

## **Information Notes on Repayment and Deferment of Loan under the TSFS**

1. Loan borrowers are required to repay the TSFS loan, which shall normally commence on 1 December of the year of graduation or when the course has officially ended, until the TSFS loan and interest accrued thereon are fully repaid. The first instalment of loan repayment will normally fall due on 1 January or 1 July (if opted for deferred activation of loan repayment) of the following year of graduation. If loan borrowers have not received the 'Notice of Commencement of Repayment' or 'Demand of Repayment' within six months after their graduation or the course has officially ended, they should notify the SFO in writing immediately.
2. With a view to facilitating better financial management of loan borrowers, loan borrowers who have obtained TSFS loans and without any loan accounts repaying with quarterly repayment arrangement under other financial assistance / loan schemes administered by the SFO are required to repay the TSFS loans and the interest accrued in full by monthly instalments. The loan borrowed and the interest accrued thereon are repayable in 15 years ('Repayment Period') by 180 equal monthly instalments, or in a shorter Repayment Period by equal monthly instalments as agreed by the SFO.
3. If loan borrowers:
  - (i) cease to be registered full-time students of the recognised course; or
  - (ii) withdraw or are suspended from or cease or defer studies in the recognised course; or
  - (iii) transfer from the institution where loan borrowers have borrowed the TSFS loans to another institution; or
  - (iv) have not completed the course for any reasons,

they are required to notify the SFO in writing **immediately** and repay the TSFS loan in a lump sum or by equal instalments; and if by instalments over a revised Repayment Period, also interest accrued at the rate of 1% per annum. The length of the loan Repayment Period, its commencement date, and any repayment arrangements shall be decided by the SFO.

4. Arrangement of demand notes and notifications are as follows:
  - (i) Instalments will normally fall due on 1st of each calendar month for monthly repayment; while on 1 January, 1 April, 1 July and 1 October each year for quarterly repayment. Demand notes and/or notifications will be issued 14 days before each due date as far as practicable. If loan borrowers do not receive the demand note and/or notification seven days before each due date, they should contact the SFO immediately. Non-receipt of demand note does not exempt them from the obligation to repay the instalment due on or before the due date. If repayment has not been made duly, loan borrowers will be required to repay the Government the overdue amount together with a surcharge as set out in paragraph 9 below.
  - (ii) For environmentally friendly reason and to avoid possible non-receipt of postal demand notes, monthly demand notes would be uploaded to 'SFO E-link' online platform (<https://e-link.wfsfaa.gov.hk>) and notifications would be sent to "MyGovHK" and/or "iAM Smart" online platforms for viewing, printing and downloading. Loan borrowers need to safekeep their "MyGovHK" and/or "iAM Smart" account login username and password to receive repayment notifications and demand notes through "SFO E-link – My Bills" service. If loan borrowers have not logged into "MyGovHK" for a period of 36 months, their account will be terminated. Electronic monthly demand notes and/or notifications shall be deemed to have been duly given by the SFO and have been duly received by loan borrowers regardless of whether they have actually accessed the electronic demand notes and/or notifications and whether they have actually noticed the availability

of those electronic demand notes and/or notifications. Requests for receiving demand notes and/or notifications by other means will not be accepted. The SFO may contact loan borrowers by mail, telephone, fax, e-mail or other forms of electronic notifications (e.g. SMS) for any repayment matters. Should loan borrowers wish to save a copy of the latest instalment demand note, they are reminded to download and/or print it out on or before the due date.

