Application Notes
(Pilot Scheme for Seepage)

(AN-BSLS Pilot Scheme for Seepage)

Integrated Building Rehabilitation Assistance Scheme

Building Safety Loan Scheme

Enquiry

2626 1579

屋宇署
BUILDINGS DEPARTMENT

如欲索取中文版申請須知，請致電2626 1579

AN-BSLS Pilot Scheme for Seepage

Submission Methods and Required Documents[@]

Submission Methods

Applicants who wish to expedite the processing of loan applications under the "Pilot Scheme of Enhancing the Inspection and Testing Procedures for Handling Water Seepage in Buildings" ("Pilot Scheme") through the "Provisional Approval Procedure" must submit all necessary documents together with the completed designated application form by any of the following methods to the Building Safety Loan Scheme ("BSLS") Secretariat of Buildings Department ("BD"):

(a) By Email: BSLS_seepage@bd.gov.hk
(Please indicate "Loan Application under Pilot Scheme" in the subject/title of the email)

(b) Submit in person or by post to BD:
Receipt Counter at G/F, Buildings Department Headquarters, North Tower, West Kowloon Government Offices, 11 Hoi Ting Road, Yau Ma Tei, Kowloon
(Please mark "Loan Application under Pilot Scheme" on the envelope)

Supporting Documents Required

For loan applications concerning inspection and testing procedures and related repair works for handling water seepage problems in individual units ("the Procedures and Works") (see the items in the summary of the quotation form as prescribed in the Appendix to the application form for more details of the Procedures and Works), the applicant must submit the following supporting documents along with the application form:

(a) Applicable to all applicants[*]

(i) Copy(ies) of the order(s)/notice(s)/advisory letter(s) issued by government bureau(x)/department(s) or office(s) [such as the Food and Environmental Hygiene Department or the Joint Office for Investigation of Water Seepage Complaints (Joint Office)];

(ii) A completed and signed summary of the quotation form as prescribed in the Appendix to the application form (to be signed by the contractor and the applicant);

(iii) A copy of the quotation (with details of the works items and a cost breakdown);

(iv) A copy of the contractor's valid business registration certificate;

[@] The application form and all supporting documents submitted will not be returned to the applicants.

[*] The application form must be completed and submitted along with all necessary supporting documents for processing.

(v) A copy of the contractor's valid minor works licence (if applicable);

(vi) A copy of the specialist contractor's valid registration certificate (applicable to removal of structures with asbestos containing material, etc.); and

(vii) Colour photographs showing the parts to undergo the Procedures and Works.

(b) Applicable to individual applicants only

1. A copy of HKID card of the applicant (if there is no HKID card, please provide other valid personal identification document specified under section 17B(1) of the Immigration Ordinance (Cap.115)).

2. The following is applicable to individual applicants <u>applying for interest-free loans</u> only (please also refer to paragraph 3 below for details):

   (a) *For individual applicants who are recipients of the Comprehensive Social Security Assistance and have completed item (b) under Section 5 of the Application Form*: A copy of proof of receiving the Comprehensive Social Security Assistance; or

   (b) *For individual applicants who are recipients of the Old Age Living Allowance and have completed item (b) under Section 5 of the Application Form*: A copy of proof of receiving the Old Age Living Allowance; or

   (c) *For individual applicants with low income and limited assets and have completed item (c) under the Section 5 of the Application Form,* the following are required –

      (i) A letter from the employer to certify the applicant's average monthly income for the past 12 months, or a copy of the latest tax assessment on his annual income. An applicant aged below 60 is required to submit similar certification letter(s) from the employer(s) of other household members as their income proof. An applicant aged 60 or above is only required to submit a letter from the employer of his/her spouse as proof of their annual income; and

      (ii) A photocopy of all the bank account book(s)/monthly bank statements (including the payroll bank account), in the applicant's (and the other household member(s)') possession showing the details of withdrawals and deposits (including net back items) for the last 12 months. An applicant aged 60 or above is only required to submit bank account information of his/her spouse.

(c) Applicable to corporate applicants only[#]

1. A copy of the Certificate of Incorporation and Business Registration Certificate of the company;

2. A copy of the document showing the board resolution of the company for the loan application (including the loan amount and the person authorised to handle the loan application);

3. A copy of the latest Annual Return of the company; and

4. If there have been changes in the particulars of the secretary or the directors after the said Annual Return has been submitted to the Companies Registry, a copy of the relevant Notification of Changes of Secretary and Directors.

[#] Corporate applicants are required to provide security and would be provided with the relevant details should their Loan applications be approved.

AN-BSLS Pilot Scheme for Seepage

1. Eligibility of Applicants

1.1 Applicants are required to meet the following eligibility criteria to apply for a loan from the Scheme. The applicant:

(a) must be the registered owner of the premises for which the loan relates, and the Food and Environmental Hygiene Department or Joint Office has issued an Advisory/Notification letter, Nuisance Notice, or Nuisance Order to the premises. The building in which the premises are situated must be a private building (including domestic, composite, commercial or industrial building); and

(b) has appointed qualified building professionals/competent contractors to supervise the Procedures and Works, as required by the concerned authority/departments.

