

# To borrow a loan – what you must know



- Don't borrow beyond your limits. You and your family will have to bear tremendous financial strain relating to the costs and interest expenses for any default in repayment. Borrow only if you are able to repay a loan.
- Either when applying for a loan or after successfully obtaining a loan, don't hand over any money to any third party. When they have got the money, they will never turn up again.

The third party may be a financial intermediary or any other person.

Common tactics to swindle money include:

- Keeping the money for custody
  - Obtaining the money to improve your credit record for applying another loan
  - Obtaining the money to purchase goods or services or make investment, etc.
- Don't engage an intermediary who has not been appointed by a money lender.
  - If you apply for a loan through an intermediary, you must disclose the particulars of the intermediary to the money lender. Do not hide the involvement of the intermediary even if you are asked to do so by any person; otherwise you will likely suffer financial loss.
  - Remember: Financial intermediaries must not charge you any fees however named, including administrative fees, handling fees, consulting fees, etc. Any such fees are illegal.

## Before or after obtaining a loan, Don't Pay Any third party

If you are in financial distress, you may seek free advice and assistance through the following 24-hour hotlines:

Name of Hotline	Telephone
Anti-Deception Coordination Centre of Police – Anti-Scam Helpline 18222	18222
Caritas Family Crisis Support Centre – Financial Distress Counselling Hotline	3161 0102
Tung Wah Group of Hospitals – Financial Relief and Counselling Hotline	2548 8411
Social Welfare Department Hotline	2343 2255



Money Lenders Unit  
Companies Registry



Police Licensing Office  
Hong Kong Police

## Update on Statutory Limit of Effective Interest Rate Cap in relation to Money Lenders Ordinance

Effective 30 December 2022, statutory limit of effective interest rate and extortionate rate per annum are 48% and 36% respectively.

*Should there be any inconsistencies between the English and other language versions of the above notices, the English version shall prevail.*