

Application Notes
(AN-BSLS)



Building Safety Loan Scheme

Enquiry
3188 1188



AN-BSLS

Completed application form must be returned together with all necessary documents by any of the following methods to Buildings Department (BD), Building Safety Loan Scheme (BSLS) Secretariat/ Urban Renewal Authority (URA):

(a) On-line application:

Website: <https://www.brplatform.org.hk/e-application>

(b) Submit in person or by post to BD, BSLS Secretariat / the URA offices:

Address of the BD, BSLS Secretariat:

11/F, Buildings Department Headquarters, North Tower, West Kowloon Government Offices, 11 Hoi Ting Road, Yau Ma Tei, Kowloon

Applicants of interest-bearing Loan are not required to go through any means-test. Relevant supporting documents must be submitted together with the completed application form by ALL applicants.

All applicants must submit*

1. A copy of the quotation/tender/contract of the works proposal; and
2. A copy of the resolution of the general meeting of Owners' Corporation, if any item of work involved in the proposal is in the common parts of the building. Where no Owners' Corporation has been formed, documentation showing owners' consent for such item of work.

(*The applicants need not submit the above documents if the Loan applications are related to repair works coordinated by the Owners' Corporations or related residents' organization of the building, which is willing to assist in providing the documents. The Buildings Department would liaise with the said party direct for the required information.)

AN-BSLS

Individual applicants to submit also

1. A copy of HKID card of the applicant (if there is no HKID card, please provide other valid personal identification document).
2. For applicants applying for deferred repayment until transfer of title of the property/death of the borrower, a reference letter in support of the application from a registered social worker may be required.
3. For applicants of interest-free Loan under the low income category, the following are required -
 - (a) A letter from the employer to certify the applicant's average monthly remuneration for the past 12 months, or a copy of current year's income tax assessment on his annual income. Similar certification letters from the employers of his other household members are required; and
 - (b) A photocopy of all the bank account book(s) (including the payroll bank account), in the applicant's (and the other household member(s)') possession showing the transaction details (including net back items) for the last 12 months.

Company applicants to submit also

1. A copy of the Certificate of Incorporation and Business Registration Certificate of the company;
2. A copy of the board resolution of the company for the application;
3. A copy of the latest Annual Return of the company; and
4. If there have been changes in the particulars of the secretary or the directors after the said Annual Return has been submitted to the Companies Registry, a copy of the relevant Notification of Changes of Secretary and Directors.

AN-BSLS

(Company applicants are required to provide security should their Loan applications be approved. Applicants would be provided with relevant details later.)

1. Eligibility of Applicants

1.1 Applicants are required to satisfy the following conditions to be eligible to apply for a Loan from the Scheme:-

- (a) He must be the registered owner of the building/premises for which the Loan relates, and the building concerned is a private building including domestic, composite, commercial or industrial building;
- (b) The provision/improvement/maintenance works to be carried out are covered under Building Safety Loan Scheme; and
- (c) Have appointed qualified building professionals/competent contractors to supervise the works, as required by the concerned authority/departments.

2. Loan Amount

2.1 The amount of the Loan shall be determined by the Director of Buildings and shall not exceed the total costs of the works, as apportioned among the number of owners who contribute towards the improvement project, subject to a ceiling of \$1Million per unit of accommodation.

AN-BSLS

3. Interest

3.1 Registered owners who meet the eligibility criteria set out at paragraph 1 may apply for interest-bearing Loans. Applicants of interest-bearing Loans are not required to go through any means-test. They are required to pay interest at a rate determined by the Government on the no-gain-no-loss principle.

3.2 Applicants (other than registered companies) who have financial difficulties in repaying the Loans with interest may apply for interest-free Loans if he/she is:

- (a) A recipient of the Comprehensive Social Security Assistance; or
- (b) A recipient of the Old Age Living Allowance; or
- (c) Earning income and possessing assets (including other household members) shall not exceed the limits stipulated at item 1(a) of Appendix 1 of Integrated Building Rehabilitation Assistance Scheme (IBRAS).

Applicants under this category should come in person to the Buildings Department to make declaration under the Oaths and Declarations Ordinance on the income and assets under his, and his household member(s)' possession.

