

Fixed Rate Mortgage Plan

Why consider/Why not consider

Consider it if...

- ✓ you would like to minimise the potential impact of interest rate fluctuations
- ✓ you would like to plan ahead and know your exact monthly financial commitment in advance
- ✓ you would like to have a fixed instalment amount for a certain period of time to make financial planning easier

Do not consider it if...

- ✗ you prefer your mortgage interest rate to closely follow interest rate movements in the money market
- ✗ you are comfortable with the frequent change of your mortgage rate

Highlights for your best interest

- ◆ During a specified period of your mortgage loan term ("fixed rate period"), you will enjoy a fixed mortgage interest rate. After the fixed rate period, you can enjoy interest rate under Best Lending Rate (BLR)-based Mortgage Plan.
- ◆ We will assess your application by making reference to information relates to you from any third parties, including without limitation on the credit report(s) from any credit reference agency, and your income proof, together with other information submitted where applicable as well as the prevailing regulatory requirements in Hong Kong.
- ◆ To ensure your understanding of your obligations and commitments during the mortgage loan period, please carefully read all of the terms and conditions stated in the mortgage loan facility letter, including but not limited to the mortgage interest rates, frequency of payment, repayment amount, number of instalment and full / partial prepayment term.
- ◆ Whenever you face financial difficulty in mortgage repayments, overdue / default interest, on top of normal interest will be levied. If your payment cannot be resumed to normal, we reserve the right to repossess your property to settle the outstanding mortgage loan amount.
- ◆ To protect your property from depreciation caused by structural damage resulting from disasters during the mortgage loan period, you are required to arrange fire insurance with an insurance company acceptable by us to provide insurance coverage to reduce the potential loss.
- ◆ To minimise the impact of any unfortunate events affecting your home contents and your ability to repay the mortgage, you could contact us to understand more on related protection.

Product information

As your trusted mortgage partner, HSBC offers a variety of mortgage repayment plans to suit your needs. We now offer a mortgage plan with a fixed interest rate during the fixed rate period. This plan allows you to enjoy a stable mortgage instalment in the fixed rate period. After the fixed rate period, you can enjoy a BLR-based Mortgage Plan. This Fixed Rate Mortgage Plan offers you the certainty of knowing exactly how much you need to pay over a fixed period, allowing you to have more control of your financial planning.

Minimising the potential impact of interest rate fluctuations

The fixed interest rate for a specified period of your loan term will help you maintain repayment stability during potentially volatile economic situations. Your monthly repayment amount will remain the same throughout the fixed rate period even when interest rates fluctuate in the market. This product is an attractive option if you value certainty in your financial arrangements, helping you plan ahead and predict monthly financial commitments in advance.

Illustrative Example:

The table below is an example comparing the mortgage interest payment during the first 36/60-month fixed rate period under Fixed Rate Mortgage Plan and standard rate mortgage plan in the prevailing market.

It is assumed that the loan amount is HK\$3,000,000 with a loan tenor of 20 years, and Best Lending Rate (BLR) is at 5.25% p.a..

	Fixed Rate Mortgage		Standard mortgage plan
Mortgage interest rate	3-year Fixed Rate Mortgage with interest rate fixed at 2.73% p.a.	5-year Fixed Rate Mortgage with interest rate fixed at 2.73% p.a.	BLR-1.75% = 3.5% p.a.
Monthly mortgage instalment during the fixed rate period	HK\$16,235	HK\$16,235	HK\$17,399
Mortgage interest payment during the fixed rate period	HK\$231,858	HK\$369,885	For 1 st 36 months: HK\$298,570 For 1 st 60 months: HK\$477,725
Comparison results	Under the prevailing market environment as noted in this example, the 3-year and 5-year Fixed Rate Mortgage can help you save up to 22% or 23% respectively in interest expenses during the fixed rate period.		

Notes:

1. The above example is for reference only. The actual interest expense depends on your loan drawdown date, the first repayment date and the applicable mortgage interest rate at that moment.
2. BLR refers to the Hong Kong Dollar Best Lending Rate quoted by The Hongkong and Shanghai Banking Corporation Limited from time to time.



