Press Release

Revision to the Mortgage Insurance Programme

The Hong Kong Mortgage Corporation Limited (HKMC) announced today (Friday) that it will lower the cap on the value of property that can be covered under the Mortgage Insurance Programme (MIP) from HK$6.8 million to HK$6 million. As a result, for mortgage loans with MIP cover starting from 70% loan-to-value (LTV) threshold, the maximum loan amount will be reduced from HK$6.12 million to HK$5.4 million. Meanwhile, for mortgage loans with MIP cover starting from 60% LTV threshold, the maximum loan amount will be reduced from HK$6 million to HK$5 million. Also, the MIP will not be available to applicants whose principal income is not derived from Hong Kong.

The above changes are made to take account of the prudential measures for residential mortgage loans announced today by the Hong Kong Monetary Authority. They will apply to MIP applications with provisional sale and purchase agreement signed on or after 11 June 2011. For homebuyers who have executed the provisional sale and purchase agreement on or before 10 June 2011, their mortgage loan applications may be submitted by the MIP participating banks for processing in accordance with the existing scope and criteria of the MIP.

For enquiries, please call the MIP Hotline (Tel: 2536 0136).

The Hong Kong Mortgage Corporation Limited
10 June 2011