2. Loan Amount

2.1 The amount of the loan shall be determined by the Director of Buildings and shall not exceed the total costs of the Procedures and Works, subject to a ceiling of HK$1 Million per unit of accommodation.

2.2 In order to avoid "double benefits", the applicant must ensure that the applicant has not concurrently applied for the BSLS and any grant scheme(s) administered by the Urban Renewal Authority (such as the "Building Maintenance Grant Schemes for Needy Owners (BMGSNO)") for the same Procedures and Works, unless the said grant scheme(s) is/are used to repay the outstanding loan balance owed to the BSLS. Should the "double benefits" principle be breached, the applicant is obliged to repay the loan and accrued interest thereon to the Government forthwith in a single lump sum.

3. Interest

3.1 Registered owners who meet the eligibility criteria set out at paragraph 1 above may apply for interest-bearing loans. Applicants of interest-bearing loans are not required to go through any means-test. They are required to pay interest at a rate determined and updated by the Government on the no-gain-no-loss principle.

3.2 Applicants (other than registered companies) who have financial difficulties in repaying the loans with interest may apply for interest-free loans if :

(a) the applicant is a recipient of the Comprehensive Social Security Assistance; or

(b) the applicant is a recipient of the Old Age Living Allowance; or

(c) the applicant's income and assets (including other household member(s)) shall not exceed the limits stipulated at **<u>Appendix 1</u>** to this Application Notes and must declare their income and assets to the Buildings Department (Details in paragraph 3.4 below).

3.3 Estimated value of asset and income should include but not limited to:

(a) Asset

(i) Land/properties/parking space (excluding the applicant occupied property related to the loan);

(ii) Vehicles and vessels;

(iii) Taxi/public light bus licences;

(iv) Business undertakings;

(v) Investments, such as stocks, warrants, bonds and funds, etc;

(vi) Bank deposits; and

(vii) Cash in hand or loans made to others (those loans not yet repaid and of an amount less than HK$5,000 may be disregarded).

(b) Income

The monthly income is the average of the total remuneration in the past 12 months. Income also includes rental received from any property owned, contribution from relatives/siblings, allowance from Social Welfare Department, etc.

3.4 Interest-free loan applicants with low income and limited assets will be required to come in person to make statutory declarations under the Oaths & Declarations Ordinance (Cap. 11) at the Buildings Department, to the effect that all the information and documentation supporting the application are true, correct and accurate to the best of their knowledge.

3.5 Applicants must appoint qualified building professionals and competent contractors to supervise the works as required by the concerned authority/departments. There are many qualified professionals and practitioners in the market who can undertake water seepage inspections and carry out repairs for defective drainage pipes, water supply pipes, and waterproofing systems. The Buildings Department has compiled relevant information, including lists of professionals, consultancy firms, contractors providing seepage detection services, licensed plumbers, and reference fee information, to assist property owners in finding and appointing suitable parties for the Procedures and Works. You may refer to the website of Joint Office related to the Pilot Scheme for more details (https://www.waterseepage.gov.hk/en/water_seepage/pilot_scheme.html).

4. Security

4.1 For loan less than HK$50,000, no security is required for individual applicants. Corporate applicants must provide security as set out in paragraph 4.2(a) below (i.e. a Deed of Indemnity).

4.2 For loan from HK$50,000 or above, applicants should provide security as follows:

(a) For loan from HK$50,000 to HK$150,000 –– A Deed of Indemnity shall be executed by an indemnifier other than the applicant.

(b) For loan from HK$150,001 to HK$250,000 –– A Deed of Indemnity shall be executed by an indemnifier other than the applicant, and the applicant shall provide the documentary proof as required by the Government, demonstrate the applicant's repayment ability to the Government's satisfaction and pass the 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 an "authorized institution" as defined in section 2 of the Banking Ordinance (Cap. 155) (e.g. a restricted license bank/licensed bank) in Hong Kong.

An indemnifier must be a permanent resident of Hong Kong over 18 years of age, gainfully employed, able to supply an address proof and provide a tax assessment as proof of adequacy financial resources.

5. Release of Loans

5.1 In alignment with the Joint Office's Pilot Scheme, the BSLS will facilitate the swift processing of loan applications based on the "Provisional Approval Procedure" [i.e. the giving of provisional approval to disburse the first drawdown of the provisional loan amount (i.e. no more than 30% of the provisional loan amount) to the applicant subject to the signing of all required documents and the provision of security (if required, as detailed in paragraph 4 above), with the final approved loan amount and the eligibility for interest-free loan (if so applied by the applicant) to be ultimately determined and adjusted following the completion of the vetting and approval procedures.

