

Eligibility Criteria and Key Features of the PRMP

Applicant	<ul style="list-style-type: none"> ▪ Must be aged 60 or above and a holder of a valid Hong Kong Identity Card, and must not be an undischarged bankrupt or otherwise subject to bankruptcy petition or individual voluntary arrangement
Number of borrower	<ul style="list-style-type: none"> ▪ Only one borrower is allowed for each policy reverse mortgage loan
Collateral	<ul style="list-style-type: none"> ▪ There is no limit on the number of policy reverse mortgage loans to be taken out by a borrower, but each loan can only have one life insurance policy as collateral ▪ The aggregate amount of death benefits of all life insurance policies assigned or to be assigned as collateral is capped at HK\$15 million
Life insurance policy condition	<ul style="list-style-type: none"> ▪ Must be taken out by borrower as both the policyholder and the insured ▪ Must be issued by an authorised insurer in Hong Kong ▪ Must be denominated in Hong Kong Dollars or United States Dollars ▪ Must not be subject to any restrictions or deductions on the payment of death benefit by the insurance company ▪ Must not be associated with any investment features ▪ Must have the premium fully paid up ▪ Must be assignable and not contain any restriction on change of beneficiary
Flexible payment term	<ul style="list-style-type: none"> ▪ 10, 15 or 20 years or throughout entire life
Two options of interest rate plan	<ul style="list-style-type: none"> ▪ Floating-rate mortgage plan: Hong Kong Prime Rate (P) minus 2.5% p.a. (currently 2.875%) ▪ Fixed-rate mortgage plan: Fixed Rate of 4.0% p.a. for the first 25 years and P minus 2.5% p.a. thereafter <p>(Note: Hong Kong Prime Rate as announced by the HKMC from time to time)</p>

Monthly payout amount	<ul style="list-style-type: none"> The monthly payout amount is determined by borrower's age, gender, payment term and the death benefits of life insurance policy. Example: A male aged 65 who has a life insurance policy which contains HK\$2 million death benefits: <table border="1" data-bbox="528 383 1353 725"> <thead> <tr> <th></th> <th colspan="4">Monthly payouts</th> </tr> <tr> <th>Payment term</th> <th>10 years</th> <th>15 years</th> <th>20 years</th> <th>Life</th> </tr> </thead> <tbody> <tr> <td>At floating rate</td> <td>\$4,393</td> <td>\$3,441</td> <td>\$3,036</td> <td>\$2,793</td> </tr> <tr> <td>At fixed rate</td> <td>\$5,194</td> <td>\$3,998</td> <td>\$3,480</td> <td>\$3,157</td> </tr> </tbody> </table> <p>(Note: The above monthly payout amounts are for illustration purpose only. The actual monthly payout amount for individual life insurance policies may vary)</p>		Monthly payouts				Payment term	10 years	15 years	20 years	Life	At floating rate	\$4,393	\$3,441	\$3,036	\$2,793	At fixed rate	\$5,194	\$3,998	\$3,480	\$3,157
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Lump-sum payout	<ul style="list-style-type: none"> Borrowers may apply to borrow lump-sum payouts for specific purposes such as payment for home improvement, repairs and maintenance of property and medical expenses, etc. 																				
Six-month cooling-off period	<ul style="list-style-type: none"> If the borrowers notify the lenders within the first six months and repay in full the outstanding loans, all mortgage insurance premiums will be refunded and waived 																				