REVERSE MORTGAGE PROGRAMME
COUNSELLING QUESTIONNAIRE

Part A – Details of the counselling session

Date and time of counselling session:

Place of counselling session:

Name of intending borrower(s) and HKID Card number(s):

HKID Card no.: 

HKID Card no.: 

HKID Card no.: 

Name of other attendee(s) (if any):

Part B – Matters to be explained to the intending borrower(s)

Section 1 – Purpose of counselling

Purpose

☐ To allow the Reverse Mortgage Counsellor (“Counsellor”) who is an independent person to explain to you the general features of a reverse mortgage loan, your legal rights and obligations as well as the legal consequences of taking out a reverse mortgage loan.

Role of Counsellor

☐ Counsellor is only to explain the general features and legal implications of a reverse mortgage loan in accordance with this Counselling Questionnaire.

☐ Counsellor is not to:

(a) express any view as to whether you should take out a reverse mortgage loan;

(b) advise you on any specific reverse mortgage transaction which you may enter into with your bank after this counselling session; or

(c) provide you with any financial advice, analysis or information or legal advice relating to your particular circumstances (such as estate planning or tax issue).

☐ Counsellor only acts for you (i.e. the intending borrower(s)) but not any of the other attendee(s) who is / are present at this counselling session. Any such other attendee(s) should consider obtaining independent legal advice if a reverse mortgage loan taken out by you is going to affect them in any way.
Counsellor will issue a counselling certificate to you if satisfied that you understand the points explained to you. The counselling certificate is needed if you wish to proceed further with your reverse mortgage loan application.

Independent legal advice and other independent professional advice

You should seek independent legal advice to understand the legal implications of your reverse mortgage loan. You should also seek other independent professional advice on matters such as financial, estate planning and tax to understand other implications of your reverse mortgage loan. The Counsellor explaining this Counselling Questionnaire to you will not be able to act for you in relation to your reverse mortgage loan, but can advise you under a separate retainer on other matters beyond the scope of this Counselling Questionnaire such as estate planning, tax, enduring power of attorney etc.

Remarks: __________________________________________________________________________________

Section 2 – General features

Nature of a reverse mortgage loan

Reverse mortgage loan comprises a loan and one or more security transactions. Under the arrangement, your bank commits to lend you a sum each month (each such payment is called a “monthly payout”) for a fixed period of 10, 15 or 20 years or for your entire life (each such period is called a “payment term”) until:

(a) you have at any time borrowed a “lump-sum payout” up to the maximum amount then available to you from your bank; or

(b) an “RM Maturity Event” happens (see Section 3 below for details).

Total amount you owe your bank

The total amount you owe your bank under your reverse mortgage loan grows as you borrow more in receiving payout(s) from your bank. You also pay interest and expenses on your reverse mortgage loan and these interest and expenses are added to your reverse mortgage loan. Section 4 below explains these interest and expenses in more detail.

Your property as security

You mortgage your property as security for your reverse mortgage loan, but you continue to own (i.e. the title in your property remains with you) and may live in your property.

You have an option to mortgage more property(ies) as security for your reverse mortgage loan. Please note that such property(ies) should be held by you as sole legal and beneficial owner or all of you (where there is more than one of you) as joint tenants. Unless the context otherwise requires, “property” means any property or properties (including each and every part of it) owned by you. Your bank will decide whether your property is eligible as security by reference to certain criteria. Please consult your bank and refer to the Information Pack for further details.
Your option to assign your life insurance policy as security

- You also have an option to assign one or more of your life policies as security, in addition to your property. However, please note that the option of providing life policy(ies) as additional security is not available if the number of borrowers is more than two. Unless the context otherwise requires, “life policy” means any life insurance policy or policies (including each and every part of it) owned by you. Your bank will decide whether your life policy is eligible as security by reference to certain criteria. Please consult your bank and refer to the Information Pack for further details.

- The amount recoverable under a life policy assignment to be used by your bank for repayment of your reverse mortgage loan is limited to an amount representing the “cash surrender value” of the underlying life policy as at or closest to but before the death of the life insured of the life policy or, as the case may be, termination of the life policy or, otherwise, the enforcement of the life policy assignment (as your bank determines by reference to the relevant document(s) issued by your insurance company) (such cash surrender value is referred to as “cash surrender value at policy termination”), and does not extend to the balance of the death benefit (after deducting the amount of cash surrender value at policy termination) payable under the life policy when you, being the life insured, pass away.

