



This application notes is only applicable for the owners with their buildings having already been applied for Common Area Repair Works Interest-free Loan from the Hong Kong Housing Society (HKHS) on or before 30 June 2015, with a valid Approval-in-Principle granted.

Eligibility Criteria for Building

- Residential or composite (residential and commercial) building with Owner’s Corporation (OC)¹;
- Building aged 20 years old or above (according to the Occupation Permit);
- The average annual ratable value for properties in urban areas (including Shatin, Kwai Tsing, and Tsuen Wan) and the New Territories areas shall not exceed the limit stipulated in item 2(b) of Integrated Building Maintenance Assistance Scheme (IBMAS) “Income & Asset Limit and Ratable Value Limit” table;
- OC/Owners’ representatives has/have obtained consensus from owners to carry out building repair works;
- No appointment of professional consultant/Authorized Person for the building repair works; and
- Each OC/buildings with same Deed of Mutual Covenant can only join one building common area repair assistance scheme at the same time. If owners intend to join “Common Area Repair Works Interest-free Loan”, the issue should be resolved in Owners Meeting (OM).

¹ For building without OC, the Hong Kong Housing Society will consider accepting the application provided that consensus from all owners (excluding building with single ownership) are obtained or provisions in the Deed of Mutual Covenant regarding building repair works in common area are complied with. Building with single ownership is not eligible for applying Common Area Repair Works Interest-free Loan.

Relevant agenda and meeting minutes should be submitted together with the application form.

Eligibility Criteria (Individual Flat Owner)

1. OC/Owners' representatives of the applied building should have obtained the Approval-in-Principle notification from the HKHS for the "Common Area Repair Works Interest-free Loan".
2. Applicant must be the registered owner of the property for which the loan relates (**domestic unit**). The property should be **owned by individuals** (not applicable to company owner).
3. Applicant must include all registered owners of the property.
4. No income and assets means test.
5. Applicant must produce income proof (such as salary slips) to prove his/her repayment ability, failing which the applicant is required to execute a legal charge in favor of the HKHS.
6. An un-discharged bankrupt person is not eligible for the loan application.
7. Applicant should submit their individual loan application form attached with supporting documents via OC/Owners' representatives to the HKHS whichever is the later of the following:
 - Before the payment deadline specified in the first demand note issued by OC/Owners' representatives, or
 - within **2 months** from the issue date of the first demand note issued by OC/Owners' representatives .

Supporting documents to be submitted

Applicant (individual flat owner) should submit the IBMAS application form (For Individual Flat Owner) duly completed with the following supporting documents to the HKHS Property Management Advisory Centre via OC/Owners' representatives:

- (i) Copy of valid personal identification document of the applicant
(all registered owners of the property)
- (ii) Copy of proof of repayment ability
- (iii) Copy of contribution notice and receipts for the repair cost
- (iv) Copy of bank account number in the name of the applicant

Terms of the Loan:

1. Interest-free.
2. The **maximum loan amount is HK\$100,000²** or the full cost of the contribution to the repair works of the building, whichever is the lower³.
3. **Repayable by a maximum of 60 equal monthly installments.**
4. If the loan is approved, the applicant is required to execute a Loan Agreement with the HKHS.

² Loan for each repair works item will be granted once only.

³ For the applicant applying both loan and hardship grant at the same time, the maximum loan will be the net amount of the contribution for the repair cost deducting the hardship grant with a ceiling of HK\$10,000. The maximum amount of loan and hardship grant will not exceed HK\$100,000.

