

Examination of Estimates of Expenditure 2009-10
**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

DEVB(PL)086

Question Serial No.

0584

Head : 82 Buildings Department Subhead (No. & title) :

Programme : Buildings and Building Works

Controlling Officer : Director of Buildings

Director of Bureau : Secretary for Development

Question :

- (a) Under the Comprehensive Building Safety Improvement Loan Scheme of the Buildings Department, the percentage of applications approved was about 73% in 2007 and about 92% in 2008. What are the reasons for such an increase?
- (b) Of those loan applications approved in 2007 and 2008, how many were interest-bearing loan cases? What were the interest rates? How many were interest-free loan cases? At present, what is the prevailing rate for the loans?
- (c) In 2007 and 2008, how many interest-free loan applications were approved? How many applications were rejected? How much, in terms of percentage, has the income and asset of the applicant(s) exceeded the limit?

Asked by : Hon. TO Kun-sun, James

Reply :

- (a) The approval rate of the loan applications in 2007 was affected by one building repair project involving about 230 loan applications. These applications were not approved because the applicants were unable to provide the required information on details of the repair works and apportionment of contribution to the cost thereof to the Buildings Department for processing. Therefore the approval rate in 2007 was lower than that in 2008.
- (b) Amongst the loan applications approved in 2007 and 2008, there were 1 193 and 1 513 interest-bearing cases respectively. The interest rate for loans under the Comprehensive Building Safety Improvement Loan Scheme is set on the no-gain-no-loss basis and will be adjusted in tandem with the market lending rate. For the past two years, the interest rate for interest-bearing loans varied from 2.632% to 5.525% per annum. The prevailing interest rate is 2.632% per annum.

- (c) In 2007 and 2008, 205 and 155 interest-free loan applications were approved respectively. Within this period, there was only one interest-free loan application not approved in 2008 because the value of assets held by the applicant had exceeded the prescribed asset limit for the low income category by over 200%.

Signature	_____
Name in block letters	<u>AU Choi-kai</u>
Post Title	<u>Director of Buildings</u>
Date	<u>17 March 2009</u>