- If you choose to mortgage your property and / or assign your life policy as security at any time after you have taken out your reverse mortgage loan, you need to pay a handling charge.

Determination of monthly payout amount

- Your bank will determine the fixed amount of the monthly payout that you can borrow and receive each month at the time you take out your reverse mortgage loan. In general, the older you are and the shorter the payment term, the higher the amount of the monthly payout. Also, the scale of the amount of monthly payout receivable by two borrowers is lower than the scale for a single borrower for the same reverse mortgage loan.

- If you provide your bank with your property as security for your reverse mortgage loan, the fixed amount of each monthly payout to be made by your bank will be determined by reference to the aggregate appraised value of your property (i.e. the aggregate value of your property as confirmed by an independent valuation, but which may be subject to adjustment if you have more than one property mortgaged under your reverse mortgage loan and subsequently request for the release of any of them before the termination of your reverse mortgage loan) and other factors (such as the length of your payment term and your entry age). You may, however, choose to specify a value, generally referred to as the “specified property value”, which is lower than the aggregate appraised value for the payout calculation and, hence, lowers the amount of each monthly payout. If the aggregate appraised property value exceeds HK$8 million, the value taken for the purpose of the payout calculation will be adjusted downwards. Table 1 of the Information Pack contains an illustration showing the respective maximum amounts of the specified property value (lesser amounts may, however, be selected) for payout calculation purpose. Please consult your bank and refer to the Information Pack for further details.
If you provide your bank with both your property and life policy as security for your reverse mortgage loan, the fixed amount of each monthly payout to be made by your bank will be determined by reference to (a) the specified property value of your property; and (b) the cash surrender value of your life policy at the time of your application for the life policy assignment. Table 4 of the Information Pack contains an illustration showing the indicative scale of monthly payout amount per HK$1 million of specified property value plus HK$1 million of cash surrender value.

While there is no limit on the number of properties which you may mortgage as security, the aggregate value of all your properties taken for the purpose of the payout calculation may be subject to downward adjustment based on and capped at the prescribed maximum amounts of the specified property value.

Similarly, while there is no limit on the number of life policies which you may offer as security, the total amount of the cash surrender value of all your life policies which you may assign to your bank for the purpose of increasing the payout amounts will be capped at the specified property value.

Your bank will determine the cash surrender value of a life policy at the time of application for assignment by reference to the cash surrender value shown in the schedule / statement provided by your insurance company. Please see a sample illustration on the cash surrender value and benefits payable under a life policy at Annex A for reference.

While the monthly payout is intended to be a fixed amount for the entire payment term, such amount could be varied if you take out a lump-sum payout during the payment term, change the payment term or arrange for a refinancing of your property with a higher appraised property value which may result in an increase in the specified property value.

You choose your payment term at the time you take out your reverse mortgage loan, but you can, subject to a handling charge, choose to switch to another payment term at any time during the then current payment term. Please note that this may change the amount of the subsequent payout(s).

In addition to monthly payouts, you may borrow a lump-sum payout when you take out a reverse mortgage loan, and / or at any time during the payment term for certain purposes specified by your bank. Such purposes may include repayment of your existing property mortgage and / or policy loan, and payment of premium (whether due or not) of your life policy (each applicable at the start of the payment term), payment for property repairs, medical expenses and professional fees for preparing an enduring power of attorney (each applicable at any time during the payment term). Please consult your bank and refer to the Information Pack for details.
The maximum and minimum amount of the lump-sum payout will be specified in the facility letter (as supplemented or amended) (the “facility letter”). You should note, however, that each time you borrow a lump-sum payout, the amount of each subsequent monthly payout will be reduced. You should carefully consider your financial needs and check with your bank for further details when you apply for a lump-sum payout.

Remarks:________________________________________________________________________________________________________

Section 3 – Other important features

Early termination

Generally, you cannot prepay only part of your reverse mortgage loan, other than for the purpose of early release of (a) any mortgage of your property (only if you have more than one subsisting property mortgage under your reverse mortgage loan); and / or (b) any assignment of your life policy under your reverse mortgage loan, and any subsequent payouts may be adjusted accordingly, as determined by The Hong Kong Mortgage Corporation Limited (HKMC). However, you may terminate your reverse mortgage loan early at any time by repaying your reverse mortgage loan in full.

