

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

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

Under the current time-limited arrangement of the Hong Kong Housing Authority (HA), banks and financial institutions participating in the provision of mortgage loans for the Subsidised Sale Flats Scheme (SSFS) (participating financial institutions) may offer mortgage principal moratorium plans to SSFS flats mortgagors. The HA has further extended the time-limited arrangement for another six months, to allow the commencement of the moratorium period under the moratorium plan to start no later than December 31, 2021. The maximum length of the moratorium period is maintained at 12 months.

In April last year, the HA notified participating financial institutions that they may offer a moratorium plan under which SSFS flat mortgagors may defer repayment of the principal for a maximum of 12 months and the repayment period of the mortgage loan may be extended correspondingly by a maximum of 12 months. The commencement date of the moratorium period should start no later than December 31, 2020. The HA notified participating financial institutions in November last year that the then time-limited arrangement would be extended for six months, allowing the commencement date to start no later than June 30, 2021.

"In light of the ongoing impact of the COVID-19 pandemic and pursuant to the participating financial institutions' request through the Hong Kong Association of Banks, the HA issued another fresh side letter today (June 18) to the participating financial institutions, confirming and agreeing that the prevailing time-limited arrangement be further extended for another six months, to help relieve SSFS flat mortgagors' cash flow problems and reduce the possibility of mortgage default. The commencement of the moratorium period under the moratorium plan should not be later than December 31, 2021," a spokesman for the HA 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.