3.3 Estimated value of asset and income should include:

- (a) Asset
 - (i) Land/properties/parking space (excluding the property in which the applicant resides and to which the Loan relates);
 - (ii) Vehicles and taxi/public light bus licences;
 - (iii) Business undertakings;
 - (iv) Investments, such as stocks, warrants, bonds and funds etc;
 - (v) Bank deposits; and
 - (vi) Cash in hand or Loans made to others (those Loans not yet repaid and of an amount less than HK\$5,000 may be disregarded).

AN-BSLS

(b) Income

The monthly income is the average of the total remuneration in the past 12 months. Income also includes rental received from any property owned, contribution from relatives/siblings, allowance from Social Welfare Department, etc.

- 3.4. Interest-free Loan applicants under low income category will be required to come in person to make statutory declarations under the Oaths & Declarations Ordinance, Cap. 11, Laws of Hong Kong at the Buildings Department, to the effect that all the information and documentation supporting the application are true, correct and accurate to the best of their knowledge.
- 3.5 Applications will be processed only if they have been duly completed and accompanied by all necessary documentary proofs. An applicant who fails to provide the required supporting documents requested by the Department by the set deadline will result in the application being treated as withdrawn.
- 3.6 All applications and documentary proofs submitted will not be returned to the applicants.
- 3.7 Applicants must appoint qualified building professionals and competent contractors to supervise the works as required by the concerned authority/departments. Those who wish to inspect the List of Authorized Persons (AP), Registered Structural Engineers (RSE) and Registered General Building Contractors (RGBC) can approach Buildings Department Headquarters, North Tower, West Kowloon Government Offices, 11 Hoi Ting Road, Yau Ma Tei, Kowloon.
- 3.8 For an application for Loan relating to works in an individual unit, the application should be submitted prior to commencement of the works. For an application for Loan relating to repair works in the common areas of a building, the application should be submitted prior to completion of the works, i.e. date of the Practical Completion Certificate for the completion of repair works of the building or date of final release of the Loan for other approved applications in the building, whichever is the earlier. An application for Loan for repair

AN-BSLS

works in the common areas of a building submitted after the completion of the repair works may only be considered in exceptional circumstances having regard to individual merits of the case, provided that the application is submitted within 6 months after completion of the repair works and that there are other approved Loan cases for the same repair works in the building.

4. Security

4.1 For Loan less than HK\$50,000 -- no security is required (not applicable to company applicants).

4.2 For Loan from HK\$50,000 or above, applicants should provide security as follows:

- (a) For Loan from HK\$50,000 to HK\$150,000 -- by completion of a Deed of Indemnity (by an indemnifier other than the applicant) [An indemnifier must be a permanent Hong Kong resident over 18 years of age, gainfully employed, able to supply a business address and provide a tax assessment to demonstrate the adequacy of his financial resources.].
- (b) For Loan from HK\$150,001 to HK\$250,000 -- by a Deed of Indemnity for borrowers who pass repayment ability and credit checks, but the maximum amount of Loan approved will not exceed 5 times of the monthly income of the applicant.
- (c) For Loan more than HK\$250,000 -- by execution of a legal charge registered against the title of a property in Hong Kong; or by a Letter of Guarantee issued by a restricted license bank/licensed bank in Hong Kong.

4.3 For any Loan amount for which approval has been given to defer repayment for an unspecified period until transfer of title of the property, or death of the borrower, whichever is the earlier, borrowers should provide security by execution of a legal charge registered against the title of the property to which the Loan relates.

AN-BSLS

5. Release of Loans

- 5.1 Upon the signing of a Loan agreement between the individual applicants and the Government of Hong Kong Special Administrative Region, approved Loan will be released by stages, in no more than 3 drawdowns, according to the actual progress of works to the borrower or organization as authorized by the borrower. The borrower is required to submit progress reports certified by the contractors and/or authorized persons and/or the Owners' Corporation to enable the Buildings Department to confirm the actual dates and amounts of the Loan to be released.

