

## HSBC Savings Bank Home Loan

## Summary of Key Terms

Quick Reference <sup>1</sup>		
Product Features	Description	Details
Types	The type of Mortgages you can avail depending on your need	<p><b>Home Mortgage Loan (HML)</b> Purpose:</p> <ul style="list-style-type: none"> <li>• Purchase of owner-occupied* residential property</li> <li>• Refinance of residential mortgage with another financial institution</li> <li>• Construction on / renovation of / addition to existing residential property</li> <li>• Reimbursement of purchased property</li> </ul> <p>*Owner occupied includes applicant(s)' immediate family; spouse, children, parents, siblings, in-laws</p> <p><b>Home Equity Loan (HEQ)</b> Purpose:</p> <ul style="list-style-type: none"> <li>• Multi-purpose loan</li> <li>• Refinance where previous loan purpose from another financial institution is for personal expenditure or for investment</li> <li>• Loan proceeds will be used for purchase, renovation or construction of a secondary residence which is different from the loan security</li> </ul>
Loan amount	The home mortgage loan amount that may be granted to you	<p><b>Home Mortgage Loan (HML)</b> Php 700,000 to Php 50 Million</p> <p><b>Home Equity Loan (HEQ)</b> Php 700,000 to Php 30 Million</p>
Loan-to-Value Ratio (LTV)	LTV is used to determine the maximum amount that the bank can loan to a client against the value of the collateral/property.	<p><b>Home Mortgage Loan</b> Up to 80%</p> <p><b>Home Equity Loan</b> Up to 60%</p>
Loan Tenor	The full life of the loan	<p><b>Home Mortgage Loan</b> Minimum: 12 months Maximum: 240 months or up to client age 65 (upon loan maturity) whichever is earlier</p> <p><b>Home Equity Loan</b> Minimum: 12 months Maximum: 120 months or up to client age 65 (upon loan maturity) whichever is earlier</p>

<sup>1</sup> This table contains a summary of key terms for reference only and is not intended to replace the full terms and conditions. The full terms and conditions will prevail in the event of any inconsistency. The key terms may be amended by the Bank from time to time.

Repricing period	The fixing period of your interest	<ul style="list-style-type: none"> <li>•Quarterly</li> <li>•1 year</li> <li>•2 years</li> </ul> <ul style="list-style-type: none"> <li>•3 years</li> <li>•5 years</li> </ul>
Repayment plan	Manner of payment that may be applied to your monthly amortization	<p><b>Straight- Line Scheme</b> – you can easily forecast your amortization cost along with your other expenses. Your monthly amortization is fixed and allows you to plan and manage your monthly cash flows</p> <p><b>Reducing Balance Scheme</b> - your monthly amortization varies and you can get more savings on your interest payments over the life of the loan since the principal portion is paid-off faster at the earlier stages of the loan</p> <p>For either calculation method, interest shall be computed based on the outstanding balance of the loan at the beginning of an interest period.</p>
Interest rate	The prevailing interest rate that will apply at the time of loan drawdown	<p>Difference between <b>Add-on rate</b> and <b>Effective Interest rate</b> (EIR).</p> <p><b>Add-on rate</b> is a quick way to compute for the total interest to be paid on the loan. When you add this to the principal loan amount, and divide it by the number of repayments, it will give you the amortization amount.</p> <p><b>Effective Interest Rate</b> (EIR) is the rate that exactly discounts estimated future cash flows through the life of the loan to the net amount of loan proceeds. For consistency, methodology and standards for discounted cash flow models shall be prescribed to be used for the purpose.</p> <p>For either calculation method, interest shall be computed based on the outstanding balance of the loan at the beginning of an interest period</p>
Fees and charges	<p>Your mortgage related costs</p> <p>To view the complete list of mortgage related fees and charges, please visit our website at <a href="http://www.hsbc.com.ph">www.hsbc.com.ph</a> or you may also ask your Mortgage Specialist for more information on our mortgage related fees and charges. The Bank may change the fees from time to time, with prior notice to the customer</p>	<ul style="list-style-type: none"> <li>• <b>Processing Fee:</b> PHP2,500</li> <li>• <b>Documentary Stamp Taxes (DST):</b> Php1.50 for every Php200 or a fraction thereof of loan proceeds.</li> <li>• <b>Late Payment Penalty:</b> 20% per annum, computed from the day immediately after each installment due date until fully paid, which shall be charged against all overdue amounts (principal and interest) for every installment period or fraction thereof that an installment remains overdue</li> </ul> <p><b>Pretermination/ Prepayment/ Loan</b></p> <p><b>Restructuring fees:</b></p> <p>1. <b>Service Fee:</b></p> <ul style="list-style-type: none"> <li>• Php500 – if the prepayment, pretermination or restructuring of the loan term is on a repricing date</li> <li>• Php2,000 – if the prepayment, pretermination or restructuring of the loan term or change in</li> </ul>

		<p>the interest fixing date or repricing period is on any banking day that does not fall on a repricing date;</p> <p><b>AND</b></p> <p>2. <b>Break Funding Cost</b> upon loan pretermination to be computed as described in our website at <a href="http://www.hsbc.com.ph">www.hsbc.com.ph</a></p> <ul style="list-style-type: none"><li>• If suit is commenced on the loan, or the same is delivered to any Attorney-at-law for collection, You agree to pay the Bank the actual amount of attorney's fees, expenses of collection and costs of suit.</li></ul>
--	--	---

HSBC Philippines is regulated by BSP. To contact HSBC for inquiries or complaints, call (02) 8858-0000 from Metro Manila, 1-800-1-888-0000 PLDT domestic toll-free (outside of Metro Manila), email [hsbc@hsbc.com.ph](mailto:hsbc@hsbc.com.ph), or visit [hsbc.com.ph/feedback](http://hsbc.com.ph/feedback). You may also get in touch with the Bangko Sentral Financial Consumer Protection Department through their email: [consumeraffairs@bsp.gov.ph](mailto:consumeraffairs@bsp.gov.ph). Note: Do not provide your account or credit card numbers or disclose any other confidential information or banking instructions through email.