- (iii) Failure to visit “MyGovHK”, “iAM Smart” and/or “SFO E-link – My Bills” service online platform(s) to receive any repayment schedule or demand note(s) does not exempt loan borrowers from the obligation to repay the instalment due on or before the due date. Otherwise, loan borrowers will be regarded as breaching of the terms in the “Undertaking”.
5. Within the Repayment Period, loan borrowers can put up a request to change its duration. The request should be put up 14 days before the due date of the demand note so that the revised repayment schedule will take effect in the upcoming instalment. If loan borrowers fail to put up the request by the above mentioned deadline or their TSFS loan is currently under deferment, the effective date of their requested revision will be postponed accordingly. Request could only be made in writing. Verbal request will not be accepted. Loan borrowers have to repay their instalments according to the original repayment schedule until the revised Repayment Period takes effect.
  6. Interest at a rate of 1% per annum shall be charged on the loan borrowed from the commencement date of the loan Repayment Period. Loan borrowers may have a rough estimation on the repayment amount by using the repayment calculator available in the “SFO E-link” at <http://e-link.wfsfaa.gov.hk>.
  7. Interest of each monthly instalment is the interest accrued for the month preceding the instalment due date.
  8. Each instalment (instalment loan principal and interest) shall not be less than HK\$100.
  9. If loan borrowers fail to repay the loan or interest or any part thereof when it becomes due, they will be required to repay with the Government the overdue amount together with a surcharge at the rate of 5%.
  10. Any partial repayment which does not discharge in full any amount due and payable shall be applied in or toward the discharge of: firstly the surcharge, secondly (any balance thereof) the interest, thirdly (any balance thereof) the overdue principal portion of the loan and finally all costs incurred by the Government for the recovery of the overdue amount and enforcement of the “Undertaking” and the “Deed of Indemnity”.
  11. Any repayment before the instalment due date or overpayment will be applied to repay the forthcoming instalment(s) according to the repayment schedule until the amount is exhausted. Interest payable for those instalments will not be reduced or exempted.
  12. If loan borrowers wish to make early lump sum or partial repayment of the TSFS loan, a request should be put up in writing. Verbal request will not be accepted. The relevant application form is available on the WFSFAA website (<https://www.wfsfaa.gov.hk/en/resources/loanrepayment/forms.htm>). Normally loan borrowers have to settle the “Early Partial / Lump sum Repayment Demand Note” in full within 14 days from its issue date. If loan borrowers fail to repay on time, surcharge incurred shall be calculated in the same way as set out in paragraph 9 above.
    - (i) For early lump sum repayment, the repayment amount shall include all outstanding

principal, interest and surcharge.

- (ii) For early partial repayment, the repayment amount shall not be less than an amount decided by the SFO (currently set at HK\$5,000) or the amount of one repayment instalment, whichever is greater.
- (iii) Interest of early repayment is calculated as follows:

<b>Loan Account Status</b>	<b>Early Lump Sum Repayment Interest Cut-off Date</b>	<b>Early Partial Repayment Interest Cut-off Date</b>
Before commencement of repayment	Interest will not be charged	Interest will not be charged
During the repayment period	Preceding day of the date of request	Preceding day of the due date of the forthcoming instalment

- (iv) Loan borrowers should consider carefully before submitting an early repayment request. If loan borrowers cancel and make another request within the same month, the SFO may consider not accepting the second/revised application. If loan borrowers have fully settled the Early Partial / Lump Sum Repayment Demand Note, cancellation request to ask for refund of the repayment will not be accepted.
13. For request and/or repayment by mail, the postmark date will be regarded as the request and/or repayment date. Underpaid mail items will not be accepted. Please ensure sufficient mailing time and postage to make delivery in order. Underpaid mail items will be returned to the sender (with return address) or disposed of (without return address) by the Hongkong Post. For repayment via internet online banking payment services, the actual date the bank effects its payment will be regarded as the repayment date. Repayment date will determine the charging of surcharge. For request by fax, email or via the 'SFO E-link', the date received by the SFO will be regarded as the date of request.
14. Loan borrowers are required to repay the instalment due on or before the due date. If loan borrowers plan to leave Hong Kong, they are required to make prior repayment arrangements. If loan borrowers intend to leave Hong Kong for a period longer than three months or to emigrate, they are obliged to notify the SFO immediately in writing. Upon receipt of such notification, unless the SFO has otherwise come to an agreement with loan borrowers concerning the repayment arrangement or unless the SFO is satisfied that they shall be able to continue to repay the loan based on the original repayment schedule, the SFO could demand their immediate repayment of all outstanding balance of the loan, interest and surcharge (if any) and any recovery expenses.
15. If loan borrowers have obtained loans for different courses, or for the same course under different financial assistance/loan schemes administered by the SFO, separate loan accounts will be created. Interest, and administrative fee (if applicable) will be calculated separately for each account. Request for merging loan accounts will not be accepted.
16. Loan borrowers and/or their indemnifiers are required to notify the SFO immediately in writing of any change of their correspondence/residential addresses or other contact information, including mobile phone number, email address or fax number. For any changes in correspondence/residential address, loan borrowers and/or their indemnifiers are required to provide a photocopy of documentary evidence showing the updated address in the past three months. Post Office Box numbers, Public Letter Boxes, care of addresses or student hostels will not be accepted as valid residential address. Documentary evidence of address should be letters issued by Government bureaux/departments, public organisations / utilities

or commercial organisations. If necessary, loan borrowers and/or their indemnifiers may be required to produce the documentary evidence in originals. The relevant forms are available on the WFSFAA website (<https://www.wfsfaa.gov.hk/sfo/en/postsecondary/tsfs/application/forms.htm>).