Talk to us now and turn your dream home into reality!

To apply for a mortgage and for more information:

- ◆ Go to our website at <http://www.hsbc.com.hk/mortgages>
- ◆ Call our Mortgage Advice Hotline on 2748 8080
- ◆ Visit any HSBC Mortgage Centre or HSBC branch

Information Pamphlet

Important Note

Please read this Information Pamphlet carefully before submitting the mortgage application form.

This Information Pamphlet outlines some of the features of the Fixed Rate Mortgage Plan (the “Plan”) and is **for your reference only** and does not form part of the loan agreement between you and us and may not necessarily reflect the terms and conditions applicable to your mortgage loan. You should refer to your mortgage loan facility letter for the terms and conditions of the mortgage loan. In the event of any inconsistency between the English and Chinese versions of this Information Pamphlet, the English version shall prevail.

Eligibility

1. The Plan is available to applicants who successfully apply for an eligible mortgage loan (“the Loan”) of HK\$1,000,000 or above and maximum HKD20,000,000.
2. Not all mortgage loans are eligible for the Plan. You should check with your nearest HSBC branch to see if your intended mortgage loan is eligible. Here are some examples of mortgage loans or schemes which are not eligible for the Plan:
 - ◆ Subsidised Sale Flats Scheme (including Home Ownership Scheme, Green Form Subsidised Home Ownership Pilot Scheme, Tenants Purchase Scheme and Private Sector Participation Scheme) in the Primary Market, the Secondary Market Scheme, Home Assistance Loan Scheme and Home Purchase Loan Scheme of Hong Kong Housing Authority
 - ◆ Housing Society housing schemes (including Flat for Sale Scheme, Subsidised Sale Flats Projects, Sandwich Class Housing Scheme, Home Starter Loan Scheme)
 - ◆ Home Loan Interest Subsidy Scheme of the Hospital Authority
 - ◆ Home Assist Loan under Urban Renewal Authority’s redevelopment scheme
 - ◆ All other Government / Urban Renewal Authority related housing schemes
 - ◆ Bridging Loan
 - ◆ Loans converted from existing HSBC mortgage loans
 - ◆ Top-up Loans / Equity Loan
 - ◆ Carpark Loan
3. Loan application is subject to HSBC’s final approval. HSBC reserves the absolute right not to accept or process any application at any time without notice to you.

Mortgage Interest Rate

4. At the time you apply for the loan, you will need to make your choice of mortgage plan. Once the choice is made in your application, changes are not allowed during the fixed rate period.
5. (i) The period from the Loan drawdown date to the first Instalment Repayment Date, or (ii) each period of one month thereafter from one Instalment Repayment Date to the next is called an “interest period”. For each interest period **within the fixed rate period**, the mortgage interest rate will be charged at a Fixed Mortgage Interest Rate (FR) set out in the mortgage loan facility letter.
6. For any interest period after the fixed rate period, the mortgage interest rate will be set at a designated percentage (which will be set out in the mortgage loan facility letter) below the Hong Kong Dollar Best Lending Rate per annum quoted by us under the BLR-Based Mortgage Plan as at the beginning of that interest period.
7. Interest will accrue daily on the outstanding principal amount of the Loan and calculation will be based on the number of days in a calendar year ie 365 days (or 366 days in a leap year). The amount of each instalment after the fixed rate period will be as specified in the repayment advices provided to you by us. We will send to you revised repayment advices from time to time to take into account any changes in the interest rate.

8. If your last fixed rate instalment payment date falls on a holiday or non-working day (eg when typhoon no. 8 is hoisted etc.), the Fixed Mortgage Interest Rate will still be applied on that day.
9. If any part of the instalments payable during the mortgage term is not paid in full, the default interest rate will be applied to the overdue amount until the such overdue amount (together with any accrued interest) have been fully settled. The default interest rate is calculated at a percentage over the prevailing mortgage interest rate as stated in the mortgage loan facility letter.
10. For other features and benefits of our mortgage plans, please refer to the relevant product information which are available from our branches and website.

This document is for reference only. You should refer to your mortgage loan facility letter for the terms and conditions applicable to your mortgage loan.

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