5.2 The BSLS mandates that the applicant shall provide, complete and sign or execute all required information and documents (including but not limited to security documents, loan agreements and progress reports, etc.) as required by the Government and to the Government's satisfaction, for the purpose of the Government's processing of the loan application under the "Provisional Approval Procedure". It is important to note that –

(a) the Government's processing period for the loan application may extend beyond the timeframe stipulated in the "Advisory/Notification Letter", "Nuisance Notice" or "Nuisance Order" issued by the Joint Office ("Joint Office's Letter/Notice/Order") within which the Procedures and Works are required to be carried out; and

(b) the Government's disbursement of the provisional loan amount (subject to the approval of the loan application by the Government and the signing of the loan agreement by the relevant parties) may be made after the expiry of any of the timeframe referred to in the Joint Office's Letter/Notice/Order. For the avoidance of doubt –

(i) the submission of loan application by the applicant shall not constitute a waiver of any timeframe stipulated in the Joint Office's Letter/Notice/Order, and the applicant is responsible for ensuring full compliance with the said timeframe; and

(ii) notwithstanding the submission of loan application by the applicant, the owner(s) of the unit (including the applicant)/relevant party(ies) to the Joint Office's Letter/Notice/Order shall remain responsible and liable for compliance with the Joint Office's Letter/Notice/Order and the costs and expenses arising therefrom, and the Government (including BD) shall not be held liable for any of such responsibilities and costs and expenses including any losses, costs or expenses arising from the time required for the Government to process the loan application and/or disburse any part of the loan.

5.3 Regardless of the approved loan amount (whether provisional or final), the applicant and any co-owner(s) are responsible for ensuring that all of the Procedures and Works are in full compliance with all laws, ordinances, regulations and rules, including but not limited to the Buildings (Minor Works) Regulation (Cap. 123N), as well as all safety standards set by the relevant government bureau(x)/department(s). The approval of the application for loan does not imply that any of the Procedures and Works has been authorized by BD or any government bureau(x)/department(s) or any office(s), nor does it imply that the Procedures and Works can satisfy the inspection/maintenance requirements specified in the Joint Office's Letter/Notice/Order.

5.4 After the applicant as borrower and the Government have entered into the loan agreement, the loan will be released by stages as outlined below, in no more than 2 drawdowns (as confirmed by the Government), according to the schedule and actual progress of the Procedures and Works. Interest will accrue on the part of the loan already released starting from the date of release of the loan in each drawdown.
(A registration fee of $530 payable by the borrower will be deducted from the first drawdown of the loan)

Stage 1:
Release of first drawdown of the loan (i.e. no more than 30% of the provisional loan amount) after the signing of the loan agreement (which will normally be released 7 working days after the signing of the loan agreement).

Stage 2:
Release of final drawdown of the loan upon completion of the Procedures and Works and submission of final progress report together with required supporting document(s), subject to adjustment and variation according to the determination of the final approved loan amount.

5.5 Irrespective of whether the final approved loan amount is the same as, less than or greater than the provisional loan amount, the Government shall give to the borrower a written notice of the determination of the final approved loan amount and the borrower shall enter into a supplemental agreement (in a form prescribed by the Government) as the Government may require within the specified time in the said written notice. **If the borrower fails or refuses to sign the supplemental agreement, the Government shall have the right to terminate the loan agreement pursuant to the terms and conditions thereof, whereupon the borrower shall forthwith repay to the Government all provisional loan amount already released or disbursed to the borrower and any interest accrued thereon.**

6. Repayment of Loans

(a) Borrowers will repay the principal and interest of loans by equal monthly installments. The repayment period is up to 36 months/installments for interest-bearing loan and up to 72 months/installments for interest-free loan. For interest-bearing loan, borrowers are required to pay interest on the outstanding loan amount based on the no-gain-no-loss interest rate as announced by the Government from time to time. The first installment will become due one month after the final drawdown of the loans.

(b) Borrowers may opt for early repayment of the loan in accordance with the loan agreement.

Income & Asset Limits Table

Building Safety Loan Scheme (including loan applications under the Pilot Scheme) (Buildings Department)

Earning income and possessing assets (including other household members) within the limits set for applicants of interest-free loan with low income and limited assets is listed below:

(Notice will not be given in case there are any changes of the income and asset limits listed in the table below. For updated information, please go to website of Buildings Department (www.bd.gov.hk) or contact us at 2626 1579.)

(i) For applicants aged 60 and above

Household Size	Monthly Income Limit (HK$) [Notes (1) & (2)]	Asset Limit (HK$) [Note (3)]
Singleton	13,455	415,000
Couple	21,190	630,000

(ii) For applicants below the age of 60

Household Size	Average Monthly Household Income Limit (HK$) [Notes (1), (2) & (4)]	Household Asset Limit (HK$) [Notes (3) & (4)]
1	13,230	295,000
2	20,680	400,000
3	25,870	521,000
4	32,020	608,000
5	40,150	675,000
6	46,620	731,000
7	51,400	781,000
8	57,470	816,000
9	63,380	904,000
10 or above	69,150	974,000

Note

(1) 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.

(2) The income limit will be adjusted upwards if any member(s) is/are recipient(s) of the household of Disability Allowance.

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

(4) Household member(s) means all the household member(s) living together in a unit.