIBOR Plan/ BLR Plan and the same should be specified in the application form. If there is any change of the way to effect the change in mortgage arrangement after the submission of the application, the applicant is required to submit a fresh application and pay the relevant fee.
- C. Cessation of staff housing loan benefits provided by employer due to change of employment.
 - D. Provision of staff housing loan benefits by an employer. This includes the loan secured as the first mortgage which the flat purchaser obtains from the employer under a staff housing loan scheme to finance the balance of the purchase price.

3. Points to note when completing application form

- A. If the application form has not been properly completed, the HA may reject the application.
- B. Applicants are advised to obtain the necessary approval from the participating financial institutions (which may be their existing lender or other participating financial institutions of their choice) and confirm the way to effect the change in mortgage arrangement before submitting an application together with the relevant fee to the respective District Tenancy Management Office (DTMO).
- C. If the application is due to reasons 2A, 2B or 2C mentioned above, the flat owner should submit the duly completed application form together with a crossed cheque of **\$2,100** made payable to “**Hong Kong Housing Authority**” for the payment of the administrative fee to the respective DTMO.

Points to note

- (i) The loan amount arising from a change in the mortgage arrangement shall not exceed the principal

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Note 1 Including Home Ownership Scheme (HOS), Private Sector Participation Scheme (PSPS), Tenants Purchase Scheme (TPS), Green Form Subsidised Home Ownership Scheme (GSH), Middle Income Housing Scheme (MIH), and Buy or Rent Option Scheme (BRO).

outstanding under the existing mortgage. If the concerned existing mortgage is subject to the Mortgage Insurance Programme (MIP) of HKMC Insurance Limited (HKMCI), applicants are advised to contact the participating financial institution and/or HKMCI regarding the loan amount/loan-to-value ratio upon a change in the mortgage arrangement before submitting this application.

(ii) Repayment Period for SSFS Flats sold in the Primary Market

(a) Flats under HOS (including PSPS / MIH / BRO) and GSH :

- For flats sold under HOS Phase 8A or before, the repayment period for the total number of instalments payable arising from a change in the mortgage arrangement together with those already paid under the previous and existing mortgages (hereinafter referred as the “overall repayment period”) shall not exceed 180 months. As these mortgages were made in 1985 or before, they should have normally been discharged.
- For flats sold under HOS Phase 8B to 18C, the maximum overall repayment period shall be 240 months. Nevertheless, if the lender concerned has signed the supplemental Deed of Guarantee with the HA, the maximum overall repayment period can be extended from 240 months to 300 months^{Note 2}.
- For flats sold under HOS Phase 19A and onwards as well as for GSH, and the concerned HOS / GSH project were issued with occupation permit before 1 December 2023, the maximum overall repayment period shall not exceed 300 months.
- For flats in new HOS / GSH projects with completion date of the sale and purchase and the relevant legal charge falling on or after 1 January 2024, the maximum overall repayment period shall not exceed 360 months. New HOS / GSH projects refer to the HOS / GSH projects with occupation permit issued on or after 1 December 2023.

(b) Flats under TPS

- For flats with completion date of the sale and purchase and the relevant legal charge falling before 1 January 2024, the overall repayment period shall not exceed 300 months.
- For flats with completion date of the sale and purchase and the relevant legal charge falling on or after 1 January 2024, the maximum overall repayment period shall not exceed 360 months.

(iii) Repayment Period for SSFS Flats sold under the SMS

- (a) For flats with completion date of the sale and purchase and the relevant legal charge falling before 1 March 2024, the maximum overall repayment period shall not exceed 300 months.
 - (b) For flats with completion date of sale and purchase and the relevant legal charge falling on or after 1 March 2024, the maximum overall repayment period shall not exceed 360 months.
- (iv) For the avoidance of doubt, applicants should note that for SSFS flats which are subject to the maximum overall repayment period being not exceeding 300 months, the maximum overall repayment period of the consequential change in mortgage arrangements of such flats arising from other reasons such as those set out in paragraph 2 will remain as 300 months.

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Note 2 However, for such flats, the maximum guarantee period provided by the HA to the lender will remain for the first 240 months. The flat owner must first obtain his / her lender's agreement to extend the overall repayment period before the Housing Department (HD) can proceed with the application for change in mortgage arrangement due to the extension for the repayment period. Whether a lender will permit a flat owner's application for the extension for the repayment period is solely its commercial decision and HA is not in a position to provide comment.

- D. If the application is due to reason 2D mentioned above, which means that the flat owner will obtain a mortgage of the flat through a staff housing loan scheme being operated by his/her employer, the flat owner should separately apply for approval to enter into a staff housing loan mortgage in writing together with copies of relevant documentation, e.g. certification and details about the benefits of the staff housing loan scheme being provided by his/her employer, to the respective DTMO. Payment of the relevant fee for the application is required.

Point to note

The loan amount shall not exceed the balance of purchase price for first mortgage or the principal outstanding under the existing mortgage.