Suspension Events, RM Maturity Events and ensuing consequences

As soon as a “Suspension Event” has happened and remains uncured for 3 months, your bank has the right to suspend payment to you of any monthly payout(s) and lump-sum payout(s) until the Suspension Event is cured. After lifting of the suspension, your bank will pay you all monthly payout(s) and lump-sum payout(s) (if any) withheld during the suspension period.

Please refer to the Important Notice for a full list of the Suspension Events, which include, among other things, your: (a) breach of Government Lease or Deed of Mutual Covenant, (b) non-payment of management fees, rates and government rent, (c) failure to provide the required “annual declaration”, and (d) creation of any security or interest in favour of any third party in respect of your property.

When an “RM Maturity Event” happens, your bank has the right to stop paying you any monthly payout(s) and lump-sum payout(s), and you will be required to repay your reverse mortgage loan in full. Also, in the event that a non-death RM Maturity Event occurs, your bank may enforce the mortgage on your property and when that happens, you and all occupants of your property will be required to move out.

Please refer to the Important Notice for a full list of the RM Maturity Events (which are listed as “Maturity Events”), which include, among other things: (a) your property or any part thereof is subject to any subsisting tenancy without your bank’s written approval, (b) the passing away of you (or all of you where there is more than one of you), (c) termination of Government Lease in respect of your property, (d) voluntary surrender of your property to your bank, (e) substantial or total collapse of your property or the building in respect of your property, (f) Governmental resumption of your property, (g) conversion of an uncured Suspension Event into an RM Maturity Event, (h) completion of forced sale of your property by law, and (i) severance of the joint tenancy ownership in your property.
If more than one property has been mortgaged as security under your reverse mortgage loan, any Suspension / Maturity Event in relation to any one of your properties will be a Suspension / Maturity Event for the whole of your reverse mortgage loan.

If you have any doubt about the Suspension Events, the RM Maturity Events and their respective ensuing consequences, you should speak further with your bank or its solicitors. But if you decide to take out a reverse mortgage loan, it is recommended that you engage your own solicitors in the reverse mortgage transaction.

Remarks: __________________________________________________________________________________

Section 4 – Fees, expenses and other figures

Fees and charges for entering into a reverse mortgage

You need to pay certain fees and charges in relation to your reverse mortgage loan, such as the counselling fee for this counselling session, fee for building inspection report on your property if your property is over 50 years old (generally, only property below 50 years old is eligible), legal and other fees for the preparation, execution and registration of the loan and security documents. You may use your reverse mortgage loan to finance the fees and charges set out above.

Reimbursement of mortgage insurance premiums

Your bank takes out a reverse mortgage insurance cover from the HKMC to recover the shortfall which it may suffer if the proceeds from your property and all moneys received from your life policy (if any) (up to an amount representing the cash surrender value at policy termination of your life policy) are insufficient to repay your reverse mortgage loan in full on the happening of an RM Maturity Event. For such insurance cover, your bank pays mortgage insurance premiums to the HKMC, and will require you to reimburse it for the payment of these mortgage insurance premiums by adding the total amount of these premium payments to your reverse mortgage loan. The HKMC charges the following two types of mortgage insurance premiums:

- "Upfront mortgage insurance premium" in relation to your property is charged at a flat rate of 1.96% on the specified property value at the time you mortgage it to your bank, and in relation to your life policy, is charged at a flat rate of 1.96% on the cash surrender value of each life policy as at the time you apply to assign it to your bank. In relation to your property, you need to reimburse your bank for such upfront mortgage insurance premium which is spread over 7 equal annual instalments (each calculated at the flat rate of 0.28% per annum) starting from the 4th and ending on the 10th anniversary of the mortgage of such property, and in relation to your life policy, starting from the 4th and ending on the 10th anniversary of the assignment of such life policy.

- However, if your reverse mortgage loan is terminated for any reason, you need to reimburse your bank immediately for all the then unreimbursed payments (if any) for the upfront mortgage insurance premiums and such accelerated reimbursement...
amounts will be immediately added to your reverse mortgage loan. Should you request for the release of any property mortgage and/or life policy assignment before the termination of your reverse mortgage loan, you need to reimburse your bank immediately for all of the then unreimbursed payments (if any) for the upfront mortgage insurance premium attributable to such property mortgage (which the HKMC may determine at its absolute discretion by reference to the percentage of the specified property value attributable to such released property immediately before such release) and/or life policy assignment, and such accelerated reimbursement amounts will be immediately added to your reverse mortgage loan.

