

URBAN RENEWAL AUTHORITY
STARTER HOMES PILOT PROJECT

Procedural Guidelines

Application for Approval of (i) the Mortgagee / Chargee and (ii) the Form and Provisions of the Mortgage / Charge for Securing Mortgage Loan for Refinancing the Outstanding Loan Secured by the Existing Charge Pursuant to Special Condition No. (41)(d) of Conditions of Grant No. 20249 (as varied or modified by a Modification Letter dated 14 November 2018 and registered in the Land Registry by Memorial No.18112200550078) (“the Government Grant”)

1. Application for Approval

- 1.1 Under the Government Grant, you are required to seek the approval from Urban Renewal Authority (“URA”) for (i) the mortgagee / chargee and (ii) the form and provisions of the mortgage / charge (“the Approval”) to secure mortgage loan for refinancing the outstanding loan secured by an existing charge over the Starter Home Unit.

2. Required Documents and Information

- 2.1 With regard to your application, you are required to complete the Application Form (as defined in Paragraph 4.1 below) and attach a letter (copy thereof is sufficient) from the New First Chargee regarding the approval in-principle to your mortgage loan application.

3. Terms and Conditions of the Approval

- 3.1 URA shall have full discretion in determining whether to grant the Approval and may impose such terms and conditions for the Approval as it may think fit.
- 3.2 Subject to Paragraph 3.1 above, Appendix A sets out the basic terms and conditions for the granting of the Approval. Your attention is particularly drawn to Clause 3 of Part II of Appendix A.
- 3.3 You are further recommended to seek independent legal advice if you have any queries thereon.

4. Application Procedure

- 4.1 For submitting application, please fill in and return to URA the application form provided at Appendix B (“the Application Form”) together with the supporting documents and information set out in the Application Form.
- 4.2 It normally takes 10 working days to process the application.
- 4.3 Please see the flow chart provided at Appendix C showing the whole application procedures for your reference. The application procedures may change from time to time. The latest announced application procedures shall prevail.

5. **Collection / Transfer of Personal Data / Information**

5.1 Purpose and Method of Collecting Personal Data / Information

- (i) The personal data / information contained in the Application Form is used by URA for the application for the Approval related purposes only.
- (ii) The personal data / information contained in the Application Form is provided on a voluntary basis. However, URA may not be able to process the application if insufficient information is provided.

5.2 Transfer of Personal Data / Information

URA and its authorized officers, while collecting the personal data / information required for the verification of such personal data / information contained in the Application Form, may for the purpose of the said collection or its directly related usages, transfer the personal data / information contained in the Application Form to other divisions / offices of URA, other service providers, relevant government departments (including but not limited to the Housing Department, Transport and Housing Bureau, Lands Department and Rating & Valuation Department), public / private organizations (including but not to the Hong Kong Housing Society) and any other third party in possession of the personal data / information of the owner. The personal data / information contained in the Application Form may for such reason be disclosed to the said government departments, public / private organizations and any other relevant third party.

5.3 Access of Personal Particulars

Pursuant to the Personal Data (Privacy) Ordinance, the owner(s) / agent for owner(s) are entitled to request access to and correction of his/her personal particulars contained in the Application Form. Any such requests should be made in writing and directed by post to General Manager, Property and Land, Urban Renewal Authority, 26/F COSCO Tower, 183 Queen's Road Central, Hong Kong (Please indicate "Request for Personal Data" on the envelope). A fee may be charged for such requests.

6. **Selection of New First Charge's Solicitors**

6.1 Pursuant to the Government Grant, the New First Charge shall be in such form and containing such provisions as URA shall approve or require. URA will appoint its own solicitors to act on URA's behalf to approve the New First Charge prepared by the New First Charge's Solicitors.

The legal costs to be borne by the applicant in the refinancing transaction application and transactions include legal costs of the existing chargee's solicitors for discharging the existing charge, legal costs of the New First Charge's Solicitors for preparing the New First Charge and, where applicable, legal costs of URA's Solicitors for approving the New First Charge.

6.2 If the New First Chargee appoints the URA's Solicitors as its solicitors in preparing the New First Charge, URA is prepared to appoint the same solicitors to act for URA in approving the New First Charge.

- 6.3 Both the New First Chargee and the New First Chargee's Solicitors shall provide undertakings to URA that the New First Charge will follow the standard legal charge form pre-approved by URA.
- 6.4 You are advised to directly enquire with the New First Chargee's Solicitors and/or URA's Solicitors for details of legal costs to be incurred in preparing and/or approving the New First Charge.

For any enquiry, please contact Urban Renewal Authority at telephone no. 2588 2222.

