

## LCQ10: Pilot scheme for fixed-rate mortgages

Following is a question by the Hon Ng Wing-ka and a written reply by the Acting Secretary for Financial Services and the Treasury, Mr Joseph Chan, in the Legislative Council today (April 21):

Question:

In delivering the 2020-21 Budget, the Financial Secretary announced that the Hong Kong Mortgage Corporation Limited (HKMC) would launch a pilot scheme for fixed-rate mortgages (pilot scheme) to provide potential homebuyers with fixed-rate mortgage options for periods of 10, 15 and 20 years, with the loan amount being capped at \$10 million. At the end of last year, HKMC extended the application period of the pilot scheme to October 30 this year, and lowered the interest rates per annum for mortgages for the aforesaid loan periods to 1.99 per cent, 2.09 per cent and 2.19 per cent respectively. In this connection, will the Government inform this Council:

- (1) of the respective numbers of applications received and approved by HKMC since the pilot scheme was launched, with a breakdown by loan period; the average loan amount of each approved application in respect of each loan period;
- (2) whether it will request HKMC to (i) offer fixed-rate mortgage schemes with loan periods of 25 and 30 years respectively, (ii) raise the ceiling of the loan amount, and (iii) lower the interest rates per annum further; if so, of the details; if not, the reasons for that;
- (3) as the website of HKMC shows that only nine banks are participating in the pilot scheme at present, whether the Government will persuade more banks to participate in the pilot scheme; if so, of the details;
- (4) as there are comments that the pilot scheme has only received a lukewarm response from homebuyers, of the Government's measures to increase the attractiveness of the pilot scheme; and
- (5) whether it will request HKMC to further extend the application period of the pilot scheme or regularise the scheme; if so, of the details; if not, the reasons for that?

Reply:

President,

The Fixed-rate Mortgage Pilot Scheme with options for 10, 15 and 20 years aims to provide an alternative financing option to homebuyers for mitigating their risks arising from interest rate volatility, thereby enhancing banking stability in the long run. Having consulted the Hong Kong

Mortgage Corporation Limited (HKMC), my reply to the various parts of the question is as follows:

(1) As of end-March 2021, the Fixed-rate Mortgage Pilot Scheme has received 50 applications, of which 36 have been approved, with an average loan amount of HK\$5.25 million among the approved applications. Details are as follows:

Period	Number of applications received	Number of applications approved	Average loan amount of approved applications (in HK\$ million)
10-year	30	19	5.25
15-year	4	4	3.72
20-year	16	13	5.72
Overall	50	36	5.25

(2) The Fixed-rate Mortgage Pilot Scheme remains open for applications. The HKMC will review the effectiveness of the scheme (including the loan tenors) at an appropriate juncture before deciding the way forward.

The maximum loan amount of each private residential mortgage has been set according to business and risk management considerations. Considering the average loan amount of the approved applications so far (HK\$5.25 million), the HKMC does not see a need to change the maximum loan amount at this juncture.

In response to the change in market interest rates, the HKMC adjusted the interest rates under the Fixed-rate Mortgage Pilot Scheme in November 2020.

(3) There are currently nine participating banks of different scales. This is appropriate for a pilot scheme.

(4) and (5) Since the launch of the Fixed-rate Mortgage Pilot Scheme in May 2020, applications with loan amount totalling over HK\$200 million have been received. Market demand for fixed-rate mortgages is affected by various factors such as product features, conditions of the economy and the property market, as well as interest rate trends. The pilot scheme will remain open for applications in the coming half year. The HKMC will review the effectiveness of the scheme at an appropriate juncture, before deciding the way forward.

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## Promising cellist Thomas Hung to perform in June

The rising local young cellist Thomas Hung will give a recital in June.

Hung will collaborate with pianist Colleen Lee to perform Schumann's "Adagio and Allegro, Op. 70", Mendelssohn's "Cello Sonata in D, Op. 58, No. 2" and Franck's "Sonata in A for Cello and Piano"; Hung will also perform Dall'Abaco's "Capricci Nos. 1, 2 & 11".

Born in 1999, Hung currently studies in The Hong Kong Academy for Performing Arts (HKAPA) and serves as a member of the cello faculty at the Academy. He has taken part in masterclasses with Yo-Yo Ma and Wang Jian, amongst many other renowned cellists.