“Monthly mortgage insurance premium” is charged at 1.25% per annum on the total amount from time to time you owe your bank under your reverse mortgage loan on a monthly basis. The monthly mortgage insurance premium will continue to be charged to your reverse mortgage loan on a monthly basis even after expiry of the fixed payment term (10-/15-/20-year payment term) and generally, until the earlier of (a) your reverse mortgage loan is fully repaid; and (b) all your security (which security document has not been released before occurrence of an RM Maturity Event) is realised.

**Interest on compound basis**

You pay interest each month on your reverse mortgage loan on compound basis. In other words, **you pay interest on interest**. You have to pay interest on the monthly payout(s), lump-sum payout(s) (if any), as well as on all fees, charges and mortgage insurance premium reimbursements, which have been added to your reverse mortgage loan. Since the interest rate is a floating rate based on the prime rate quoted from time to time by the HKMC, if interest rate rises, the compounding of interest will more quickly erode into the equity in your property and the life policy proceeds payable under the assignment(s), if applicable.

**Indicative Loan Schedule(s)**

[To Counsellor: Please read out the relevant figures in the Indicative Loan Schedule for explanation of the following section to the intending borrower(s).]

As shown in the Indicative Loan Schedule provided by your bank, if you apply for a reverse mortgage loan alone/jointly with other borrower(s) with the following details:

(i) specified property value
(ii) cash surrender value
(iii) lump-sum payout at first drawdown
(iv) payment term

then each monthly payout amount will be HK$ __________.

Further, at the 10th / 15th / 20th / 40th anniversary of your reverse mortgage loan:

(i) monthly payouts received
(ii) accrued interest (on compound basis)
(iii) upfront mortgage insurance premium reimbursed
(iv) monthly mortgage insurance premium reimbursed

HK$ __________  
HK$ __________  
HK$ __________  
HK$ __________
These figures are calculated on the assumptions that:

(a) there is no change in the interest rate during the whole duration of your reverse mortgage loan;
(b) you do not borrow any lump-sum payout throughout the payment term except the lump-sum payout (if any) at first drawdown; and
(c) you do not borrow any amount to cover your legal, counselling, building inspection fees and / or any handling charges.

The *Indicative Loan Schedule* provided by your bank only gives you a general idea of the relevant amounts and do not represent the actual amounts due to many factors such as:

(a) the actual value of your property may be different when you apply for your reverse mortgage loan;
(b) the actual cash surrender value of your life policy may be different when you apply for your reverse mortgage loan;
(c) lump-sum payout(s) borrowed from time to time; and
(d) interest rate changes from time to time.

**Bank charges, legal fees and other costs**

As with a conventional mortgage, your bank may charge you or require you to bear administration fees, as well as costs and expenses relating to the release and / or enforcement of the reverse mortgage and / or life policy assignment(s).

Remarks: __________________________________________________________________________________

Section 5 – Your on-going obligations

**No tenancy**

Unless your bank otherwise agrees, you should not lease your property or any part of it so long as your reverse mortgage loan remains outstanding, and such requirement continues even after the payment term ends if you have opted for the 10- / 15- / 20-year payment term and not the entire life term. Please note that representatives of your bank and / or the HKMC may visit you at your property to confirm that you satisfy this no tenancy requirement.

**Annual Declaration**

Each year, you need to sign an annual declaration to confirm that there is no breach of any of the terms set out in the facility letter and / or the security documents, and also, in the case of your property, that you had not leased all or any part of your property without your bank’s approval etc. In respect of each of your subsisting life policy assignment(s) (if applicable), you had not created any encumbrance, claim or interest in and over any of the underlying life policy, nor changed the beneficiary named in such life policy since the assignment. Please note that failure to provide the annual declaration will constitute a Suspension Event.

Remarks: ________________________________________________________________________________
Section 6 – Legal and other implications

Enduring power of attorney

You may consider arranging for your own enduring power of attorney so that in the unfortunate event where you have become mentally incapacitated, your attorney will be able to help you sign the annual declaration and make other decisions for you on your reverse mortgage loan. You will need to engage the services of a solicitor and a medical practitioner to prepare and witness your execution of the enduring power of attorney.