Basic Terms & Conditions for the Approval

I. DEFINITIONS:

If the context so permits or requires and where not inapplicable the following terms shall have the following meanings:-

“the Borrower”	means such person(s) to be specified in the Approval Letter;
“the Approval Letter”	means the letter of approval issued or to be issued by URA to the Borrower;
“the Existing Charge”	means the existing charge over the Unit
“the Unit”	means such property specified or to be specified in the Approval Letter;
“URA”	means Urban Renewal Authority;
“URA’s Solicitors”	means such solicitor firm specified or to be specified in the Approval Letter;
“the New First Charge”	means the new first charge over the Unit to be executed by the Borrower;
“the New First Chargee”	means such bank or financial institution or the organization of the Borrower’s employer specified or to be specified in the Approval Letter in whose favour the New First Charge is made;
“the New Loan”	means the new mortgage loan to be advanced to the Borrower by the New First Chargee;
“the Government Grant”	means Conditions of Grant No. 20249 (as varied or modified by a Modification Letter dated 14 November 2018 and registered in the Land Registry by Memorial No.18112200550078).

II. GENERAL TERMS & CONDITIONS:

1. The New Loan shall be secured by the New First Charge over the Unit owned by the Borrower under the Urban Renewal Authority Starter Homes Pilot Project.
2. The New Loan must be utilized for paying off the outstanding loan secured by the Existing Charge.
3. The New Loan must be for a fixed amount which shall not in any event exceed the outstanding loan secured by the Existing Charge.

Appendix A

4. The New First Charge shall be in such form and containing such provisions as URA may approve or require including, in particular, an express provision that the New First Charge is subject to the Government Grant and the non-alienation restrictions therein contained.
5. Subject to Clause 8 below, the proposed New First Charge shall be submitted to URA's Solicitors for URA's written approval before execution.
6. Subject to Clause 8 below, the Borrower shall cause each of the New First Chargee and the New First Chargee's Solicitors to send to URA or URA's Solicitors before the date of execution of the New First Charge a undertaking letter as per the forms set out in Appendix A1 undertaking that the New First Charge shall be in the approved form.
7. Subject to Clause 8 below, the Borrower shall reimburse URA for the legal fee and expenses incurred by URA in connection with the approval of the New First Charge. The Borrower's obligation to reimburse URA is independent of the outcome of the Borrower's application for approval.
8. Clauses 5, 6 and 7 above shall not apply if the New First Chargee appoints URA's Solicitors as its solicitors in the preparation and execution of the New First Charge.
9. The approval given under the Approval Letter shall only be valid for a period of 3 months from the date of the Approval Letter.
10. In the event of any breach of the terms or conditions herein, the approval given under the Approval Letter by URA shall be revoked and become invalid.
11. The Existing Charge must be discharged before the New First Charge is created.

Undertaking Letter
[Letterhead of New First Chargee]

Urban Renewal Authority
26/F COSCO Tower
183 Queen's Road Central
Hong Kong

Attn:

Dear Sirs,

Re: Property:
Borrower: _____

We refer to your letter (the "Approval Letter") to the Borrower dated [DD MMM YYYY] granting your approval of the creation of a new first charge (the "New First Charge") in respect of the Property in our favour and undertake that the New First Charge to be created shall comply with all the terms and conditions of the Approval Letter and the form shall strictly adhere to your standard Legal Charge Form as attached.

Yours faithfully,

[Name of the New First Chargee]

Encl.

Undertaking Letter
[Letterhead of New First Chargee's Solicitors]

Urban Renewal Authority
26/F COSCO Tower
183 Queen's Road Central
Hong Kong

Attn:

Dear Sirs,

Re: Property:
Borrower: _____

We refer to your letter (the "Approval Letter") to the Borrower dated [DD MMM YYYY] granting your approval of the creation of a new first charge (the "New First Charge") in respect of the Property in favour of our client, [name of New First Chargee] and undertake that the New First Charge to be created shall comply with all the terms and conditions of the Approval Letter and the form shall strictly adhere to your standard Legal Charge Form as attached.

Yours faithfully,

[Name of the New First Chargee's Solicitors]

Encl.

[Legal Charge Form]

4. My Correspondence
Address and Contact
Telephone Numbers

Tel Nos. _____ (Home)
_____ (Mobile)
_____ (Office)

5. I/ We understand that this application is subject to the “Collection / Transfer of Personal Data / Information” set out in Paragraph 5 of the “Procedural Guidelines”.

In supporting my application, I enclose the following document(s) for your action.

A copy of the letter from the New First Chargee dated _____
(as referred to in Paragraph 2.1 of the “Procedural Guidelines”)

Owner Signature
Name:
H.K.I.C. No.:
Date:

Owner Signature
Name:
H.K.I.C. No.:
Date:

Application Procedures

