

Deposit-linked Mortgage Repayment Plan

Why consider/Why not consider

Consider it if...

- ✓ you have surplus fund as saving deposit and would like to earn higher deposit interest rate same as the mortgage loan interest rate which also helps to offset your mortgage interest expenses at the same time
- ✓ you are willing to maintain HSBC Premier or HSBC Advance Account enjoying the flexibility in managing your wealth & savings while having a mortgage loan separately

Not consider it if...

- ✗ you prefer managing your surplus fund with other investments instead of saving deposit only
- ✗ you prefer having the mortgage interest rate to closely follow money market interest rate movement
- ✗ you consider applying deposit-linked mortgage loan amount lower than HKD700,000 (BLR-based plan) or HKD1,000,000 (HIBOR-based plan)

Highlights for your best interest

- Separate access to mortgage and savings accounts. You can enjoy a preferential interest rate same as the mortgage interest rate for the saving deposit balance up to 50% of the outstanding principal amount of the mortgage loan with us
- You can choose to use up to 3 Hong Kong Dollar savings accounts under HSBC Premier, HSBC Advance or Personal Integrated Account ('Deposit-linked account') to enjoy the preferential interest rate. For the individual borrower, only the Deposit-linked account held by the borrower or spouse of the borrower or their joint accounts is/are eligible. For company borrower, only the Deposit-linked account held by the guarantor or spouse of the guarantor or their joint accounts is/are eligible
- We will assess your application by making reference to credit report from a credit reference agency "TransUnion Limited"; your income proof, other information submitted where applicable as well as the guideline of the Hong Kong Monetary Authority
- To ensure your understanding on your obligation and commitment during the mortgage period, please note and agree all 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 installment and full / partial prepayment term
- Whenever you face financial difficulty in mortgage repayment, an 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 disaster during the mortgage loan period, you are required to arrange fire insurance with an insurance company acceptable by us to provide coverage for replacement cost to reduce the potential loss
- To minimize any unfortunate events affecting your home contents and your ability to repay the mortgage, you could contact us to understand more on related protection

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Product Information

Deposit-linked Mortgage Repayment Plan

As your trusted mortgage partner, HSBC understands that you may have various wealth management needs. Our Deposit-linked Mortgage Repayment Plan¹ allows you to enjoy a preferential interest rate equivalent to your mortgage loan interest rate² for a certain amount of deposits once you draw a mortgage loan with us. In addition to better interest return, you can also have greater flexibility to manage your finances.

Key benefits

1. Fruitful returns on your savings deposit

You will enjoy a preferential interest rate same as the mortgage interest rate for your savings deposit balance up to 50% of the outstanding principal amount of your mortgage loan with us. With a much higher interest return, the net interest cost of your mortgage loan can be reduced.

2. Flexibility in reallocating your funds and managing your finances

What's more, you will have access to your separate mortgage and savings accounts, allowing you to have easy and complete control over the management of your finances.

The table below compares the mortgage interest payment and savings interest return (HKD) for the entire repayment tenor under a Deposit-linked Mortgage Repayment Plan and a Standard Mortgage Plan. You will see how the Deposit-linked Mortgage Repayment Plan can reduce your net mortgage interest costs.

Assume a loan size of HKD2,000,000 with a repayment tenor of 20 years and an interest rate of 1.89%:

	Deposit-linked Mortgage Repayment Plan	Standard Mortgage Plan
Mortgage loan interest rate (p.a.)	1.89%	1.89%
Savings deposit interest rate (p.a.)	1.89%	0.001%
Monthly mortgage instalment	\$10,014	\$10,014
Lump sum deposit amount	\$500,000	\$500,000
Mortgage interest payment for entire loan tenor (i)	\$403,358	\$403,358
Savings interest return for entire loan tenor (ii)	\$157,353	\$100
Net interest expense (i) – (ii)	\$246,005 (x)	\$403,258 (y)
Difference on net interest expense (x) – (y)	\$157,253 or 39% less	

Figures shown in the above table are for reference only and assume a loan with HIBOR-based drawn on 1 May 2016. Please contact HSBC for details.

The above example illustrates how Deposit-linked Mortgage Repayment Plan lets you earn a much higher return on your deposit savings while paying a mortgage interest rate higher than that of a Standard Mortgage Plan. You may make a lump sum, or regular monthly deposits, or use a combination of both methods to maximize the benefits made available under the Deposit-linked Mortgage Repayment Plan.

1. Deposit-linked Mortgage Repayment Plan is applicable to BLR-based mortgage loans with a minimum loan amount of HKD700,000 or HIBOR-based mortgage loans with a minimum loan amount of HKD1,000,000.
2. You can choose to use up to 3 Hong Kong Dollar (HKD) savings accounts under HSBC Premier, HSBC Advance or Personal Integrated Account (Deposit-linked accounts). For individual borrower, only the Deposit-linked account held by the borrower or spouse of the borrower or their joint account is eligible. For company borrower, only the Deposit-linked account held by the guarantor or spouse of the guarantor or their joint account is eligible.

The amount of deposit balance eligible for a preferential interest rate (Available Threshold) is up to 50% of the outstanding principal amount of the mortgage loan with us, and the Available Threshold will be adjusted according to the outstanding principal balance of the mortgage loan. Savings interest will accrue on the deposit balance exceeding the Available Threshold in accordance with the Integrated Account Terms and Conditions.

In the case of 2 Deposit-linked accounts, the Available Threshold for each account is up to 50% of the outstanding principal amount of the mortgage loan divided by 2. In the case of 3 Deposit-linked accounts, the Available Threshold for each account is up to 50% of the outstanding principal amount of the mortgage loan divided by 3.

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 www.hsbc.com.hk
- Call our Mortgage Advice Hotline on 2748 8080
- Visit any HSBC Mortgage Centre or HSBC branch

Note:

The above information is for reference only. For full details on the terms and conditions, please contact our HSBC staff.

To borrow or not to borrow? Borrow only if you can repay!