

Calendar of Events



Launch of the SME Financing Guarantee Scheme



Publication of the HKMC Annual Report 2010



Announcement of the Financial Results and Business Performance for 2010



Mortgage Insurance Programme – tightening of eligibility criteria



Launch of the Reverse Mortgage Programme

Table 2 - Calculation of monthly payout amount

	Example 1	Example 2	Example 3
Property value	\$1,000,000	\$1,000,000	\$1,000,000*
Eligible person	Wife aged 70 and husband aged 65	Wife aged 70 and wife aged 70	Wife aged 70 and wife aged 70
Age	70-year	70-year	70-year
Monthly payout	\$2,500.00	\$1,000.00	\$1,000.00*
Monthly interest	\$1,310 x 2.7 = \$3,537.00	\$1,300 x 4.4 = \$5,720.00	\$1,000 x 4.4 = \$4,400.00
Monthly net payout	\$1,183.00	-\$1,720.00	-\$3,400.00

*There is an upper limit of HK\$20 million on the property value. If the property value exceeds this upper limit, the monthly payout amount will be determined as if the property is valued at HK\$20 million.

Costs

- Interest - to be charged by your bank on the outstanding loan amount on compound basis.
- Mortgage insurance premium
 - (i) System Mortgage Insurance Premium payable by 7 annual instalments starting from the 4th until the 10th anniversary. Each annual instalment is calculated at 0.25% of the property value.
 - (ii) Monthly Mortgage Insurance Premium is payable on a monthly basis at the annual rate of 1.25% of the outstanding loan amount.
- Counselling fee - to be paid to your counsellor for the counselling service.

General application flow

- Pre-application** - Please enquire at a participating bank which will provide you with more details and conduct a preliminary eligibility assessment for you.
- Counselling** - Before making a formal application for a reverse mortgage loan, you must first make an appointment with an eligible counsellor. The counsellor will explain to you the general features of a reverse mortgage, the major legal rights and obligations as well as the legal consequence of taking out a reverse mortgage loan. Your counsellor will issue a counselling certificate to you if you successfully completed the counselling session.
- Formal application** - After obtaining the counselling certificate, you may approach any participating bank to make a formal application.
- Execution of legal documents** - If your formal application is approved by the bank, you will be required to execute the mortgage documents.

Further assistance
If you have any enquiry, please contact any participating bank, your counsellor or the HKMC for more information.

Reverse Mortgage Programme Hotline: 2536 0136
HKMC Website: www.hkmc.com.hk

The programme is subject to relevant terms and conditions.

Reverse Mortgage Brightens Up Your Retired Life

July 2011



Increase of the programme size of Medium Term Note Programme to US\$6 billion



Enhancements to the SME Financing Guarantee Scheme



Completion of the Microfinance Study Group Report for the Financial Secretary



Debut issuance of RMB 600 million fixed rate notes in Hong Kong



Announcement of Financial Results and Business Performance for the First Half of 2011

