

Pre-payment Fee Q&A and Examples

Applicable to Hang Seng Credit Card Cash Instalment Plan, Spending Instalment Plan and Balance Transfer Instalment Plan

Q&A

Q: Can I repay Hang Seng Credit Card Cash Instalment Plan / Spending Instalment Plan/ Balance Transfer Instalment Plan before the end of the repayment period?

A: Yes. Nevertheless, one should consider the early repayment charges involved before deciding whether to make early repayment or not. For Hang Seng Credit Card Cash Instalment Plan / Spending Instalment Plan/ Balance Transfer Instalment Plan, the principal and handling fee are fixed in each and every month during the repayment period. The borrower is advised to first check with the bank about the total amount involved in early repayment (including outstanding loan balance, early repayment charges, etc.) and the amount of outstanding handling fee. He/she should compare different scenarios and consider carefully before making a decision of repaying early or not.

Examples for pre-payment fee calculation

Example A

(Applicable to all new Hang Seng Credit Card Cash Instalment Plan / Spending Instalment Plan / Balance Transfer Instalment Plan approved on or after 25 July 2023)

In case the Cardmember requests to make prepayment of the outstanding balance of Instalment Plan, Hang Seng will charge a total amount of outstanding monthly handling fee for the remaining Instalment Period and an administration fee of HKD300. All the fee will be debited from the Credit Card Account directly.

Assume the loan amount is HKD50,000, with a 0.22% personalised monthly handling fee and a 60- month repayment period (annualised percentage rate (APR¹) is 5.11%):

Loan amount (a)	HKD50,000
Monthly handling fee (%) (b)	0.22%
Monthly handling fee amount (c)= (a) x (b)	HKD110
Original repayment period	60
Remaining repayment period (d)	21
Total pre-payment fee if making prepayment:	
Remaining repayment period (e)	21
Monthly handling fee amount (c)	HKD110
Handling fee of remaining repayment period (f) = (c) x (e)	HKD2,310
Plus: \$300 fee (g)	HKD300
Total prepayment fee (h) = (f) + (g)	HKD2,610
Total remaining handling fee if paying as scheduled:	
Remaining handling fee (i) = (c) x (d)	HKD2,310
Additional handling fee payable if making prepayment	
(j)	HKD300

Example B

(Applicable to all new Hang Seng Credit Card Cash Instalment Plan, Spending Instalment Plan and Balance Transfer Instalment Plan approved before 25 July 2023)

In case the Cardmember requests to make prepayment of the outstanding balance of Instalment Plan, Hang Seng will charge each time a fee equivalent to the handling fee of the remaining period of Instalment Plan (maximum 10 months handling fee) and HKD300 administration fee. All the fee will be debited from the Credit Card Account directly.

Assume the loan amount is HKD50,000, with a 0.22% personalised monthly handling fee and a 60- month repayment period (annualised percentage rate (APR¹) is 5.11%):

	Case (1)	Case (2)	Case (3)
Loan amount (a)	HKD50,000	HKD50,000	HKD50,000
Monthly handling fee (%) (b)	0.22%	0.22%	0.22%
Monthly handling fee amount (c)= (a) x (b)	HKD110	HKD110	HKD110
Original repayment period	60	60	60
Remaining repayment period (d)	21	13	8
Total pre-payment fee if making prepayment:			
Remaining repayment period(max 10 months) (e)	10	10	8
Monthly handling fee amount (c)	HKD110	HKD110	HKD110
Handling fee of remaining repayment period (max 10months) (f) = (c) x (e)	HKD1,100	HKD1,100	HKD880
Plus: \$300 administratin on fee (g)	HKD300	HKD300	HKD300
Total prepayment fee (h) = (f) + (g)	HKD1,400	HKD1,400	HKD1,180
Total remaining handling fee if paying as scheduled:			
Remaining handling fee (i) = (c) x(d)	HKD2,310	HKD1,430	HKD 880
Handling fee saved/(Additional handling fee payable) if making prepayment			
(j) = (i) - (h)	HKD910	HKD30	(HKD300)

(Updated in July 2023)

Other point(s) to note

- The APR is calculated based on the requirement of the Code of Banking practice. APR is a reference rate which expresses the fees and charges of respective product as an annualised rate. The above information is for reference only. For any enquiry, please call our Hang Seng Credit Card Enquiry Hotline 2998 6899.