6. Repayment of Loans

- (a) Borrowers will repay the principal and interest of Loans by equal monthly installments up to 36 months, subject to fluctuation of the no-gain-no-loss interest rate. The first installment will become due one month after the final drawdown of the Loans.
- (b) For elderly singletons/couples aged 60 and above eligible for grant of interest-free Loans but have demonstrated financial difficulty to repay one month after the final drawdown of the Loans, the Director of Buildings, may exceptionally, defer repayment of Loans for an unspecified period until the transfer of title of the property or death of the borrower, whichever is the earlier.
- (c) With the prior approval of the Director of Buildings, borrowers may opt for early repayment of the Loan.

Summary of approved Works items covered by the Building Safety Loan Scheme

(A) Structural Integrity

Works pertaining to the improvement of the structural aspects of the common areas of the building carried out by owners served with advisory letters/statutory orders by respective authority or voluntarily. These works include:

- (i) Making good of loosen, cracked, spalled/ defective concrete or defective steel elements.
- (ii) Making good of deformed concrete/steel elements.
- (iii) Strengthening works for concrete/steel elements.
- (iv) Demolition work for concrete/steel elements.
- (v) Making good of all non-structural elements that have public safety concern.
- (vi) Removal of all non-structural elements that have public safety concern.
- (vii) All improvement works or preventive measures to safeguard the deterioration of concrete/steel.
- (viii) Repair/replacement of defective water pipes and drains/plumbing works and water-proofing membranes.
- (ix) All preparatory work required in executing the above work items.

(B) Interior of Building Units

Repairs or improvement works pertaining to water seepage at or structural safety of the interior of building units.

(C) External Wall Finishes

Works pertaining to the improvement of the integrity of external wall finishes of the building carried out by owners served with advisory

AN-BSLS

letters/statutory orders by respective authority or voluntarily. These works include:

- (i) Making good of cracked external wall finishes.
- (ii) Removal of delaminated, bulged or loosen portion of external wall finishes.
- (iii) Replacement of external wall finishes with suitable and durable materials.
- (iv) Removal of vegetation or dilapidated/abandoned signs from external wall.
- (v) Arresting seepage or other contributing causes that may lead to deterioration of external wall finishes.
- (vi) Repair or replacement of defective windows.
- (vii) All improvement works or preventive measure to safeguard the deterioration of external wall finishes.
- (viii) All preparatory works required in executing the above work items.

(D) Fire Safety

Works pertaining to the improvement of the fire safety aspects of the building, including:

- (i) Improvement works under Fire Safety Direction/Fire Safety Improvement Direction to upgrade fire services installations in prescribed commercial premises or specified commercial buildings and also for composite/domestic buildings.
- (ii) All works carried out by owners as required under advisory letters/statutory orders/directions or voluntarily to improve the fire safety standards of the building. These include:
 - (a) All improvement works to enhance the means of escape in case of fire of a building such as:
 - Replacement or making good of defective fire doors.
 - Removal of obstruction in escape route.

AN-BSLS

- Removal of unauthorized building works in means of escape and reinstatement works in accordance with the approved plans.
 - Protection of exit corridor or staircase.
 - Repair/replacement of exit signs.
 - Upgrading of cubicle apartments posing fire hazards.
 - Other improvements to upgrade the fire safety standard as specified in the "CoP for the Provision of Means of Escape in Case of Fire 1996".
- (b) All improvement works to enhance the means of access for fire fighting and rescue of a building such as:
- Provision of or upgrading the standard of fireman's lift or lobby.
 - Other improvements to upgrade the fire safety standard as specified in the "CoP for Means of Access and Firefighting and Rescue 1995".
- (c) All improvement works to enhance the fire resisting construction of a building such as:
- Reinstatement works to staircase enclosure, smoke lobby or fire door.
 - Reinstatement of alteration to fire separation wall or floor.
 - Provision of adequate protection to compartment wall or floor.
 - Provision of adequate FRC for separate uses/occupancies.
 - Other improvements to upgrade the fire safety standard as specified in the "CoP for Fire Resisting Construction 1996".
- (iii) All improvement works carried out by owners under statutory requirements or voluntarily to enhance the fire safety standard of a basement such as:
- Removal of blockage of a smoke outlet from basement.
 - Provide adequate number/size of smoke outlets for basement.
- (iv) All improvement works carried out by owners voluntarily to upgrade/repair/replace fire services installations in prescribed commercial premises, specified commercial buildings and composite/domestic and industrial buildings.

