

**Main Costs of the PRMP**

Interest	<ul style="list-style-type: none"> <li>▪ Charged by the lenders on the outstanding loan amount on a compound basis</li> </ul>
Mortgage insurance premium	<ul style="list-style-type: none"> <li>▪ The mortgage insurance premium is divided into two parts and the amount payable by the borrowers will be debited to the outstanding loan amount:               <ol style="list-style-type: none"> <li>(1) Upfront mortgage insurance premium – 1% of the specified policy value, payable by 5 annual instalments starting from the 1st until the 5th anniversary. Each annual instalment is calculated at 0.2% of the specified policy value</li> <li>(2) Monthly mortgage insurance premium – payable on a monthly basis at the annual rate of 1% of the outstanding loan amount</li> </ol> </li> </ul>
Legal fees	<ul style="list-style-type: none"> <li>▪ Borrowers will be responsible for the legal fees for execution of the relevant legal documents and may choose to finance such legal fees in policy reverse mortgage loans</li> </ul>