

Terms and Conditions for Bridging Loan

1. The maximum loan amount of the Bridging Loan is the outstanding mortgage loan balance of the existing property; plus (i) up to 60%* of the value[#] of the existing property after deduction of the outstanding mortgage loan balance; or (ii) total down payment of the new property (40%* of the value[#] of the property in general) minus the initial deposit paid (10% of the value[#] of the property at minimum), whichever is lower.

*subject to the prevailing guidelines issued by the Hong Kong Monetary Authority

#the value of the property is the selling price (for existing property)/ purchase price (for new purchased property) or valuation, whichever is lower.

2. The maximum loan tenor for Bridging Loan is up to 6 months; or expires on the completion date of sale of the existing property, whichever is earlier.
3. The interest of the Bridging Loan is calculated on a daily basis. Interest shall be repaid monthly during the loan tenor; the principal and unpaid interest shall be repaid in full upon the loan maturity date. The monthly interest payment day of the Bridging Loan is based on the completion date of the sale of the existing property. If the drawdown date of the Bridging Loan and the completion date of the existing property are not on the same date, the 1st interest payment due date may be less than 1 month after Bridging Loan drawdown. Customer should ensure there is sufficient fund in the designated account for the payment.
4. If Customer fails to sell the existing property during the Bridging Loan tenor, The Bank of East Asia, Limited (“BEA”) shall have the right to adjust the loan-to-value ratio, loan amount and/or interest rate of the Bridging Loan and mortgage loan in respect of the existing and new property and may demand for repayment of the relevant loan(s) in full (including but not limited to the mortgage loan in respect of the new property and the bridging loan) or any part thereof.
5. The Bridging Loan is only applicable for existing BEA mortgage customers and the new property to be mortgaged to BEA (For non-BEA customers, the mortgage of the existing property must be transferred to BEA before the agreement of Sale and Purchase for the sale of existing property was signed and all charges incurred are to be borne by the customers). The mortgages of the existing and new property must be “All Monies Legal Charges”.
6. The Bridging Loan only applies to residential properties (not applicable to Mortgage Insurance Programme, Government Housing Scheme Mortgage Loans, Premium Loan Insurance Scheme, Reverse Mortgage Programme, Pan Asian SuperFirst Mortgage Program and any mortgage with further/second charge or second mortgage).
7. The Bridging Loan is applicable to mortgage application by person or company. If the applicant is a person, the mortgage applicant(s) must be the owner(s) of both existing property and new property; if the applicant is a shell company, the mortgage applicant must be the owner of both existing property and new property and at least one of the mortgage guarantors of both existing property and new property must be the same.
8. The Bridging Loan will be split into 2 parts upon drawdown: (i) one part for repaying the outstanding mortgage principal and interest of the existing property; and (ii) the other part for directly credited to the account of the designated solicitor firm as the down payment of the new property.
9. Upon the drawdown of the Bridging Loan, outstanding mortgage principal and interest of the exiting property will be repaid simultaneously. If the mortgage interest of the existing property is calculated on monthly basis, and drawdown date of the Bridging Loan does not match with due date of existing mortgage loan, interest of existing mortgage loan will still be charged for a full month and the exceeded interest is non-refundable.
10. All mortgage loan applications must meet the credit requirements and mortgage terms of BEA and are subject to BEA’s final approval at its absolute discretion.
11. No person other than the applicant or BEA will have any right under the Contracts (Rights of Third Parties) Ordinance (Cap. 623 of the Laws of Hong Kong) to enforce or enjoy the benefit of any of the provisions of these Terms and Conditions.
12. BEA reserves the sole right to vary or cancel the offers and/or amend or alter these Terms and Conditions at any time with appropriate notice. In the event of any dispute, the decision of BEA shall be final and conclusive.