AN-BSLS

(E) Unauthorized Building Works

Works pertaining to the removal of unauthorized building works of the building carried out by owner served with advisory letters/statutory orders by respective authority or voluntarily. These works include:

- (i) Removal of UBWs projecting from external wall (including lightwell).
- (ii) Removal of UBWs in common areas of the building such as flat roof structures, roof-top structures etc. or similar structures in private ownership.
- (iii) Reinstatement works in accordance with the approved plans e.g. reinstatement of kitchens, toilet etc.

(F) Communal Services

Works pertaining to the improvement of communal building and sanitary services carried out by owner under statutory requirements or voluntarily. These works include:

- (i) Repair and replacement of lifts by registered lift contractor, covering driving machine and controller, lift car and/or cage, landing doors and door interlock, travelling cables and/or hoisting ropes, guide rails, hall indicator and electric wiring, counterweight, or the entire lift.
- (ii) Fire services installations and equipment by registered FSI contractor as required in the “CoP for Minimum Fire Services Installations and Equipment”, including automatic sprinkler system, emergency lighting, automatic cut-off device for the mechanical ventilating system, manual fire alarm system, fire hydrant and hose-reel system, fire extinguishers and any other equipment or installation as may be prescribed by the Director of Fire Services.
- (iii) Communal electrical installation by registered electrical contractor.

AN-BSLS

- (iv) Gas riser by registered gas installer under the employment of a registered gas contractor in accordance with “the Gas Safety Ordinance (Cap. 51)”.
 - repair and replacement of gas risers whose maintenance responsibility rests with the building owners.
- (v) Communal pipework such as replacement of defective soil and waste pipes, rainwater pipes, vent pipes, and water supply pipes located in the common parts of the building, and communal pipes for disposal of condensate from air-conditioners by competent contractor/licensed plumber.
- (vi) Underground pipe works covering repair, re-routing or replacement of defective underground private drains and water mains by competent contractor/licensed plumber.

(G) Slopes/Retaining Walls

Works pertaining to the maintenance or improvement of the safety of slopes/retaining walls. These include:

- (i) Routine maintenance on slopes/retaining walls and associated works carried out by owners voluntarily.
- (ii) Preventive or improvement works carried out by owners voluntarily to prevent the slopes/retaining walls from further deterioration and danger of collapse
- (iii) Investigation and slope upgrading works under Dangerous Hillside (DH) Order pursuant to BO Section 27A.
- (iv) Investigation and remedial works to buried services laid in slopes under statutory orders pursuant to BO Section 27C.

AN-BSLS

(H) Professional Services and Testing

All the above works, with the exception of those under items (A)(viii), (B), (C)(iv) and (vi), (D)(i) and (iv), (E)(except when the appointment of AP/RSE is so required by the BA) (F) & (G)(i), are to be carried out under the co-ordination and supervision of an AP/RSE. The following services are considered associated with the works requiring input from building professionals:

- (i) Employment of AP/RSE to carry out inspection or investigation works.
- (ii) Employment of AP/RSE to carry out assessment and recommendations on repair/improvement items.
- (iii) Employment of AP/RSE to conduct the necessary laboratory or site testing and analysis.
- (iv) Employment of AP/RSE to manage/supervise the whole maintenance/improvement works including all the contract preparation and administration works.
- (v) Employment of Qualified Geotechnical Engineer to carry out geotechnical inspection/investigation, assessment, recommendation and supervision of works under items (G)(ii), (iii) and (iv)
- (vi) Carrying out the necessary laboratory or site testing on integrity of structural elements.
- (vii) Carrying out the necessary field investigation work on the integrity of external wall finishes.
- (viii) Carrying out the necessary geotechnical field investigation or testing. Professional fees for registered contractors to carry out assessment and recommendations on the improvement works under Item (F) are also eligible for Loans.

(I) Incidental and Consequential Works

Any incidental or consequential works related to items (A) to (G) above such as

- (i) Removal of obstructions, e.g. false ceiling, shelters etc. for the carrying out of the improvement work under items (A) to (G)

AN-BSLS

- (ii) Carrying out of the necessary acceptance testing on improvement work done under items (A) to (G)
- (iii) Associated re-instatement/maintenance work pertaining to the improvement work under items (A) to (G).