At age 13, Hung won the second prize in the 7th International Karl Davidov Cello Competition. He was also a finalist in the 7th National Youth Cello Competition (18 and above) in 2018 as the youngest participant. Hung was granted a full scholarship by the Asian Cultural Council in 2019 to attend the Aspen Music Festival and School as a fellow.

As a young performer, Hung's recital concerts had taken him to the Shanghai Spring International Music Festival, and he took part in the cross-strait cultural exchanges in Taipei and Hong Kong. As a member of the HKAPA, Hung participated in the "Orchestra of the Future" under the baton of Gustavo Dudamel, with performances for the Nobel Prize Award Ceremony in 2017.

Hung was awarded the Secretary for Home Affairs' Commendation Scheme in recognition of his musical achievements in 2012.

"Cello Recital by Thomas Hung" is one of the programmes in the "Our Music Talents" Series presented by the Leisure and Cultural Services Department. It will be staged at 8pm on June 18 (Friday) at the Theatre of Hong Kong City Hall. Tickets priced at \$150 are now available at URBTIX ([www.urbtix.hk](http://www.urbtix.hk)). For telephone credit card bookings, please call 2111 5999. For programme enquiries and various discount schemes, please call 2268 7321 or visit [www.lcsd.gov.hk/CE/CulturalService/Programme/en/music/programs\\_1104.html](http://www.lcsd.gov.hk/CE/CulturalService/Programme/en/music/programs_1104.html). Other programmes in the "Our Music Talents" Series include "Clarinet Recital by Linus Fung" (May 6) and "Piano Recital by Tsang Hin-yat" (July 7).

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# List of environmental impact assessments in first quarter of 2021 released

The Environmental Protection Department today (April 21) released a list of completed and newly commenced statutory environmental impact assessments (EIAs) and non-statutory environmental studies for major development projects between January 1 and March 31, 2021.

Updated information related to the EIA Ordinance is available on the EIA Ordinance website at [www.epd.gov.hk/eia](http://www.epd.gov.hk/eia).

Completed statutory EIAs and non-statutory environmental studies for projects in the first quarter of 2021 include:

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A. Statutory EIAs:

Nil

B. Non-statutory environmental studies for projects:

Nil

Newly commenced statutory EIAs and non-statutory environmental studies for projects include:

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A. Statutory EIAs:

1. Road P1 (Tai Ho – Sunny Bay Section), Lantau (EIA Study Brief No. ESB-337/2020)

(Civil Engineering and Development Department)

2. Improvement to So Kwun Po Interchange (EIA Study Brief No. ESB-338/2021)

(Civil Engineering and Development Department)

B. Non-statutory environmental studies for projects:

1. Strategic Study on Railways beyond 2030

(Highways Department)

2. Strategic Study on Major Roads beyond 2030

(Transport Department)

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## Tseung Kwan O Tunnel Bus-Bus Interchange (Kowloon bound) to be commissioned on May 1 (with photo)

The Transport Department (TD) announced today (April 21) that the Bus-Bus Interchange (BBI) located at the Tseung Kwan O Tunnel Toll Plaza (Kowloon bound) will be commissioned in the morning of May 1.

A total of 30 bus routes, comprising 15 whole-day bus services, four early morning-only bus services and 11 peak-only bus services, will start calling at the BBI upon its commissioning. Details are as follows:

### (i) Whole-day bus services

- CTB A29 (Tseung Kwan O (Po Lam) – Airport)
- CTB E22A (Tseung Kwan O (Hong Sing Garden) – AsiaWorld-Expo)
- CTB/KMB 690 (Tseung Kwan O (Hong Sing Garden) – Central (Exchange Square))
- KMB 98 (Tseung Kwan O Industrial Estate – Ngau Tau Kok Station) (Circular)
- KMB 98D (Hang Hau (North) – Tsim Sha Tsui East)
- KMB 296A (Sheung Tak – Ngau Tau Kok Station) (Circular)
- KMB 296C (Sheung Tak – Cheung Sha Wan (Hoi Ying Estate))
- KMB 296D (Sheung Tak – Kowloon Station)
- KMB 297 (Hang Hau (North) – Hung Hom (Hung Luen Road))
- NWFB 694 (Tiu Keng Leng Station – Siu Sai Wan)
- NWFB 796C (Oscar by the Sea – So Uk)
- NWFB 796P (Lohas Park Station Public Transport Interchange – Tsim Sha Tsui East)
- NWFB 796X (Tseung Kwan O Industrial Estate/Tseung Kwan O Station – Tsim Sha Tsui East)
- NWFB 797 (Lohas Park Station Public Transport Interchange – Kowloon Bay) (Circular)
- NWFB 798 (Tiu Keng Leng Station – Fo Tan (Chun Yeung Estate))

