Press Release

The Hong Kong Mortgage Corporation Limited

95% LTV Mortgage Insurance to Cover Loan Size up to HK$ 8 Million

The Hong Kong Mortgage Corporation Limited (HKMC) announced today (Friday) a modification to its Mortgage Insurance Programme (MIP). The maximum loan size for mortgages with a loan-to-value (LTV) ratio of 95% under the MIP will be increased from HK$5 million to HK$8 million.

Since its launch on 29 July 2004, the 95% LTV MIP has received very good market response. Up to 17 November 2004, more than 3,000 applications have been received by the HKMC, with over 80% coming from the secondary property market. This demonstrates a strong market demand for higher LTV financing. A number of banks have recently requested the HKMC to extend the coverage of the 95% product to mortgages with loan size exceeding HK$5 million. After consulting its Approved Reinsurers, the HKMC has decided to increase the maximum loan size of 95% LTV MIP to HK$8 million. At present the maximum loan size for 90% LTV MIP can go up to HK$12 million.

The HKMC will accept 95% LTV MIP applications with a loan size of up to HK$8 million with effect from 20 November 2004. Interested homebuyers can approach their banks or call the HKMC hotline at 2536-0136 for further information.

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