



HONG LEONG
FINANCE

Press Release

Hong Leong Finance Helps Retirees Monetise Private Home Properties

Singapore, 22 March 2017 – In a move to welcome the Singapore Government’s recent relaxation of the Total Debt Servicing Ratio (TDSR) framework for mortgage equity withdrawal loans with Loan-to-Value (LTV) ratios of 50% and below, Hong Leong Finance (HLF) is rolling out a brand new loan programme that provides flexibility to help retirees to cash-out from their private home properties.

From tomorrow on March 23, HLF’s new loan programme called “Mortgage Equity@50” (or ME@50 for short) will give retirees cash liquidity in the form of term loan up to 50% of mortgage equity with TDSR exemption. The first of its kind in Singapore, the programme comes with a unique “Convenience” feature that allows the customers to make multiple early capital payments whenever they have spare cash which will save on interest cost. They can also enjoy the penalty waiver during the lock-in loan period. (Typically 1.5% penalty is chargeable on the early capital payments.)

Under the “Convenience” feature, customers who have made one or multiple early capital payments during the two years will qualify for a simpler and more straightforward application process for new loans on the same mortgage, if required. With just their identification proofs, customers can simply put in the loan applications for the aggregate of loans on the mortgage to be capped within the scheduled reducing principal balance at time of application, as if no early capital payments were made.

HLF’s ME@50 fast tracks the approval process to the letter of offer to under a week for add-on loan application. Likewise, the loan disbursement is shortened, taking just three business days from the day of loan acceptance by customers.

Mr Ang Tang Chor, President of Hong Leong Finance said, “Demand to borrow against the value of private residential properties to obtain additional cash is growing. Retirees want flexibility to monetise their properties during their retirement years. Their needs lie primarily on improving and enhancing their lifestyle and for meeting specific purposes such as renovating their properties for a much needed upgrade and paying for their spouses’ private medical expenses.”

“With ME@50, we aim to help retirees with their different needs to cash-out on their mortgage equity up to 50% of the value so that they can enjoy the freedom of a better lifestyle and manage the financial challenges. We also recognise that their cash flow and the cash urgency needs differ,” said Mr Ang.

“HLF has therefore introduced this innovative ‘Convenience’ feature in ME@50 that provides customers the flexibility to make early capital payments if they have spare cash and enjoy the added waived penalty, or apply for additional loans quickly if needed,” he added.

To enjoy the Convenience feature, customers only need to pay a fee of 0.3% on their ME@50. The feature is renewable on approval on 2-yearly basis.

ME@50 is available in two choices: fixed and variable rate packages. ***(refer to Appendix A)***.

Interested applicants can make appointment with HLF Relationship Managers by contacting the Customer Service Centre at 6579 6777.

Hong Leong Finance is Singapore’s largest finance company with 28 branches island-wide with shareholders’ funds at S\$1.7 billion, S\$10.44 billion in deposits and S\$9.52 billion in loans, advances and receivables as at 31 December 2016. It has won the “ASEAN Finance Company of the Year” for three straight years since 2014 at the Asian Banking & Finance Review Retail Banking Awards.

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Appendix A

Mortgage Equity@50 (or ME@50)		
Rates for Loan >=S\$1,500,000 (% pa) 1 st Year 2 nd Year 3 rd Year Thereafter	<u>Variable Rates</u> 1.65% 1.75% 1.95% 3.25%	<u>2-Year Fixed Rates</u> 1.75% (Fixed) 1.85% (Fixed) 1.95% 3.25%
Lock-in penalty	1.5% of the prepaid amount within 2 years from the date of loan disbursement. <u>“Convenience” Feature Option</u> This provides the flexibility for this group of borrowers to make early partial capital repayment with 1.5% penalty waiver, enjoy simplified add-on loan application express processing. To enjoy the Convenience feature, customers only need to pay a fee of 0.3% on their ME@50. The feature is renewable on approval on 2-yearly basis.	

Note: Rates are pegged against the prevailing Private Property Rate (PPR) @ 3.70% per annum.