5. Flexibility to rent out your property under specific circumstances – Rental income allows you to enjoy more financial security in planning your retirement life, especially when you need to pay for elderly or medical care services.

6. No repayment during your lifetime – You do not need to repay the outstanding loan amount you owe to the lender during your lifetime, unless the reverse mortgage loan is terminated under certain specified circumstances.

7. No penalty for early full repayment – You may fully repay the outstanding loan amount and redeem your property at any time, without incurring any penalty.

8. Six-month cooling-off period – If you terminate your reverse mortgage loan for whatever reason within the first 6 months, you will be given a refund and waiver of all mortgage insurance premiums. However, you still need to bear any accrued interest and financed fees in the outstanding loan amount and also the legal fees relating to the termination of your reverse mortgage loan.

Monthly payout amount

In general, the older you are and the shorter the payment term is, the higher will be the monthly payout amount. If there is more than one borrower, the entry age of the youngest borrower will be used for calculation of the monthly payout amount.

<table>
<thead>
<tr>
<th>Payment term</th>
<th>One borrower</th>
<th>Two borrowers</th>
<th>Three borrowers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Life</td>
<td>$3,700</td>
<td>$3,300</td>
<td>$3,000</td>
</tr>
<tr>
<td>10-year</td>
<td>$5,100</td>
<td>$4,600</td>
<td>$4,200</td>
</tr>
<tr>
<td>15-year</td>
<td>$2,800</td>
<td>$2,500</td>
<td>$2,250</td>
</tr>
<tr>
<td>20-year</td>
<td>$2,400</td>
<td>$2,100</td>
<td>$1,900</td>
</tr>
<tr>
<td>Life</td>
<td>$2,000</td>
<td>$1,800</td>
<td>$1,550</td>
</tr>
<tr>
<td>10-year</td>
<td>$3,100</td>
<td>$2,800</td>
<td>$2,500</td>
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<tr>
<td>15-year</td>
<td>$3,800</td>
<td>$3,500</td>
<td>$3,200</td>
</tr>
<tr>
<td>20-year</td>
<td>$3,300</td>
<td>$3,000</td>
<td>$2,700</td>
</tr>
</tbody>
</table>

* See footnote of Table 1

Fixed rate mortgage plan

You may enquire with the lenders for the monthly and maximum lump-sum payout amounts under a fixed rate mortgage plan of your reverse mortgage loan. In general, the payout amounts offered under a fixed rate mortgage plan are higher than those under a floating rate mortgage plan.
Reverse Mortgage Brightens Up Your Retired Life

Costs

1. **Interest** – to be charged on the outstanding loan amount on a compound basis.
2. **Mortgage insurance premium** – to be debited to the outstanding loan amount.
   (i) **Upfront Mortgage Insurance Premium** is 1.96% of the specified property value, payable by 7 annual instalments starting from the 4th until the 10th anniversary. Each annual instalment is calculated at 0.28% of the specified property value under the reverse mortgage loan.
   (ii) **Monthly Mortgage Insurance Premium** is payable on a monthly basis at the annual rate of 1.25% of the outstanding loan amount.
3. **Counselling fee** – to be paid to your counsellor for the counselling service.
4. **Legal fees** – to be paid to the solicitors for the execution of the mortgage documents and other relevant legal documents.

You may choose to finance the counselling fee and the legal fees in your reverse mortgage loan.

General application flow

**Step 1**
Pre-application – Please enquire at a bank direct which will provide you with details and conduct a preliminary eligibility assessment for you. For subsidised sale flats with unpaid land premium, lenders have obtained consent from the relevant authority for creation of mortgage under the Reverse Mortgage Programme and you are not required to apply for separate consent from the relevant authority. You do not need to apply for a reverse mortgage loan through any intermediary (except banks).

**Step 2**
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 loan, the major rights and obligations as well as the legal consequences of taking out a reverse mortgage loan. Your counsellor will issue a Counselling Certificate to you if you have successfully completed the counselling.

**Step 3**
Formal application – After obtaining the Counselling Certificate, you may make a formal application.

**Step 4**
Execution of legal documents – If your formal application is approved by the lender, you will be required to execute the mortgage documents and other related legal documents.

Enquiry

For further information, please refer to the Reverse Mortgage Programme Information Pack. If you have any enquiries, please contact a bank, your counsellor or call the Reverse Mortgage Programme Hotline for more information.

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

The programme is subject to relevant terms and conditions.