

**MORTGAGE INSURANCE PROGRAMME****85% MIP on Village House  
with Maximum Loan Amount Up to HK\$5 Million**

Description: Insurance Eligibility Criteria for Floating Rate Mortgages and Fixed Adjustable Rate Mortgages up to HK\$5 million with Loan-to-Value ratio above 60% up to and including 85% and secured on completed private residential properties.	
<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\$5,000,000  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:	85%  (may exceed 85% 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%
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	55 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 (“Tso”, “Tong” properties or Small Village Houses located in the New Territories with alienation restriction sale are not eligible)</p> <p>Properties under construction are not eligible for coverage.</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>
Refinancing	<p>Eligible for refinancing and cast-out refinancing</p> <p>(for refinanced loans which involve a cash-out element, the application will be considered on a case-by-case basis)</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"> <li>1. Loan tenor exceeds 30 years; or</li> <li>2. Under Annual premium payment option.</li> </ol>
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>

*December 2008*