5. Legal Charge

- 5.1 If the applicant cannot provide proof of repayment ability; or if the total repayable loan amount exceeds HK\$25,000, the applicant is required to execute a legal charge, in escrow, in favor of the HKHS;
- 5.2 If the total aggregate repayable loans amount applied under “Common Area Repair Works Interest-free Loan” and “Home Renovation Interest-free Loan” exceed HK\$25,000, the applicant is also required to execute a legal charge, in escrow, in favor of the HKHS;
- 5.3 Applicant is required to attend to the HKHS respective appointed solicitor’s office in person to execute relevant legal charge;
- 5.4 If the applicant is unable to execute a legal charge against his/her property’s title, in escrow, in favor of the HKHS, the maximum total repayable loan amount is HK\$25,000;
- 5.5 If the total repayable loan amount under “Common Area Repair Works Interest-free Loan” exceeds HK\$50,000, the HKHS will register the executed legal charge in the Land Registry; and
- 5.6 If the total aggregate repayable loans amount under “Home Renovation Interest-free Loan” and “Common Area Repair Works Interest-free Loan” exceed HK\$50,000, the HKHS will register the executed legal charge in the Land Registry.

6. Release of Loan

6.1 HKHS will arrange for the release of approved loan according to item 6.2 after the Loan Agreement and Legal Charge (if applicable) have been duly executed by the applicant.

6.2 The approved **loan will be disbursed in not more than three installments**. OC/Owners' representatives of the applied building should submit a progress report regarding the building repair works to the HKHS ("Progress Report"). Progress Report should be certified by a qualified professional or an Authorized Person. After the verification of the Progress Report, the HKHS will disburse the loan in stages according to the percentage of works completed into the bank account in the name of the applicant or will issue a cheque (made payable to OC/ Owners' representatives) to the applicant for the settlement of the respective outstanding contribution.

7. Loan Repayment

7.1 The borrower has to repay the loan by equal monthly installments on the specified date each month, in the manner specified by the HKHS. If loan amount is equal to or less than HK\$50,000, the maximum repayment period is 36 months (Applicant in need of financial assistance can apply for extension of repayment period up to a maximum of 60 months); if the loan amount exceeds HK\$50,000, the maximum repayment period is 60 months.

8. Early Repayment

8.1 Borrower may opt for early repayment of the loan by giving one month's written notice to the HKHS.

9. Shortening of Loan Tenure

9.1 Borrower may opt for shortening the loan tenure by giving one month's written notice to the HKHS.

10. Late Repayment

10.1 Borrower shall be charged with a late charge as specified in the Loan Agreement.

11. HKHS reserves the right at any time to demand the borrower for immediate repayment of the whole outstanding loan (including but not limited to when the information provided by the borrower was found to be false and untrue in connection with the loan application).

12. Others

12.1 During the loan repayment period, borrower has to repay all outstanding loans in full before sale or title transfer of their applied property.

12.2 Borrower is bound by the terms and conditions stipulated in the formal Loan Agreement issued by the HKHS.

Common Area Repair Works Hardship Grant

For building granted with Approval-in-Principle notification, individual flat owner in need of financial assistance not only can apply for “Common Area Repair Works Interest-free Loan” but also “Common Area Repair Works Hardship Grant”. (Please refer to **Common Area Repair Works Hardship Grant Application Notes for Individual Flat Owners AP-HG2** for details):-

1. Each eligible applicant will be granted with a maximum of HK\$10,000 under “Common Area Repair Works Hardship Grant” within a period of 5 years.
2. Subsidy granted to the applicant under Urban Renewal Authority’s (URA’s) “Building Rehabilitation Loan Scheme” within a period of 5 years is also counted as part of “Common Area Repair Works Hardship Grant”.
3. Maximum subsidy granted to each residential unit under “Common Area Repair Works Hardship Grant” is HK\$10,000 within a period of 5 years. Subsidy granted under URA’s “Building Rehabilitation Loan Scheme” is also counted as part of “Common Area Repair Works Hardship Grant”.
4. The maximum “Common Area Repair Works Hardship Grant” for each residential unit with shared ownership is capped at HK\$10,000 for each application. The maximum hardship grant for each eligible applicant within a period of 5 years will be calculated according to his / her ownership percentage vested in the unit.