

MORTGAGE INSURANCE PROGRAMME

90% MIP with Maximum Loan Amount Up to HK\$5.4 Million

Description: Insurance Eligibility Criteria for Floating Rate Mortgages and Fixed Adjustable Rate Mortgages up to HK\$5.4 million with Loan-to-Value ratio above 60% up to and including 90% and secured on completed private residential properties or properties under construction.

Note: With effect from 11 June 2011, the MIP will not be available to applicants whose income is derived mainly from outside Hong Kong unless they can demonstrate that they have a close connection with Hong Kong[#].

[#]For the purpose of processing MIP applications, any application with applicant(s) currently working outside Hong Kong (hereinafter "Overseas Income Applicant(s)") and contributing over 50% of the verified household income (of the application) will not be accepted unless the applicant can provide any one of the following documents:

1. Justification with documentary proof, subject to the HKMC's satisfaction, showing the employment relationship of the Overseas Income Applicant and a local employer;
2. Declaration from the Overseas Income Applicant confirming his/her immediate family member (spouse, parents and descendants only) is residing in Hong Kong.

The Insurance Eligibility Criteria are summarised below:

Product type	(a) Floating Rate Mortgages (b) Fixed Adjustable Rate Mortgages
Maximum property value	HK\$6,000,000 (Pursuant to the purchase price of the Property as stated in the sale and purchase agreement. For refinancing loans, the property value shall be the appraised value of the Property, if applicable.)
Maximum loan amount at origination	HK\$5,400,000 (or HK\$5,000,000 if the LTV Threshold is lower than 70% of Value at Origination) Only fully amortising mortgage Loans are eligible for Cover. Mortgage loans with balloon payments, payment holidays and Deferred Principal Repayment Loans are not eligible for cover.

Maximum Loan-to-value (“LTV”) ratio:	90% (may exceed 90% to the extent the Premium is financed by the mortgage loan) The purchase price must exclude the value of any incentives offered by the relevant vendor or any other third party to the Borrower / Mortgagor in relation to the purchase of the Property.
Minimum LTV Threshold	60%
Calculation of Debt-to-Income (DTI) ratio <ul style="list-style-type: none"> Maximum debt-to-income ratio at origination 	50% 45% (For self-employed (non-professional) Obligor if the LTV ratio is above 85%)
Maximum original term to maturity	40 years
Maximum sum of “remaining term to maturity” and “age of Property” at origination and throughout the life of the mortgage loan	75 years (subject to case by case approval where it exceeds 50 years)
Borrower type	Personal customers
Type of property	The property must be a residential properties located in Hong Kong. Properties under construction [#] , excluding village houses, are eligible for coverage. [#] The property development project must be covered by the Consent Scheme and scheduled for completion within 12 months from the Loan Drawdown Date, i.e. the Building Completion Date must be within 12 months from the Loan Drawdown Date
Owner occupancy	At least one of the income generating Borrower(s)/ Mortgagor(s) / Guarantor(s)* must physically live in the Property and use the Property as his / her primary residence while Cover is maintained, or until such requirement is waived at the discretion of the HKMC and its reinsurers. The occupying Borrower / Mortgagor / Guarantor’s* income must not be less than the sum of monthly mortgage instalment payment and his/her other monthly

	<p>debt obligations.</p> <p>*Guarantor must be the immediate family member or fiancé of Borrower or Mortgagor.</p>
Premium rates	<p>Single and Annual premium payment option, no premium refund arrangement for the following products:</p> <ol style="list-style-type: none"> 1. Loan tenor exceeds 30 years; or 2. Under Annual premium payment option.
Down payment	<p>The down payment for the purchase of the Property must be paid from the Borrower / Mortgagor's own assets and must not have been financed by way of any loan or banking / credit facility.</p>

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