Press Release

The Hong Kong Mortgage Corporation Limited

Expansion of the Mortgage Insurance Programme (MIP) to cover Cash-out Refinancing Mortgages with a Loan-to-Value Ratio of up to 85%

The Hong Kong Mortgage Corporation Limited (HKMC) is pleased to announce today (Monday) an expansion in the Mortgage Insurance Programme (MIP) to cover cash-out refinancing mortgages with a maximum loan-to-value (LTV) ratio of 85% and a maximum loan size of HK$5 million.

According to the Hong Kong Monetary Authority (HKMA)'s monthly survey of residential mortgage lending, the aggregate amount of new approvals for refinancing loans in the first 9 months of 2004 amounted to HK$26 billion, a 100% increase compared with the total approvals in year 2003 as a whole. In view of the increase in demand for refinancing loans, a number of banks have requested the HKMC to expand the scope of the MIP to cover cash-out refinancing mortgages.

The HKMC will accept applications for the new product with effect from 7 December 2004. Interested homeowners may call the HKMC hotline at 2536-0136 for details of the product and application procedures.

The Hong Kong Mortgage Corporation Limited
6 December 2004