Enforcement of security

As regards your property

Following an RM Maturity Event:

- In the case of single borrower: Following the happening of an RM Maturity Event, you (or your personal representative or family member(s) if you have passed away) may arrange for payment of your reverse mortgage loan in full to avoid enforcement of your reverse mortgage through sale of your property by your bank. You (or your personal representative or family member(s)) need to do so normally within 9 months (in the case of your passing away) or 3 months (in the case of any other RM Maturity Event). However, if you (or your personal representative or family member(s)) elect not to do so or make no indication when asked by your bank, your bank may proceed with the sale of your property once the relevant grace period has lapsed, and apply the sale proceeds to repay your reverse mortgage loan. Please note that your bank has the absolute discretion to shorten or extend the relevant grace period as your bank considers appropriate.

- In the case of more than one borrower: Where there is more than one borrower, no RM Maturity Event will have happened due to the passing away of only one of the borrowers and the other living borrower(s) will continue to receive payout(s) and use the property. The deceased borrower’s interest in the property will automatically vest in the living borrower(s) following the application of the doctrine of survivorship in the case of joint tenancy. Thereafter, on the passing away of the last living borrower, or following the happening of any other RM Maturity Event, your bank will seek repayment of your reverse mortgage loan in full or enforce the reverse mortgage in the manner described above as in the case of the single borrower.

Your bank will sell your property in accordance with usual banking practice on enforcement of security. Any balance left after repaying your reverse mortgage loan in full will be paid by your bank to you (or your personal representative).

As regards each of your life policies (if any)(Note: The option of providing life policy as additional security is not available if the number of borrowers is more than two.)

- Following a (death) RM Maturity Event: If an RM Maturity Event occurs due to your passing away, your reverse mortgage loan will become immediately due and
payable. If your reverse mortgage loan is not fully repaid, your bank will enforce your reverse mortgage and sell your property to repay your reverse mortgage loan. Any person then residing in your property will be required to move out upon such enforcement. Your bank will apply the proceeds attributable to your property received by it to the fullest extent to repay your reverse mortgage loan first before applying the payment received from your life policy (but up to only the cash surrender value at policy termination) to repay any outstanding loan balance. Any surplus left will be returned to your personal representative.

- **Following a (non-death) RM Maturity Event:** If an RM Maturity Event occurs before you pass away, your reverse mortgage loan will become immediately due and payable. If your reverse mortgage loan is not fully repaid, your bank shall have the sole and absolute discretion to determine the order as to which security (i.e. between the reverse mortgage and the life policy assignment) should first be enforced, and the order and manner as to which type of proceeds (i.e. between proceeds attributable to your property and proceeds attributable to your life policy) should first be applied towards repayment of your reverse mortgage loan. After full repayment of your reverse mortgage loan, any surplus left of the proceeds attributable to your property will be returned to you (as borrower(s)) and any surplus left of the proceeds attributable to your life policy will be returned to you (as the original holder of the life policy).

- In this regard, it should be noted that the terms governing the order and manner as regards the enforcement of security and the application of proceeds resulting therefrom for a (death) RM Maturity Event are different from those for a (non-death) RM Maturity Event.

- **Following the termination / maturity of your life policy (but no occurrence of an RM Maturity Event):** If your life policy terminates and no RM Maturity Event has occurred, any payment made to your bank under the life policy (but up to only the cash surrender value at policy termination) as a result of such termination will be applied towards the repayment / reduction of your reverse mortgage loan. Any surplus left will be returned to you (as the original holder of the life policy) or the named beneficiary under your life policy, and any subsequent payouts may be adjusted accordingly, as determined by the HKMC.

- For details on the application of the proceeds received under your property and life policy, you should speak further with your bank and its solicitors, or consult your own independent financial advisers and solicitors on the full implications of the reverse mortgage transaction.

- Even if the proceeds attributable to your property and, if applicable, proceeds attributable to your life policy your bank received or recovered are not sufficient to repay your reverse mortgage loan in full, your bank will not take any legal action against you (or your inheritors) for the recovery of any outstanding amount of your reverse mortgage loan, unless there is any fraud or other criminal or unlawful act on your part.
Effect on probate

- On your passing away, your property will, subject to your reverse mortgage, pass to your inheritors or to the last living borrower. However, in the case of a life policy which you have assigned to your bank, your bank will pass to the named beneficiary under your life policy first, the balance remaining after deducting the amount of the cash surrender value at policy termination from the death benefit received by it, thereafter, the whole or any part of the amount of the cash surrender value at policy termination which is not required to repay your reverse mortgage loan.