17. If after the indemnifier signed the “Deed of Indemnity”, the loan borrower is aware that:
- (i) the indemnifier is deceased
  - (ii) a bankruptcy petition is filed by or presented against the indemnifier or a bankruptcy order is made against indemnifier;
  - (iii) the indemnifier applies for IVA under the Bankruptcy Ordinance;
  - (iv) a receiver, administrator, administrative receiver, trustee or similar officer has been appointed over any or all of the indemnifier’s assets;
  - (v) the indemnifier is involved in any litigation, arbitration or administrative proceedings (whether inside or outside Hong Kong);
  - (vi) there is any claim (whether inside or outside Hong Kong) against him/her or any of his/her assets;
  - (vii) the indemnifier intends to leave/has left Hong Kong for a period longer than three months or to emigrate; or
  - (viii) the indemnifier for other reasons becomes incapable of fulfilling the obligations under the “Deed of Indemnity”,

the loan borrower is required to procure **immediately**, or otherwise upon the first demand of the SFO, an alternative indemnifier located in Hong Kong and acceptable to the Government to execute the “Deed of Indemnity” in favour of the Government, failing which the SFO has the power to demand their immediate repayment of all outstanding balance of the TSFS loan, interest, surcharge (if any) and any recovery expenses.

18. If any of the circumstances as set out in (ii) to (viii) of paragraph 17 above occur after the indemnifier signed the “Deed of Indemnity”, the indemnifiers is required to notify the SFO in writing **immediately**. If after examining the relevant supporting documents, the SFO decides that the indemnifier is incapable of fulfilling the obligations required under the “Deed of Indemnity”, the loan borrower will be required to procure another alternative indemnifier located in Hong Kong and acceptable to the Government to execute the indemnity in favour of the Government, failing which the SFO has the power to demand the loan borrower to make immediate repayment of all outstanding balance of the TSFS loan, interest, surcharge (if any) and any recovery expenses. Before the successful procurement of an alternative indemnifier acceptable to the Government by the loan borrower, the existing indemnifier remains obliged to continue to fulfill the obligations under the “Deed of Indemnity”.
19. In case of any breach of any of the terms and conditions of the TSFS loan or late repayment of any instalment(s) due, the SFO has the power to demand loan borrowers and/or their indemnifier(s) immediate repayment of all outstanding balance of the loan, interest, surcharge (if any) and any recovery expenses (including legal costs and related expenses in the course of legal recovery actions). The SFO also has the power to withhold the consideration and processing of loan borrowers’ other financial assistance/loan applications and/or various applications relating to loan repayment under different financial assistance/loan schemes administered by the SFO; and to demand loan borrowers and/or their indemnifiers immediate repayment of all outstanding balance of loan(s), interest (if any), overdue interest (if any) / surcharge (if any), administrative fee (if any) and any recovery expenses in relation to other course(s) taken by loan borrowers notwithstanding that they have not become due under the terms of such loan(s).
20. If loan borrowers have difficulties in repaying the TSFS loan due to further full-time study, financial hardship or serious illness, they may apply for deferment of loan repayment. For

deferment of loan repayment on the grounds of financial hardship or serious illness, in case loan borrowers have not opted for the standard repayment period of 15 years, the repayment period of their loan will initially be extended to 15 years for calculation when their application is being processed. The SFO will consider each application on its own merits. Application for deferment of loan repayment should be submitted in writing, together with the necessary documentary proof, to the SFO before the due date(s) of the instalment(s) under application. For application by fax or by email, the date of receipt of the fax or email will be regarded as the date of application. For application by mail, the postmark date on the envelope will be regarded as the date of application. The application form concerned is available on the WFSFAA website (<https://www.wfsfaa.gov.hk/en/resources/loanrepayment/forms.htm>). Application for deferment of loan repayment is only applicable to the total amount due for repayment, which may comprise interest(s) and outstanding principal(s). Application for deferment of only a part of the repayment amount will not be acceded to.

21. To alleviate the financial burden of loan borrowers with proven repayment difficulties, loan borrowers whose application for deferment has been approved may be eligible for extension of the entire loan repayment period, subject to a maximum of two years (i.e. the entire repayment period will be up to 17 years). Interest will not accrue over the period of deferment. The deferred loan may be repaid on a revised repayment schedule with fewer numbers of instalments and at a larger amount or on any other terms as decided by the SFO.