### (ii) Early morning-only bus services

- CTB N29 (Tseung Kwan O (Hong Sing Garden) – Tung Chung Station)
- CTB NA29 (Tseung Kwan O (Po Lam) – Airport/Hong Kong Port of Hong Kong-Zhuhai-Macao Bridge)
- NWFB 796S (Tseung Kwan O Station – Ngau Tau Kok Station) (Circular)
- NWFB N796 (Lohas Park (Wan Po Road)/Tseung Kwan O Station – Mong Kok)

(iii) Peak-only bus services

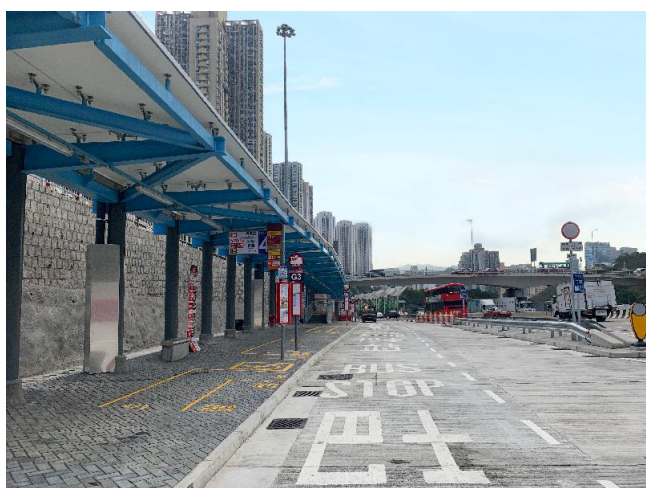
- CTB E22S (Tseung Kwan O (Po Lam) – Tung Chung (Mun Tung Estate))
- CTB/KMB 690P (Tseung Kwan O (Hong Sing Garden) – Central (Exchange Square))
- KMB 98A Special Departure (Hang Hau (North) – Kwun Tong Station)
- KMB 98B (Lohas Park Station Public Transport Interchange – Kwun Tong Station)
- KMB 98P (Tseung Kwan O (Hong Sing Garden) – Tsim Sha Tsui East)
- KMB 98S (Lohas Park Station Public Transport Interchange – Mei Foo)
- KMB 296P (Sheung Tak – Lai Chi Kok Station)
- KMB 297P (Hang Hau (North) – Hung Hom (Hung Luen Road))
- NWFB 796E (Tseung Kwan O Industrial Estate – So Uk)
- NWFB 798A (Tseung Kwan O (Hong Sing Garden) – Sha Tin Station)
- NWFB 798B (Lohas Park Station Public Transport Interchange – Sha Tin Station)

Passengers interchanging at the BBI for designated routes will enjoy fare concessions. For details, please refer to the information provided by the respective bus companies.

Shelters, seats and display panels with estimated time of arrival for buses are provided at the BBI for passengers.

The TD will closely monitor the situation of the BBI with the bus companies upon its commissioning.

The Tseung Kwan O Tunnel BBI (Tseung Kwan O Bound) was commissioned last October.



## Red flags hoisted at some beaches

Attention TV/radio announcers:

Please broadcast the following as soon as possible:

Here is an item of interest to swimmers.

The Leisure and Cultural Services Department announced today (April 21) that due to big waves, red flags have been hoisted at Stanley Main Beach, Shek O Beach and Big Wave Bay Beach in Southern District, Hong Kong Island; and Silverstrand Beach and Clear Water Bay Second Beach in Sai Kung District. Beach-goers are advised not to swim at these beaches.