**Press Release**

# Promoting the Use of Enduring Power of Attorney by Borrowers Under the Reverse Mortgage Programme

As part of its continual effort to fine tune the operational arrangement under its Reverse Mortgage Programme, the Hong Kong Mortgage Corporation Limited (HKMC) yesterday (Sunday) held a seminar to promote the use of Enduring Power of Attorney (EPA) by borrowers under the Reverse Mortgage Programme. The seminar provided both the legal and medical practitioners with an overview of the legal and medical requirements relating to the arrangement for an EPA under the Enduring Powers of Attorney Ordinance and the application for a Court Order ("Part II Order") under Part II of the Mental Health Ordinance, which will need to be considered by the existing borrowers and new applicants under the Reverse Mortgage Programme if they wish to cater for the contingency of their becoming mentally incapacitated.

The seminar was attended by over 200 distinguished guests and practitioners from both the legal and medical professions. Guest speakers were invited from the Hong Kong College of Family Physicians (HKCFP), the Hong Kong College of Psychiatrists (HKCPsych) and the Reverse Mortgage Committee of the Law Society of Hong Kong to share their professional experience in the respective areas.

The HKMC plans to launch an initiative to encourage the existing borrowers

and new applicants to consider arranging for an EPA to appoint one or more attorney(s) to handle their reverse mortgages on their behalf in the event that they may subsequently become mentally incapacitated. A Part II Order may also be sought to facilitate the application of reverse mortgages by persons already suffering from mental incapacity, or to effect any change to an existing reverse mortgage by borrowers who have not previously arranged for an EPA.

Mr Raymond Li, Chief Executive Officer of the HKMC, said, "More and more retirees are regarding reverse mortgages as part of their retirement planning. To relieve borrowers' worry about losing mental capacity to manage their loans, EPAs will enable their attorneys to proceed with the on-going management of the loans, such as making annual declaration, applying for lump-sum payouts, or refinancing the loans for higher payouts by taking advantage of property price rise."

Dr Gene Tsoi, Immediate Past President and Chairman of External Affair Committee of the HKCFP, said, "The HKCFP is dedicated to the education of family doctors and promotion of family medicine to improve the health and quality of life of Hong Kong people. Hong Kong is facing an increasingly ageing population. Reverse mortgage is an option for elder patients to utilise their own resources."

Professor Linda Lam, President of the HKCPsych, said, "The Part II Order and Enduring Power of Attorney are useful legal instruments in facilitating the use of the assets and properties of mentally incapacitated patients for their own benefits and interests. The Reverse Mortgage Programme allows mobilisation

of their assets in later life and residence in their own homes for as long as possible. The Hong Kong College of Psychiatrists encourages proper implementation of these instruments to promote and safeguard the welfare of people in need."

Mr Billy Ma, Chairman of the Reverse Mortgage Committee of the Law Society of Hong Kong, said, "The Reverse Mortgage Programme serves a very meaningful purpose in opening up more options in the way elderly homeowners handle their assets to meet their needs. As the options expand, it is important that the elderly homeowners fully appreciate the salient features and implications of the options available. I am pleased that solicitors have been supportive of and contributing to the counselling work under the Reverse Mortgage Programme."

For enquiries, please call the Reverse Mortgage Hotline: 2536 0136.

The Hong Kong Mortgage Corporation Limited

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