

Maximum Specified Property Value for Payout Calculation

Appraised Property Value	Maximum Specified Property Value for Payout Calculation
\leq HK\$8 million	100% of appraised property value (maximum HK\$8 million)
$>$ HK\$8 million to \leq HK\$12 million	80% of appraised property value (HK\$8 million – HK\$9.6 million)
$>$ HK\$12 million to \leq HK\$16 million	70% of appraised property value (HK\$9.6 million – HK\$11.2 million)
$>$ HK\$16 million	60% of appraised property value (HK\$11.2 million – HK\$15 million*)

* For any property valued at HK\$25 million or above, the maximum specified property value for payout calculation will be capped at HK\$15 million.

Example 1:

Under the new arrangement, a 70-year-old single borrower with a HK\$15 million property (maximum specified property value = HK\$10.5 million) will receive a monthly payout up to HK\$32,550 for a life-payment term, 31.25% up from HK\$24,800 under the existing arrangement.

Example 2:

Under the new arrangement, a couple both aged 70 with a HK\$28 million property (maximum specified property value = HK\$15 million) will receive a monthly payout up to HK\$69,000 for a 10-year payment term, 87.5% up from HK\$36,800 under the existing arrangement.

Annex B

Table of Monthly Payout for Borrowers Aged 55 and 60

Payment Term	Monthly Payout Per HK\$1 Million Specified Property Value			
	One Borrower		Two Borrowers	
	55 years old	60 years old	55 years old	60 years old
10 years	\$3,200	\$3,700	\$2,800	\$3,300
15 years	\$2,400	\$2,800	\$2,150	\$2,500
20 years	\$2,050	\$2,400	\$1,800	\$2,100
Life	\$1,650	\$2,000	\$1,450	\$1,800

Example 1:

A 55-year-old single borrower with a HK\$4 million property* will receive a monthly payout of HK\$6,600 for a life payment term

Example 2:

A couple both aged 55 with a HK\$4 million* property will receive a monthly payout of HK\$7,200 for a 20-year payment term

* HK\$4 million is close to the average property price for Reverse Mortgage cases.

Annex C

Monthly Payouts for Borrowers Aged 55 with Different Property Values

Payment Term	10 Years		15 Years		20 Years		Life	
	One Borrower	Two Borrowers	One Borrower	Two Borrowers	One Borrower	Two Borrowers	One Borrower	Two Borrowers
Specified Property Value (HK\$)								
\$4 million	\$12,800	\$11,200	\$9,600	\$8,600	\$8,200	\$7,200	\$6,600	\$5,800
\$8 million	\$25,600	\$22,400	\$19,200	\$17,200	\$16,400	\$14,400	\$13,200	\$11,600
\$9.6 million	\$30,720	\$26,880	\$23,040	\$20,640	\$19,680	\$17,280	\$15,840	\$13,920
\$11.2 million	\$35,840	\$31,360	\$26,880	\$24,080	\$22,960	\$20,160	\$18,840	\$16,240
\$15 million	\$48,000	\$42,000	\$36,000	\$32,250	\$30,750	\$27,000	\$24,750	\$21,750