

**MORTGAGE INSURANCE PROGRAMME**

**95% MIP with Maximum Loan Amount Up to HK\$6 Million**

Description: Insurance Eligibility Criteria for Floating Rate Mortgages and Fixed Adjustable Rate Mortgages up to HK\$6 million with Loan-to-Value ratio above 70% LTV up to and including 95% and secured on completed private residential properties or properties under construction.	
<b>The Insurance Eligibility Criteria are summarised below:</b>	
Product type	(a) Floating Rate Mortgages (b) Fixed Adjustable Rate Mortgages
Maximum loan amount at origination	HK\$6,000,000  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.
Determination of Loan-to-value (“LTV”) ratio:	95%  (may exceed 95% 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	70%
Calculation of Debt-to-Income (DTI) ratio	45% 50% (for high income earner)
Maximum original term to maturity	30 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	<p>The property must be a residential properties located in Hong Kong.</p> <p>Properties under construction<sup>#</sup>, excluding village houses, are eligible for coverage.</p> <p><sup>#</sup>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</p>
Owner occupancy	<p>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.</p> <p>The occupying Borrower / Mortgagor / Guarantor's* income must not be less than the sum of monthly mortgage instalment payment and his/her other monthly debt obligations.</p> <p>*Guarantor must be the immediate family member or fiancé of Borrower or Mortgagor.</p>
Premium rates	<p>Single and Annual<sup>#</sup> premium payment option (with no premium refund arrangement)</p> <p><sup>#</sup>Not applicable to Fixed Adjustable Rate Mortgages</p>
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>

October 2009