- Hence, the benefit which your inheritors or the beneficiary under your life policy may receive under your property or your life policy on your passing away could be substantially reduced depending on the amount you owe your bank under your reverse mortgage loan. This means that your reverse mortgage loan could vary your inheritance arrangement. This may possibly lead to disputes and conflicts among your inheritors. Therefore, it is recommended that you seek independent financial and legal advice in order to understand the legal and financial implications which your reverse mortgage loan may have on your inheritance arrangement.

Tax implication

- You need not pay tax on any monthly payout or lump-sum payout you receive, since they are in the nature of a loan. However, the interest you pay on any monthly payout or lump-sum payout is not deductible for tax purposes.

Impact on social welfare

- The Social Welfare Department considers any monthly payout and lump-sum payout as “income” under the income test for eligibility to any benefit under the Comprehensive Social Security Assistance (CSSA) Scheme. In other words, any monthly payout and lump-sum payout will be taken into account for calculation of your income, and thus may affect your entitlement to CSSA. You should consider this carefully before you take out a reverse mortgage.

Effect on other occupant(s) of your property and / or other person(s) who may have an interest in your property

- When your bank sells your property, any person residing in your property will be required to move out. In addition, although you own your property, there could be circumstances where other person(s) may have an interest in your property. When you take out your reverse mortgage loan, your bank will ask you to declare if there is any person (a) residing in your property and / or (b) having an interest in your property. If so, your bank will ask any such person(s) to sign an undertaking to agree to move out of your property when your bank sells your property and disclaim / waive his / her interest or confirm to subordinate his / her interest in your property to your bank’s mortgagee interest in your property under the reverse mortgage deed. You should alert any such person about these consequences and suggest that he / she seeks independent legal advice, if necessary.

Remarks: __________________________________________

March 2015
Part C – Confirmation by the intending borrower(s), the other attendee(s) (if any) and the Counsellor

I / We, the undersigned, being the intending borrower(s) under a proposed reverse mortgage loan, hereby confirm that:

(1) I am / we are the person(s) named in this Counselling Questionnaire as the intending borrower(s);

(2) I / we have proceeded with the counselling session freely, voluntarily and without any pressure from any person;

(3) I / we have been provided with the Important Notice, the Information Pack, the Information Sheet and the Indicative Loan Schedule, and have read them in advance of the counselling session;

(4) the points contained in Part B above have been explained to me / us by the Counsellor in clear terms [and in a language which I / we understand] / [through an interpreter], and that I / we fully understand those points;

(5) in particular, I / we understand that the Counsellor is required to explain to me / us only the points contained in Part B above, and I / we confirm that the Counsellor has done so, and that the Counsellor is not required to provide and has not provided any advice other than those contained in Part B above, or any financial advice, analysis or information, and is not required to express and has not expressed any opinion as to whether or not I / we should take out a reverse mortgage;

(6) I / we have been advised to seek separate independent legal, financial and other relevant professional advice in connection with the reverse mortgage transaction which may ensue after this counselling session; and

(7) I / we have been provided with a copy of this Counselling Questionnaire for record.

Signed by intending borrower(s)

Name: ______________________________  Name: ______________________________  Name: ______________________________
Date: ______________________________  Date: ______________________________  Date: ______________________________
I / We, the undersigned, being the other attendee(s) who is / are present at this counselling session, hereby confirm that the Counsellor has informed me / us of the fact that (a) the Counsellor does not act for me / us and (b) I / we should seek independent legal, financial and other relevant professional advice if the proposed reverse mortgage loan may in any way affect me / us.

Signed by the other attendee(s)

Name: __________________________  Name: __________________________  Name: __________________________
Date: __________________________  Date: __________________________  Date: __________________________

I, the undersigned, being the Counsellor of this counselling session, hereby confirm that I have explained the points contained in Part B above to the above-named intending borrower(s).

Signed by the Reverse Mortgage Counsellor

Name: __________________________
Date: __________________________
### Guaranteed Cash Surrender Value (relevant for the purpose of payout calculation)

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</tr>
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</table>

* Final figure to be determined by HKMC.

### Assumptions

- **Sum Insured**: Present value of Premium fully-paid up in Death Benefit at year 20.
- **Death Benefit at year 20**: Premium fully-paid up in Death Benefit at year 20.
- **Total CSV (at application)**: Total CSV (at termination) for each year.