

Hong Kong - Mortgage

- If I want to get a mortgage loan from a bank, what kind of properties would be more acceptable or preferred by the bank?
- There are so many repayment alternatives provided by banks. How do I know which one best fits my requirements?
- What are the documents I need to submit to apply for a mortgage loan from a bank?
- Will the bank accept guarantors for a mortgage loan?
- Is it guaranteed to have the mortgage application successfully with the salary records?
- General documents needed for mortgage application

- **Q1. If I want to get a mortgage loan from a bank, what kind of properties would be more acceptable or preferred by the bank?**

Date : 2018-9-6

The age (since completion) of the property and its quality are the two major factors a bank considers when granting a mortgage loan. A more conservative attitude would be adopted towards older buildings. Therefore it would be more desirable to choose new, well-managed and well-maintained properties.

- **Q2. There are so many repayment alternatives provided by banks. How do I know which one best fits my requirements?**

Date : 2018-9-6

Apart from considering your own financial position, you should also find out the various repayment alternatives available in the market before making your decision. For example, repayments can be made on monthly or bi-weekly basis, in progressive or fixed amount, at a fixed or variable tenure.

- **Q3. What are the documents I need to submit to apply for a mortgage loan from a bank?**

Date : 2018-9-6

You will have to bring along the preliminary or formal sales and purchase agreement, your identity card, and the original copy of your income proof (including income tax statement, salary statement and bank statement). For corporate applicants, you will also need the business registration certificate, company registration, list of directors and the company's memorandum and articles of association.

- **Q4. Will the bank accept guarantors for a mortgage loan?**

Date : 2018-9-6

Generally speaking, most banks do accept a guarantor nominated by the applicant, on the condition that the said guarantor must be directly related to the applicant. The identity card of the guarantor and his/her financial proof must also be presented.

- **Q5. Is it guaranteed to have the mortgage application successfully with the salary records?**

Date : 2018-9-6

Many teenagers work as freelancer nowadays. They think that they can apply mortgages by their monthly records from their bank books. However, there are more and more restrictions on the implementation. Self-employed people must have tax returns in addition to the bank books. The biggest problem is that they will apply mortgage after the down payment. When they know that the bank does not approve the loan, it is often too late, and some people are unable to complete the transaction. The down payment is forfeited. Therefore, the mortgage must be prepared in advance, preferably pre-approval.

• Q6. General documents needed for mortgage application

Date : 2018-9-6

<u>PERSONAL / SHELL COMPANY APPLICANT :</u>
(1) Preliminary Sale & Purchase Agreement (for new mortgage)
(2) Copy of Hong Kong Identity Card
(3) The latest proof of home address (e.g. electricity bill etc)
(4) Income Proof <ul style="list-style-type: none">- the latest tax demand note- the bank book/ statement showing the latest 3 months' salary income- the latest 3 month's payroll slip- Employment letter, name card etc.
<u>MORTGAGE REFINANCING APPLICANT :</u>
Mortgage instalment record for the past 3-6 months, the latest mortgage loan repayment schedule
<u>COMPANY APPLICANT :</u>
BR: Business Registration Certificate, Certificate of Incorporation, Annual Return, Memorandum & Articles of Association, Audited financial statements for the past 3 years, Company's bank statement/ book for the last 3 months showing cash flow, income and expenditure
The above information is merely for reference. The customer may be required to submit extra documents to the bank in support of mortgage loan application when there is necessary.