PROPOSED UNDERTAKING LETTER FOR REFINANCING UNDER PAYMENT ARRANGEMENTS FOR PROPERTY TRANSACTIONS (“**PAPT**”)

TO: ABC (name under which the firm practises)

[acting for Original Mortgage Institution]

[Date]

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| [BY HAND/  BY ENCRYPTED EMAIL/  BY OTHER AGREED CHANNELS before 5:00pm] |

Dear Sirs,

Re : Property: Identify clearly the property involved   
Borrower(s):  
[Mortgagor(s):]

On behalf of our client, [Refinancing Mortgage Institution], we enclose herewith a Refinancing Mortgage Institution Confirmation with the Redemption reference and the Remittance Amount as stated therein. The Remittance Amount which together with that part of the Redemption Amount paid by the Borrower’s [/Mortgagor’s] own funds by cashier’s order/direct debit from the Borrower’s [/Mortgagor’s] repayment account with your client, the existing mortgagee (if any), represent the total amount of principal and interest calculated up to \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ outstanding (“**Redemption Amount**”) on the existing Mortgage/Legal Charge of the above property as mentioned in your letter dated \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ . [We also note that you have notified us that you have received the cashier’s order as aforesaid by your letter dated \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.]

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| Note  Delete whichever inapplicable | As regards the Rates and Government rent (if any) and management fees payable in respect of the property during the period of the existing Mortgage/Legal Charge now to be discharged/released, we now enclose written confirmation from the Rating and Valuation Department/Treasury, Hong Kong Government, and the property manager of the above property, confirming the due payment up to the date of the Release/Receipt on Discharge of all Rates, Government rent and management fees payable in respect of the above property or duly receipted demand notes in respect of Rates, Government rent and receipts for management fees aforesaid for the period of the Mortgage/Legal Charge. |
| Note  This paragraph is an alternative to paragraph 2. | [We undertake to pay any Rates or Government rent or management fees that may be outstanding in the event that we are unable to supply you within six weeks with evidence of payment in the form of either a written confirmation from the Rating and Valuation Department/Treasury, Hong Kong Government, or the property manager of the above property the due payment up to the date of the Release/Receipt on Discharge of all Rates, Government rent and management fees payable in respect of the above property, or duly receipted demand notes in respect of Rates, Government rent or receipts for management fees aforesaid for the period of the Mortgage/Legal Charge.] |

The Refinancing Mortgage Institution Confirmation is sent to you against your firm's personal undertakings (subject to the usual Law Society qualifications and subject to the receipt of the Redemption Amount by your client, the existing mortgagee):-

1. To send to us within twenty-one (21) days from the date of your receipt of this letter:
2. Release/Receipt on Discharge of the existing Mortgage/Legal Charge (Memorial No. \_\_\_\_\_\_\_\_\_\_\_\_\_) duly executed and attested together with the Memorial thereof duly completed and signed for registration with the Land Registry and the registration fee therefor [together with signed Notification of Payment/Satisfaction of Debt, Release from Charge, etc. for filing with the Companies Registry and the filing fee therefor];

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| Note  Changes proposed are not PAPT-  specific | 1. A certified copy of the Power of Attorney (if any) appointing the existing mortgagee's representative(s) to execute the Release/Receipt on Discharge. [If the Power of Attorney has come into operation for more than 12 months prior to the date of the execution of the Release/Receipt on Discharge, a written confirmation from the existing mortgagee confirming the Power of Attorney has not been revoked and is/are effective at the time of execution of the said Release/Receipt on Discharge.] |
| Note  Changes proposed are not PAPT-  specific | 1. [If the Release/Receipt on Discharge/Power of Attorney (if any) shall be executed by the existing mortgagee under its common seal and the execution is not in accordance with s. 20(1) of the Conveyancing and Property Ordinance (Cap. 219) of the Laws of Hong Kong SAR, a certified copy of the relevant articles of association and the relevant board resolution of the existing mortgagee authorizing execution of the said Release/Receipt on Discharge and/or Power of Attorney.] |
| Note  Changes proposed are not PAPT-  specific | 1. [For Power of Attorney (if any) given by a corporation which is not incorporated in Hong Kong] [If the Power of Attorney is executed by a corporation which is not incorporated in Hong Kong and not in accordance with s. 20(1) of the Conveyancing and Property Ordinance (Cap. 219) of the Laws of Hong Kong SAR, a written legal opinion from a lawyer practising in the jurisdiction in which that corporation was incorporated confirming the relevant documents were duly executed in accordance with the laws of that jurisdiction and that the document as executed is binding on such corporation. ] |
| Note  Changes proposed are not PAPT-  specific | [(e) The following title deeds and documents relating to the said property (including the existing Mortgage/Legal Charge):  or   1. All other title deeds remaining in your or your client's possession to which the Mortgagor is entitled (including the existing Mortgage/Legal Charge);] |

1. To be responsible for any additional registration fees which may be imposed should any document(s) sent by you to us for registration be stopped or withheld from registration as a result of your fault or omission.

Your undertakings will be deemed given unless:-

1. you advise us to the contrary in writing as soon as practicable indicating the revisions to the undertakings you require and we are unable to agree a revised form of undertakings; or
2. you notice there is incorrect key information in the Refinancing Mortgage Institution Confirmation which may prevent our client from effecting payment of the correct amount to the correct designated account of your client, the existing mortgagee; or
3. where part of the Redemption Amount is paid with the Borrower’s [/Mortgagor’s] own funds by direct debit from the Borrower’s [/Mortgagor’s] repayment account with your client, you have been notified by your client, the existing mortgagee, that the debit was not successful; or

Note

Item (iv) can be removed if receipt of the cashier’s order has been confirmed in the first paragraph of this letter

1. [where part of the Redemption Amount is paid by the Borrower’s [/Mortgagor’s] own funds by cashier’s order, you have not received such cashier’s order from the Borrower [/Mortgagor]].

You shall not send the Refinancing Mortgage Institution Confirmation to your client, the existing mortgagee, in any of the aforesaid circumstances from (i) to [(iii/iv)]. In the case of (iii), you shall refuse to accept the Refinancing Mortgage Institution Confirmation from us.

Any undertakings given as aforesaid will be deemed withdrawn if we shall have notified you or our client shall have notified your client, the existing mortgagee, by 9:00am on the next business day following this letter that the proposed discharge/release of the existing Mortgage/Legal Charge shall not be proceeded with or has been deferred.

In the meantime and subject as aforesaid you may send the Refinancing Mortgage Institution Confirmation to your client.

Yours faithfully,