

Press release

LCQ8: Sharing of positive mortgage data

Wednesday, November 24, 2010

Following is a question by the Hon Chan Kin-por and a written reply by the Secretary for Financial Services and the Treasury, Professor K C Chan, in the Legislative Council today (November 24):

Question:

It has been reported that the Government and the Hong Kong Monetary Authority are examining the feasibility of introducing a positive credit information database on mortgage loans (the database), so as to prevent members of the public from being exposed to the risks arising from over-borrowing to purchase properties, and given that there is no sharing of such information among banks at present which is a loophole, they consider that the database should be established as a matter of urgency, hopefully by early next year. Yet, a spokesman of the Office of the Privacy Commissioner for Personal Data (PCPD) told the media earlier that if credit data on mortgage loans are to be shared among banks and financial institutions, it is necessary to revise the Code of Practice on Consumer Credit Data (the Code). In this connection, will the Government inform this Council:

- (a) why the database which has been studied for a long time has still not yet been established, as well as what difficulties have been encountered;
- (b) whether there is any specific timetable and proposal for establishing the database; and
- (c) whether the introduction of the database has to be delayed for a long time because the Code has to be revised first; and whether it knows if PCPD has started revising the Code?

Reply:

President,

The Administration's reply to the questions is as follows:

- (a) Sharing of positive consumer credit data was introduced in 2003 and is covered by the Code of Practice on Consumer Credit Data (the Code) issued by the Privacy Commissioner for Personal Data (Privacy Commissioner), which specifically excludes sharing of positive mortgage data. Pursuant to section

12(9) of the Personal Data (Privacy) Ordinance, the Privacy Commissioner is required to carry out public consultation before making any amendments to the Code.

To enhance the risk management of the banks with regard to mortgage loans, the Hong Kong Monetary Authority (HKMA) suggested that the Privacy Commissioner revisit the proposal of sharing positive mortgage data last year. Since then, the HKMA, the Hong Kong Association of Banks and the Privacy Commissioner have detailed discussions, focusing on the scope of the positive mortgage data to be shared. Having regard to the public interest involved and the degree of privacy intrusion, parties concerned have finally come to a consensus that the data to be shared should be confined to the number of outstanding mortgages held by a data subject, and this would be the basis for the public consultation to be conducted.

(b) & (c) We note that the Privacy Commissioner will conduct public consultation in January 2011. Subject to the outcome of the consultation, the Code will be amended appropriately before the end of March 2011. The HKMA and the banking industry will be fully co-operative and aim to complete the relevant preparatory work in the first quarter of 2011 with a view to implementing the sharing of positive mortgage data.

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