



# **Buildings Department**

## **An Introduction to the Building Safety Loan Scheme**

*Comprehensive Building Safety Improvement Loan Scheme also known as Building Safety Loan Scheme*

<b>1</b>	<b>Purpose of the Building Safety Loan Scheme</b>
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The purpose of the Building Safety Loan Scheme (“the Scheme”), which is administered by the Director of Buildings, is to provide loans to individual owners of all types of private buildings including domestic, composite, commercial and industrial buildings who may wish to obtain financial assistance in carrying out works for improving the safety of their buildings and/or private slopes.

<b>2</b>	<b>Works to be Financed by the Building Safety Loan Scheme</b>
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Works eligible for loans under the Scheme include –

- (a) improvement of the structural aspects of buildings, e.g. repair to loose, cracked, spalled or otherwise defective concrete;
- (b) improvement of the safety of external elevations of buildings, e.g. repair to defective rendering and mosaic tiles;
- (c) improvement of the fire safety of buildings, e.g. means of escape, means of access for fire fighting and rescue and fire resisting construction;
- (d) provision of, improvement to and maintenance of, fire service installations and equipment of buildings;
- (e) removal of unauthorized building works and illegal rooftop structures;
- (f) improvement of building and sanitary services, e.g. repairing, maintaining and replacing lifts, fire service installations and equipment, electrical wiring, gas risers, replacing defective soil, waste, rainwater, water supply and vent pipes, and underground drainage;
- (g) maintenance or improvement of the safety of slopes and retaining walls;
- (h) improvement of the fire and building safety of cubicles;
- (i) maintenance works in association with the above works, including investigation works and professional services; and
- (j) any incidental or consequential works related to (a)-(i) above, e.g. “touching up” works after remedial works.

<b>3</b>	<b>Eligibility of Applicants</b>
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Applicants are required to satisfy the following conditions to be eligible to apply for a loan from the Scheme:-

- (a) he must be the registered owner of the building/premises for which the loan relates, and the building concerned is a private building including domestic, composite, commercial or industrial building;
- (b) the provision/improvement/maintenance works to be carried out are covered under paragraph 2 above; and

- (c) have appointed qualified building professionals/competent contractors to supervise the works, as required by the concerned authority/departments.

<b>4</b>	<b>Loan Amount</b>
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- (a) The amount of the loan shall be determined by the Director of Buildings and shall not exceed the total costs of the works, as apportioned among the number of owners who contribute towards the improvement project, subject to a ceiling of \$1M per unit of accommodation for building-cum-fire safety improvement works (inclusive of lift and minor slope maintenance works etc).
- (b) For preventive slope maintenance works carried out voluntarily or works required under Dangerous Hillside Orders, or Buried Drains Affecting Slopes Orders, a ceiling of \$1M per unit of accommodation will be imposed.

<b>5</b>	<b>Interest</b>
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- (a) Registered owners who meet the eligibility criteria set out at paragraph 3 may apply for interest-bearing loans. Applicants of interest-bearing loan are not required to go through any means-test. They are required to pay interest at a rate determined by Government on the no-gain-no-loss principle. The no-gain-no-loss interest rate is currently set at 3.409 percentage points below the average best lending rate of the note-issuing banks and is subject to monthly review.
- (b) Registered owners (other than registered companies) who meet eligibility criteria at paragraph 3 above but have financial difficulties in repaying the loan with interest may apply for interest-free loans if he/she is :
- (i) a recipient of the Comprehensive Social Security Assistance; or
  - (ii) a recipient of the Normal Old Age Allowance; or
  - (iii) earning income and possessing assets (including those of other household member(s)) within the limits set for low income category applicants at Annex 1. Applicants under this category should come in person to the Buildings Department to make declaration under the Oaths and Declarations Ordinance on the income and assets under his, and his household member(s)' possession.

<b>6</b>	<b>Security</b>
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For loan less than HK\$50,000 — no security is required (not applicable to company applicants).

For loan from HK\$50,000, applicants should provide security as follows :

- (a) for loan from HK\$50,000 to HK\$150,000 — by completion of a Deed of Indemnity (by an indemnifier other than the applicant) [An indemnifier must be a permanent Hong Kong resident over 18 years of age, gainfully employed, able to supply a business address and provide a tax assessment to demonstrate the adequacy of his financial resources.];
- (b) for loan from HK\$150,001 to HK\$250,000 — by a Deed of Indemnity for borrowers who pass repayment ability and credit checks;
- (c) for loan more than HK\$250,000 — by execution of a legal charge registered against the title of a property in Hong Kong; or by a Letter of Guarantee issued by a restricted licence bank/licensed bank in Hong Kong.

For any loan amount for which approval has been given to defer repayment for an unspecified period until transfer of title of the property, or death of the borrower, whichever is the earlier, borrowers should provide security by execution of a legal charge registered against the title of the property to which the loan relates.

The Director of Buildings may waive the requirement for the provision of security for a loan after considering the circumstances of individual cases.

