



Circular

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The Home Starter Loan Scheme

From 1 April 2001, applicants for the Home Starter Loan Scheme under the Hong Kong Housing Society have to fulfil the following conditions:

1. The applicant must not have owned a residential property within the period of 10 years immediately before filing the application.
2. The total monthly income of a family applicant shall not exceed \$50,000; that of an individual applicant shall not exceed \$20,000.
3. The total net asset of a family applicant shall not exceed \$1,000,000; that of an individual applicant shall not exceed \$350,000.
4. The applicant must not be the tenant of a public housing scheme, owner of a flat under any Government-subsidized scheme (including the Home Ownership Scheme) or the recipient of any home purchase assistance from the Government.

An eligible applicant will be issued a *Certificate of Eligibility* by the Housing Society which is valid for 4 months. A loan not exceeding \$600,000 (in the case of family applicant) or \$300,000 (in the case of individual applicant) or 30% of the net purchase price of the private domestic property (whichever is lower) will be granted to each successful application.

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

1. Applications for the Home Starter Loan Scheme and any enquiry of the eligibility criteria therefor should be directed to the Hong Kong Housing Society (Tel. Nos.: 2882 1717 / 2894 3222).

2. Tenants of public housing schemes, owners of flats under any Government-subsidized scheme (including the Home Ownership Scheme) and recipients of home purchase assistance from the Government are not eligible for the Home Starter Loan Scheme.
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 *Certificate of Eligibility* 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 Starter Loan Scheme may be obtained by dialing the Hotline of the Housing Society (2882 1717 / 2894 3222) or visiting its website (www.hkhs.com/hsls).

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