

Private and Confidential

Our Ref: [REDACTED]

7 August 2012

[REDACTED]

Dear Mr [REDACTED]

Facility letter

We are pleased to offer the following facility:

Borrower/s Mr [REDACTED]

Third party security provider/s Ms [REDACTED]

Outline of facility ■ Housing Loan SGD [REDACTED]

The facility is to be applied to purchase the *property*. The Housing Loan *facility limit* has been determined as follows:

Adjusted purchase price	SGD	[REDACTED]	SGD	[REDACTED]
Less: Cash	SGD	[REDACTED]	SGD	[REDACTED]
Housing Loan <i>facility limit</i>			SGD	[REDACTED]

Notwithstanding the facility limit indicated above, the drawdown is subject to the facility limit or up to 80% of the prevailing market valuation of the property as at any time (determined at our discretion) prior to disbursement, whichever is lower.

The facility is offered on the terms of this facility letter and the prevailing "Property Loan Standard Terms" ("Standard Terms"). They should be read together. The Standard Terms may be varied by the Bank in its sole discretion from time to time upon giving you prior notice in writing. In the Standard Terms, a reference to the facility letter is a reference to this facility letter. To the extent there is an inconsistency between the Standard Terms and this facility letter, this facility letter prevails.

The meaning of words printed in *italics* and of some other common key words is explained at the end of the Standard Terms.

Using the facility

You may use the facility if:

- you comply with the requirements set out in "Using the facilities" in the Standard Terms and any other drawdown requirements specified in this facility letter;
- you authorise us to insure the *property* with HSBC Insurance (Singapore) Pte. Limited (subject to HSBC Insurance's acceptance of the risk) against such risks as we may require and for such amount as we may approve. The policy shall be endorsed in our favour.
- we receive the items specified in the attachment "Items to be supplied by your lawyer";
- we receive a valuation of the *property* prepared by an independent valuer acceptable to us and evidencing that the current market value of the *property* at or about the date of this facility letter, is at least SGD1,839,300.00.

Security

The *security* for the facility is:

- deed of assignment of Sale and Purchase Agreement relating to the *property* located at [REDACTED] ("*property*") between Mr [REDACTED] and Ms [REDACTED] and the developers;
- mortgage in escrow of the *property* to be perfected when title to the *property* has been issued to Mr [REDACTED] and Ms [REDACTED]

Each *security* must be in form and substance as we require.

The amount secured by the *security* is unlimited and includes the *total amount owing* for the facility provided to you.

The *security* over the *property* is subject to the *CPF Board's* written confirmation on priority arrangements.

Security margin

The facility is subject to the "Security Margin" clause in the Standard Terms.

Subsidies

We will:

- pay your fire insurance premium for the first five years of the facility (that is, from issue of the *temporary occupation permit*). Thereafter, the fire insurance premium shall be borne by you.
- pay for the *cost* of the initial valuation of the *property* which we require before you use the facility.
- contribute to legal fees and other *costs* (including stamp fees of up to SGD502.00) to a maximum of 0.50% of the *facility limit* for the Housing Loan or SGD3,000.00 (whichever is lower) (together "Legal Fees"). We will pay this amount directly to the lawyer preparing the security documents and reviewing documents presented to us under the facility agreement. We will pay this once all documents have been executed and stamped and we have received the lawyer's original invoice. However, if you repay the facility in full within three years of the first *drawdown date*, you agree to refund our contribution to Legal Fees when you make the early repayment.

Use of *CPF savings*

The Housing Loan is to take priority over the *CPF Board's* charge in the manner set out in the *CPF Board's* written confirmation on priority arrangements.

The *CPF lump sum withdrawal* may be used to assist with purchase of the *property* and the *CPF contributions* made after the date of this facility letter (together with other *CPF savings*) may be used to assist with repayment of the Housing Loan.

You may use:

- *CPF savings* to pay legal fees and stamp duties (as approved by the *CPF Board*); and
- *CPF savings* towards the servicing of the monthly instalments for the Housing Loan.

If you do not comply with these limits we may vary any provision of this facility agreement as we choose, including reducing the facility limit. If we do, we notify you in writing and the change takes effect from the time we specify in the notice.

The *CPF Board* requires at least one month's notice before releasing *CPF contributions* to be used for repayments.

Other conditions

The housing loan is subject to us receiving, before loan drawdown, confirmation from Housing & Development Board ("HDB") that you and the *third party security* provider have no outstanding loan balance with HDB.