- E. The administrative fee for application for change in mortgage arrangement is currently **\$2,100** and is subject to review periodically. The administrative fee paid is not refundable in any event, no matter the application is successful or not, or the applicant wishes to withdraw the application.
- F. If the application is approved, the HA will send the approval letter for change in mortgage arrangement to the applicant by registered mail.
- G. The approval letter for change in mortgage arrangement is valid for a period of **6 months** and the applicant is advised to arrange for completing the change in mortgage arrangement as soon as possible with the lender. If the concerned change is not completed within the validity period, the applicant is required to submit a fresh application and pay the relevant fee.
- H. The personal data collected in the application shall be used for the purpose of processing the application for change in mortgage arrangement. HA/Housing Department (HD) may provide the personal data collected in the application to other sections/offices of the HD for carrying out tenancy management matters. The personal data provided may also be used by the HA/HD and relevant Government bureau/departments for conducting statistical surveys and researches. The provision of personal data is voluntary. However, if the applicant does not provide sufficient information, HA/HD may not be able to process the application.
- I. The applicant has the right to access and make amendments in respect of the personal data provided in the application form. Requests for access and/or amendments of personal data should be made in writing and directed by post or fax (No. 2761 6363) to the Departmental Data Protection Officer of the Housing Authority Headquarters, 33 Fat Kwong Street, Ho Man Tin, Kowloon.

Notes

This “Information for Applicants on Application for Change in Mortgage Arrangement of Subsidised Sale Flats Scheme Flats” (Information for Applicants) is prepared solely for the purpose of explaining the procedures of application for change in mortgage arrangement of SSFS flats and should not be construed as a legal document. The HA/HD reserves the right to revise, or otherwise amend the content of this Information for Applicants without prior notice.

Application for Change in Mortgage Arrangement of Subsidised Sale Flats Scheme^{Note 1} Flats

For Office Use:

Ref.: _____

Code Address: _____

To : The Director of Housing
via respective District Tenancy Management Office

Property Address: _____ Date of Existing Mortgage: _____

Proposed bank / financial institution (Lender): _____

I/we apply for approval for change in mortgage arrangement in respect of the captioned property, and
(please tick box A or B as appropriate, and box B must be included if HIBOR Plan is involved):

☐ (A) **I/we propose** to enter into a **fresh mortgage** with the Lender for the following reason(s) (please tick the box, or boxes if there is more than one reason, as appropriate) :

- ☐ 1. change of ownership and the consequential changes in the existing mortgage arrangement
☐ 2. change of lender for commercial reasons, such as offer of more favourable mortgage terms
☐ 3. cessation of staff housing loan benefit due to change of employment
☐ 4. others (please give the details): _____

☐ (B) **I/we propose** to effect a switch from *1. a BLR Plan to a HIBOR Plan / 2. a HIBOR Plan to a BLR Plan / 3. an existing HIBOR Plan to a new HIBOR Plan (BLR Plan and HIBOR Plan refer to mortgage plan that makes reference to the Best Lending Rate and the Hong Kong Interbank Offered Rate respectively) with the Lender by entering into the **legal document** specified here (this must be provided): _____

I am/we are willing to comply with the following conditions:

- The loan amount arising from the change in mortgage arrangement shall not exceed the principal outstanding under the existing mortgage^{Note 2}.
- (a) Subsidised Sale Flats Scheme (SSFS) Flats sold in the primary market
The repayment period for the total number of instalments payable arising from the change in mortgage arrangement together with those already paid under the previous and existing mortgages (hereinafter referred as the "overall repayment period") shall not exceed **180/240/300/360** months^{Note 3}.
(b) SSFS Flats sold under the Secondary Market Scheme (SMS)
The overall repayment period shall not exceed **300/360** months^{Note 3}.
- I/we attach a crossed cheque of **\$2,100** payable to "**Hong Kong Housing Authority**" (with the address of the captioned property written on the back of the cheque) for the payment of the administrative fee.
- I/we understand that the administrative fee paid is not refundable in any event, no matter the application is successful or not, or I/we wish to withdraw the application.
- I/we understand and agree on the collection, provision and access of personal data etc. matters as stated in paragraph 3H and 3I in the "Information for Applicants".
- I/we have read and understood the contents of the "Information for Applicants".

I/we provide the following information to facilitate the processing of application:

- I/we ***have / have never** applied for an approval from Director of Housing to refinance the captioned property.
- I/we have ***been receiving / never received** the mortgage subsidy from the Hong Kong Housing Authority under the Mortgage Subsidy Scheme.
- I/we have ***been receiving / never received** the home loan from the Hong Kong Housing Authority.

Postal Address (if different from the Property Address): _____

Signature of Owner / #Agent for Owner	:	_____	Signature of Owner / #Agent for Owner	:	_____
Name	:	_____	Name	:	_____
IC No.	:	_____	IC No.	:	_____
Contact Tel. No.	:	_____	Contact Tel. No.	:	_____
Date	:	_____			

* Please delete if inappropriate.
Please attach copy of Power of Attorney/any relevant document.

Note 1 Including Home Ownership Scheme (HOS), Private Sector Participation Scheme, Tenants Purchase Scheme (TPS), Green Form Subsidised Home Ownership Scheme (GSH), Middle Income Housing Scheme and Buy or Rent Option Scheme.

Note 2 Please refer to paragraph 3(C)(i) of the "Information for Applicants" for existing mortgages subject to the Mortgage Insurance Programme of HKMC Insurance Limited.

Note 3 Please refer to paragraph 3(C)(ii) and (iii) of the "Information for Applicants" regarding the maximum overall repayment period for SSFS flats sold in the primary market and under the SMS respectively.