<b>7</b>	<b>Application Procedures</b>
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- (a) Loans are granted on a per unit basis. Eligible applicants should apply separately for each property they own.
- (b) Applicants may apply loans for inspection/detailed investigation and repair works in two separate stages, but the total amount of loan granted for the same unit shall not exceed HK\$1 Million for the same improvement project.
- (c) Application forms can be obtained/downloaded free of charge from the addresses listed at Annex 2.
- (d) Applicants are required to submit a duly completed application form together with relevant supporting documents in person or by mail to the Building Safety Loan Scheme Secretariat at Room 1908, 19/F., 113 Argyle Street, Mongkok, Kowloon. Electronic submission of loan application can also be made at [enquiry@bd.gov.hk](mailto:enquiry@bd.gov.hk).
- (e) For an application for loan relating to works in an individual unit, the application should be submitted prior to commencement of the works. For an application for loan relating to repair works in the common areas of a

building, the application should be submitted prior to completion of the works, i.e. date of the Practical Completion Certificate for the completion of repair works of the building or date of final release of the loan for other approved applications in the building, whichever is the earlier. An application for loan for repair works in the common areas of a building submitted after the completion of the repair works may only be considered in exceptional circumstances having regard to individual merits of the case, provided that the application is submitted within 6 months after completion of the repair works and that there are other approved loan cases for the same repair works in the building.

- (f) Successful applicant will receive a Letter of Approval-in-Principle issued by the Director of Buildings setting out the terms and conditions of the loan. He is required to make an appointment within the specified period to attend the Building Safety Loan Scheme Secretariat of the Buildings Department to execute a formal loan agreement before the release of loan. The borrower is required to furnish the required form of security before signing of the Loan Agreement.

<b>8</b>	<b>Time Required for Processing an Application</b>
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Subject to provision of all required supporting documents, an applicant will normally be informed of the result or progress of the application in two weeks' time for the removal of unauthorized building works and three weeks for repair works.

<b>9</b>	<b>Release of Loan</b>
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The approved loan will be released in stages to the borrowers, or the Owners' Corporation as authorized by the borrowers, according to the works schedule and the actual progress of works. Borrowers/Owners' Corporation may be required to submit progress reports certified by the contractors or authorized persons. Auditing inspections will be conducted to ensure that the required works are carried out according to schedule and that loans are spent for the intended purposes.

<b>10</b>	<b>Repayment of Loans</b>
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- (a) Borrowers will repay the principal and interest of loan by equal monthly instalments up to 36 months, subject to fluctuation of the no-gain-no-loss interest rate. The first installment will become due one month after the final drawdown of the loan.
- (b) For elderly aged 60 and above eligible for grant of interest-free loans but

have demonstrated financial difficulty to repay one month after the final draw down of the loan, the Director of Buildings, may exceptionally, extend the repayment of loan by 72 monthly instalments, or for an unspecified period until the transfer of title of the property or death of the borrower, whichever is the earlier.

- (c) With the prior approval of the Director of Buildings, borrowers may opt for early repayment of the loan.

<b>11 Enquiry</b>
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The information given in this pamphlet is for guidance purpose only. For further information or enquiry, please contact the Building Safety Loan Scheme Secretariat at Room 1908, 19/F., 113 Argyle Street, Mongkok, Kowloon, telephone number 2626 1579.

**I. Income and Asset Limits for applicants of Low Income Category :****A) For applicants aged 60 and above**

	Monthly Income Limit [Notes (i) & (ii)] (HK\$)	Asset Limit [Note (iii)] (HK\$)
Singleton	7,750	177,000
Couple	12,700	267,000

**B) For applicants below the age of 60**

Household Size	Average Monthly Household Income Limit [Notes (i), (ii) & (iii)] (HK\$)	Household Asset Limit [Note (iv)] (HK\$)
1	8,740	23,000
2	13,410	31,000
3	15,260	46,500
4	18,560	62,000
5	21,520	62,000
6	25,040	62,000
7	27,340	62,000
8	28,950	62,000
9	32,230	62,000
10 or above	33,590	62,000

Note (i) In the case that the applicant has mortgage with his property, the monthly income limit will be adjusted upwards to include his monthly mortgage repayment.

(ii) The income limit will be adjusted upwards if the family has disabled member(s).

(iii) Contribution to MPF is excluded from the income limit.

(iv) The property in which the applicant resides and to which the loan relates will be disregarded in assessing the applicant's assets.

Application form and Guidance Notes are obtainable at :

A. Addresses :

(a) **Buildings Department**

at Room 1908, 19/F, 113 Argyle Street, Mongkok, Kowloon

(b) **Fire Services Department**

(i) Fire Safety Command Headquarters

at North Wing, 7/F, 1 Hong Chong Road, Tsim Sha Tsui East, Kowloon.

(ii) Licensing and Certification Command Headquarters

at 5/F, 1 Hong Chong Road, Tsim Sha Tsui East, Kowloon.

(iii) Fire Protection Regional Offices of FSD

(iv) All fire stations

(c) **Electrical and Mechanical Services Department**

Customer Services Office

at G/F, EMSD Headquarters Building, 3 Kai Shing Street, Kowloon, Hong Kong

(d) **Civil Engineering and Development Department**

Geotechnical Engineering Office

at 7/F, Civil Engineering and Development Building, 101 Princess Margaret Road, Homantin, Kowloon.

(e) **Water Supplies Department**

All Customer Enquiry Centres of WSD

(f) **Home Affairs Department**

All District Offices

B. Web Site

**Buildings Department**

<http://www.bd.gov.hk>

*Buildings Department reserves the right to update any information contained herein as and when necessary.*