

Time-limited arrangement allowing mortgage principal moratorium plan for Subsidised Sale Flats Scheme extended for another six months

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

Under the current time-limited arrangement, banks and financial institutions participating in the provision of mortgage loans for the Subsidised Sale Flats Scheme (SSFS) (participating financial institutions) may offer a mortgage principal moratorium plan (moratorium plan) to SSFS flat mortgagors. The Hong Kong Housing Authority (HA) has extended the time-limited arrangement for six months. The commencement of the moratorium period under the moratorium plan should not be later than June 30, 2021.

In April 2020, the HA issued a letter to participating financial institutions allowing them to offer a moratorium plan under which SSFS flat mortgagors may defer repayment of the principal for a maximum period of 12 months and the repayment period of the mortgage loan may be extended correspondingly by a maximum of 12 months. The moratorium period may commence by December 31, 2020, at the latest. The HA issued another letter today (November 2) to participating financial institutions, confirming and agreeing that the prevailing time-limited arrangement can be extended for six months.

"We have received requests from some participating financial institutions through the Hong Kong Association of Banks to extend the prevailing time-limited arrangement for six months to June 30, 2021, in order to support SSFS flat mortgagors with short-term liquidity problems to tide over the difficult times arising from the COVID-19 epidemic," a spokesman for the HA said.

"In light of the ongoing impact of the COVID-19 epidemic on the economy, to help relieve SSFS flat mortgagors' cash flow problems and reduce the possibility of mortgage default, the HA agrees to extend the time-limited arrangement," the spokesman said.

The moratorium plan is applicable to the SSFS (including the Home Ownership Scheme, the Private Sector Participation Scheme, the Buy or Rent Option Scheme, the Tenants Purchase Scheme and the Green Form Subsidised Home Ownership Scheme) in the primary market and under the Secondary Market Scheme.