

Approval letters to be issued to successful applicants under White Form Secondary Market Scheme 2023

The following is issued on behalf of the Hong Kong Housing Authority:

Issuance of approval letters for WSM 2023

Following the ballot for the White Form Secondary Market Scheme 2023 (WSM 2023) drawn on October 5, 2023, the Hong Kong Housing Authority (HA) has completed detailed vetting of the eligibility of applicants. Approval and confirmation letters for the 4 500 successful applicants (4 050 family applicants and 450 one-person applicants) will be issued tomorrow (March 14).

"Each successful applicant will be issued with one Approval Letter and two Confirmation Letters. One Confirmation Letter is applicable to the HA's Home Ownership Scheme (HOS) Secondary Market while the other is applicable to the Hong Kong Housing Society (HS)'s Flat-for-Sale Scheme (FFSS) Secondary Market. Within six weeks from the date of issuance, holders of the Approval Letters may submit the Confirmation Letters to the HA and/or the HS for application for the Certificate of Eligibility to Purchase (CEP) to purchase a flat with premium not yet paid in the HA's HOS Secondary Market or the HS's FFSS Secondary Market," a spokesman for the HA said today (March 13).

"The CEP is valid for 12 months from the date of issuance and no extension will be granted upon its expiry. To complete the transaction, holders of the CEP need to apply for a Letter of Nomination from the HA or the HS after they have entered into a Provisional Agreement for Sale and Purchase (PASP). The applicant and the family member(s) named in the application form must meet the eligibility criteria of the WSM 2023 from submission of the application form up to the date of signing the PASP. Moreover, Subsidised Sale Flats (SSFs) shall be occupied by the owner and all members of the family named in the Application Form for the purchase of the flat," the spokesman said.

The list of successful applications will be uploaded tomorrow to the website for the WSM 2023 (www.housingauthority.gov.hk/wsm/2023).

Mortgage arrangements

The HA Subsidised Housing Committee earlier endorsed the relaxation of the mortgage arrangements for SSFs. The relevant relaxation of arrangements in respect of the primary market has been implemented earlier. The relaxation in respect of the secondary market has been implemented on March 1, 2024 (the launch date), and will be applicable to all successful applicants under the WSM 2023 for new mortgage loans drawn down to finance the purchase of Home Ownership Scheme (HOS)/Green Form Subsidised Home Ownership Scheme

(GSH)/Tenants Purchase Scheme (TPS) flats transacted in the HOS Secondary Market Scheme (SMS).

In respect of the mortgage arrangements for the SMS, starting from March 1, the maximum mortgage default guarantee period has been extended from 30 years to 50 years for HOS/GSH flats; and from 25 years to 50 years for TPS flats. For the first 40 years, the HA will provide a mortgage default guarantee to banks and authorised financial institutions participating in the provision of mortgage loan for such flats (participating financial institutions) for a mortgage loan up to 95 per cent and 90 per cent of the assessed value or purchase price of the flat (whichever is the lower) respectively for Green Form (GF) and White Form (WF) applicants. From 40 years onwards to 50 years, the mortgage default guarantee provided to participating financial institutions for mortgage loans will be up to 80 per cent of the assessed value or purchase price of the flat (whichever is the lower). In case the loan-to-value (LTV) ratio required is above 80 per cent, the purchaser of an SSF could check with the participating financial institutions whether he/she needs to apply for a mortgage loan under the Mortgage Insurance Programme (MIP) of the HKMC Insurance Limited (HKMCI). To this end, the HA has reached an agreement with the HKMCI that the latter will allow SSF purchasers in the SMS to apply for a mortgage loan under the MIP to obtain mortgage loans up to an LTV ratio of 95 per cent for GF applicants and 90 per cent for WF applicants. Meanwhile, the maximum mortgage repayment period for HOS/GSH/TPS flats sold under the SMS has been extended from 25 years to 30 years.

If purchasers of SSFs would like to apply for a mortgage loan under the MIP of the HKMCI, they may submit applications to participating financial institutions. Highlights of the MIP are set out in the Annex. Details of the MIP are available on the HKMCI website (www.hkmc.com.hk/eng/our_business/mortgage_insurance_programme.html). For further queries, please contact any participating financial institutions or call the HKMCI at 2536 0136.