If we do not receive a satisfactory confirmation from HDB at least 3 business days prior to loan drawdown, then notwithstanding the *facility limit* indicated above, the amount available for drawdown will be reduced to 60% of the purchase price or the prevailing *market value* of the *property*, whichever is lower. In such event, please note that a cancellation fee calculated in accordance with the Cancellation Clause below will apply.

Cancellation

We may cancel the facility if you do not satisfy all drawdown requirements or if you do not draw down, within the *availability period*. You may cancel the facility or any unused portion of the *facility limit* by notice to us. You may incur *costs* if you revoke your cancellation notice.

If the facility is cancelled for any reason whatsoever after acceptance of our letter of offer, a cancellation fee of 0.75% of the *facility limit* (or that part of it) which is cancelled shall be payable. See "Cancellation fees" in the Standard Terms.

Conversion benefit

We offer you the option (exercisable by you once only and within six months after the date of issue of the *temporary occupation permit*) without incurring any cancellation or conversion fees, to convert the Housing Loan to another of our housing loan packages for which you are eligible. To exercise this right, you must enter into all documents we require to effect the conversion.

1 Housing Loan

Facility limit

SGD [REDACTED]

Property type

Private property
Owner occupied

Term

23 years from and including the date of first drawdown.

Drawdown

Multiple drawdowns

Interest rate

First year: 0.70% above the 1 month SGD SIBOR for each relevant Calculation Period. "1 month SGD SIBOR" means, in relation to each Calculation Period, the Singapore Interbank Offer Rate for SGD as published in the Business Times on the first business day of the month of the Reset Date. If such rate does not appear in the Business Times, the 1 month SGD SIBOR for that Reset Date shall be the 1 month SGD SIBOR fixed daily at 11 a.m by the Association of Banks in Singapore (ABS) Singapore time. The "Reset Date" means the *start date* or the first day of each subsequent Calculation Period. The "Calculation Period" means, in respect of the initial Calculation Period, the period of 1 month commencing on the start date and subsequently each period of 1 month thereafter. (The "start date" is the earlier of the first *drawdown date* and the date of issue of the *temporary occupation permit*.)

Second year: 0.70% above the 1 month SGD SIBOR for each relevant Calculation Period.

Third year: 0.70% above the 1 month SGD SIBOR for each relevant Calculation Period.

After the end of the *third year* until the end of the *term*: 1.25% above the 1 month SGD SIBOR for each relevant Calculation Period.

Repayments

In order to fully repay the facility by the end of its *term* you agree to make principal and interest instalments. Instalments are due every month after the first *drawdown date*.

We will notify you of the initial instalment amount and the due dates shortly after the first *drawdown date*. The initial instalment amount is based on the *interest rate* prevailing at the first *drawdown date* and the amount drawdown.

Upon each Reset date, partial repayment date or subsequent drawdown date, the revised instalment (if any) shall be payable on the due date of the month immediately following.

You may repay early any part (or all) of the *balance owing* at any time in accordance with the "Early repayment" clause in the Standard Terms.

Subject to the necessary redemption notice being given, no early repayment fee will be levied for full repayment made at anytime.

For any partial repayment amount made within one year from and including the first drawdown date, an early repayment fee of 1.50% shall apply if the minimum outstanding loan amount after such partial repayment is less than SGD100,000.00.

The *total amount owing* is repayable by you on the last day of the *term*.

How to accept

You may accept this facility letter by you and the *third party security provider* signing the enclosed copy and returning it within seven (7) days of the date of this letter. If you do not, our offer lapses unless we agree to extend it otherwise.

If you require further assistance, please contact our 24-hour Customer Service Hotline at 1800 HSBC NOW (4722 669) in Singapore or (65) 6 HSBC NOW (4722 669) from overseas.

