

**MORTGAGE INSURANCE PROGRAMME**  
**Mortgage Insurance Arrangement for**  
**Ma Tau Wai Road Starter Homes Pilot Project**

Description: Insurance Eligibility Criteria for Floating Rate Mortgages and Fixed Adjustable Rate Mortgages with Loan-to-Value ratio above 60% (or 50%, where applicable) up to and including 90% and secured on properties of Ma Tau Wai Road Starter Homes Pilot Project.

Note:

1. For the avoidance of doubt, all MIP applications must comply with the applicable circulars and requirements of the HKMA, except otherwise specified below. For applicants who cannot meet the stressed DTI ratio, the insurance premium will be adjusted based on the relevant risk factors.
2. The MIP is not 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 HKMCI'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	<p>(a) Floating Rate Mortgages</p> <p>(b) Fixed Adjustable Rate Mortgages</p> <p>Only fully amortising mortgage Loans are eligible for Cover.</p> <p>Mortgage loans with balloon payments, payment holidays and Deferred Principal Repayment Loans are not eligible for cover.</p>
Maximum Loan-to-value ("LTV") ratio:	<p>90%</p> <p>(may exceed the respective LTV ratio to the extent the Premium is financed by the mortgage loan)</p> <p>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.</p>

<p>Calculation of Debt-to-Income (DTI) ratio</p> <ul style="list-style-type: none"> <li>Maximum debt-to-income ratio at origination</li> </ul>	<p><b><u>If none of the applicants has borrowed or guaranteed outstanding mortgage loans for one or more properties at the time of applying for MIP Cover<sup>^</sup>, the maximum DTI ratio is:</u></b></p> <p>50%</p> <p><b><u>If any one of the applicants has already borrowed or guaranteed outstanding mortgage loans for one or more properties at the time of applying for MIP Cover<sup>^^</sup>, the maximum DTI ratio is:</u></b></p> <p>40%</p> <p><sup>^</sup> 60% LTV Threshold Premium Rate Sheet will apply  <sup>^^</sup> 50% LTV Threshold Premium Rate Sheet will apply</p>
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
Borrower type	Personal customers
Type of property	The property must be a residential properties located in Hong Kong under Ma Tau Wai Road Starter Homes Pilot Project.
Premium rates	Single and Annual premium payment option, no premium refund arrangement under Annual premium payment option. (Refer to the details of Premium Rate Sheet)
Down payment	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.