



Circular

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The Home Purchase Loan Scheme

The Government has recently revised the eligibility criteria of the Home Purchase Loan Scheme and some of its administrative details. From 1 April 2001, families or individuals eligible for the Scheme shall be tenants of public housing schemes or those on the waiting list for public housing (the "green form" applicants). The Hong Kong Housing Authority will not accept "white form" applicants.

An eligible applicant will be issued an *Approval in Principle* by the Housing Authority which is valid for 4 months. The applicant may elect to receive the subsidy in the form of either an interest-free loan or a monthly allowance for mortgage repayment. Family applicants may receive the loan in the sum of \$660,000 (to be repaid in 13 years) or \$500,000 (to be repaid in 20 years). Individual applicants may receive the loan in the sum of \$330,000 (to be repaid in 13 years) or \$250,000 (to be repaid in 20 years). Alternatively, family applicants and individual applicants may receive a monthly allowance of \$4,200 and \$2,100, respectively, for 4 years.

Practitioners should pay special attention to the following if their clients are applicants for the Home Purchase Loan Scheme, or are contemplating to apply for the same:

1. Applications for the Home Purchase Loan Scheme and any enquiry of the eligibility criteria therefor should be directed to the Hong Kong Housing Authority (Tel. Nos.: 2794 5350 / 2712 8000).
2. From 1 April 2001, the Housing Authority will only accept applications from individuals/families eligible for using the "green form". "White form" applicants are no longer considered eligible.
3. To protect the client's interest, practitioners should only assist the client in entering into an agreement for sale and purchase after a valid *Approval in Principle* has been obtained by the client.

4. The Scheme lays down certain restrictions on the property to be purchased. For example, the property age of such property shall not exceed 30 years.
5. There are certain procedures in applying for the drawdown of loan from the Government and ample time should be allowed. Practitioner should advise their clients to negotiate a longer time period for completion.

Further details of the Home Purchase Loan Scheme may be obtained by calling the Housing Department Hotline (2794 5350 / 2712 8000) or by visiting its website (www.info.gov.hk/hd).

This Circular should be made available for the information of all staff engaged in estate agency work