Yours sincerely

[Redacted signature block]

[Redacted signature block]

Initial [Redacted]

Acceptance by you and the *third party security provider*:

By signing this document, you and the *third party security provider*:

- 1 accept the facility on the terms set out in this facility letter and the prevailing Standard Terms;
- 2 acknowledge that:
 - (a) you and the *third party security provider* have received, read and fully understood this document and all the following attachments: Items to be supplied by your lawyer and the Standard Terms;
 - (b) the Standard Terms may be varied by the Bank in its sole discretion from time to time upon giving you prior notice in writing and you understand that the most updated version of the Standard Terms is available at any of the Bank's branches and the Bank's website at www.hsbc.com.sg;
 - (c) a legally binding contract is created between you, the *third party security provider* and us;
 - (d) the Residential Property Loan Fact Sheet which contains the key features of the credit facility as contained in this facility letter;
- 3 declare that the *mortgagor* received benefits from the vendor or another party in the amount of SGD49,779.00 so that the *adjusted purchase price* is SGD1,789,521.00;
- 4 declare that you/mortgagor have not been granted any other credit facility by us or another financial institution or moneylender or any vendor's loan for the purchase of the *property*;
- 5 declare that no interest in respect of any credit facility relating to the purchase of the *property* is paid or payable by the vendor, its agent, nominee or any other person by arrangement with the vendor, irrespective of whether payment is made to us or as a benefit to you;
- 6 declare that you do not have any outstanding credit facility (either in your own name or jointly with another person, and either obtained from the Housing & Development Board or from a financial institution or moneylender or the vendor) for the purchase of a residential property at the time of applying for this facility; and
- 7 authorise us to debit all amounts owing at any time in connection with the facility (including, interest, instalments, insurance premiums, valuation fees, *taxes* and other *costs*) to loan servicing account no: _____*

* If known, complete before you accept. If the account number is not known at the time you accept, you authorise us to complete it later.

If you appoint the same lawyers to act for you as we have appointed, you acknowledge that you have voluntarily waived your rights of separate legal representation.

Name: Mr [REDACTED]
NRIC/Passport No.: [REDACTED]
Date:

Name: Ms [REDACTED]
NRIC/Passport No.: [REDACTED]
Date:

Items to be supplied by your lawyer

Facility to Mr [REDACTED]

Offer dated 7 August 2012

These are the items which you need to get your lawyer to provide to us before you can draw down or use the facility.

Each item must be in form and substance satisfactory to us, our lawyers and our consultants (including evidence of satisfactory stamping, and each item which is not an original document must be certified in the manner we require).

Item required

Securities

- 1 Deed of assignment of sale and purchase agreement relating to the *property*
- 2 The original of the sale and purchase agreement between you and the developers (stamped within the time required by law) and each Architect's Certificate and receipts issued by the developers evidencing payments made to date
- 3 Mortgage in escrow of the *property*

Other documents relating to the *property*

- 4 If purchase price of the *property* is lower than the prevailing *market value* of the *property*, confirmation that the relevant sale and purchase transaction relating to the *property* was carried out on an arms' length basis and that both the purchaser and seller are unrelated to each other.
- 5 Copy of Road Line Plan and Drainage Interpretation Plan (no more than six months old)
- 6 Legal requisition replies from government and statutory authorities (no more than six months old)
- 7 All discharges and other documents necessary to give us first ranking security over the *secured property* subject to priority arrangements with *CPF Board*
- 8 Evidence that all maintenance fees, sinking fund fees and other levies (where applicable) on the *property* have been paid
- 9 If stamp duty on the sale and purchase agreement has been deferred by law, evidence that an amount equal to all applicable stamp and registration fees:
 - (a) is deposited with us in a Time Deposit and charged in our favour; or
 - (b) is held by our lawyers; or
 - (c) has been earmarked by the *CPF Board* to enable *CPF savings* to be used to pay these fees
- 10 Consents from any lessor of the *property* to the mortgage over the *property*
- 11 If the *property* is residential property, evidence that it is developed by a developer licensed under the Housing Developers (Control and Licensing) Act
- 12 Letter of undertaking from the developer's mortgagees agreeing to provide us with a partial discharge of their mortgage on payment by the *mortgagor* of 85% of the purchase price of the *property*

Item required

- 13 Consent from Spouse (if any of the Borrower(s) /Mortgagor(s) is an Indonesia national) by executing the "Spousal Consent" form, witnessed by a notary public in Indonesia or an advocate and solicitor in Singapore, if applicable.

Specific facility requirements

- 14 Evidence that you have paid the difference between the amount required to pay the purchase price of the *property* and the *facility limit*

CPF

- 15 All documents we consider necessary to permit application of *CPF savings* and monthly *CPF contributions* to purchase the *property* and make periodic repayments under the Housing Loan including:
- (a) approval letter from *CPF Board*;
 - (b) the *CPF Board's* written confirmation on priority arrangements and where the mortgage of the *property* has been registered before the *CPF Board's* charge, an instrument of postponement.