

## **Reverse Mortgage Programme**

### **Special Announcement for Refinancing Arrangement (7 April 2014)**

With effect from 1 May 2014, the Hong Kong Mortgage Corporation Limited will implement the following new measures in relation to the refinancing<sup>[1]</sup> of a reverse mortgage loan under the Reverse Mortgage Programme:

- (a) Adopting 80% of the appraised property value as the maximum amount of the specified property value for payout calculation for any appraised property value at HK\$12 million or below; and
- (b) Removing the feature of preferential insurance premium credit.

The above new measures will only apply to the refinancing of any reverse mortgage loan with counselling certificate<sup>[2]</sup> issued on or after 1 May 2014.

### **Exemption Arrangement**

The above new measures are not applicable to the refinancing of:

- (a) Any reverse mortgage loan subsisting as at 30 April 2014; or
- (b) Any reverse mortgage loan with counselling certificate issued on or before 30 April 2014.

*Notes:*

- [1] *Refinancing is for the same borrower(s) and the same property. No restriction is imposed on the number of refinancing.*
- [2] *A counselling certificate is only accepted for a reverse mortgage loan application made within 6 months from the date of the counselling certificate. If a reverse mortgage loan has been previously taken out, a counselling certificate is only accepted for any subsequent reverse mortgage loan application made within 2 years from the date of the counselling certificate.*