

Reverse Mortgage Programme

**Refinancing arrangement for any reverse mortgage loan subsisting
as at 30 April 2014; or
any reverse mortgage loan with counselling certificate issued
on or before 30 April 2014**

1. Maximum amount of specified property value for payout calculation

Appraised Property Value	Maximum Amount of Specified Property Value for Payout Calculation
HK\$8 million or less	100% of appraised property value
Over HK\$8 million to HK\$12 million	higher of 80% of appraised property value and HK\$8 million
Over HK\$12 million to HK\$16 million	higher of 70% of appraised property value and HK\$9.6 million
Over HK\$16 million	higher of 60% of appraised property value and HK\$11.2 million (capped at HK\$15 million*)

*For any property valued at HK\$25 million or above, the maximum amount of the specified property value for payout calculation will be capped at HK\$15 million.

2. Preferential insurance premium credit

A preferential insurance premium credit will be offered to a refinancing case in which the last reverse mortgage has been drawn down for not more than 5 years, and provided that the refinancing case is for the same borrower(s) and the same property. The new reverse mortgage loan must be drawn down within 1 month from the full repayment of the last reverse mortgage loan. Details of the preferential insurance premium credit are set out below.

Year of Refinancing (i.e. the drawdown of the new reverse mortgage is within the nth year after drawdown of the last reverse mortgage loan)	Preferential Insurance Premium Credit (% of the total amount of the upfront mortgage insurance premium of the last reverse mortgage loan)
1st Year	50%
2 nd Year	40%
3 rd Year	30%
4 th Year	20%
5 th Year	10%
6 th Year or later	0%

Example: Assuming the total amount of the upfront mortgage insurance premium of the last reverse mortgage loan is HK\$100,000. For the new reverse mortgage loan, if the borrower refinances in the first year from the drawdown date of the last reverse mortgage, he can enjoy an insurance premium credit of HK\$50,000. If he refinances in the second year, he can enjoy an insurance premium credit of HK\$40,000.