Press Release

Microfinance Pilot Scheme

The Hong Kong Mortgage Corporation Limited (HKMC) today (Friday) announced that it has obtained approval from the Board to launch a microfinance pilot scheme with a trial period of three years in mid-2012. The scheme aims to assist people who may wish to start their own business or receive training for skill upgrading or certification but cannot do so due to a lack of financial means or difficulties in obtaining loans from traditional finance sources. The key features of the pilot scheme are set out in Annex.

The Executive Director of the HKMC and the Deputy Chief Executive of the Hong Kong Monetary Authority, Mr Peter Pang said, "The HKMC is in close discussions with different stakeholders on the details of the pilot scheme. A few banks and voluntary agencies have expressed their interest in taking part. We are preparing to launch the microfinance pilot scheme in mid-2012."

The Hong Kong Mortgage Corporation Limited

17 February 2012

Annex

Key Features of the Microfinance Pilot Scheme

	Micro Business Start-up Loan	Self-employment Loan	Self-enhancement Loan
Eligibility Criteria	• Hong Kong resident aged 18 or over • No bankruptcy record or applicants who have been formally discharged from bankruptcy may also apply • Acceptable credit history		
	• Business plan required • For business start-up in Hong Kong (including business in operation for less than five years)	• Business plan required	• For courses not covered by the Student Financial Assistance Agency (SFAA) or Employees Retraining Board (ERB) or • Those who fail to obtain SFAA assistance for the whole cost or full fee subsidy from ERB
Loan Amount	Up to HK$300,000	Up to HK$200,000	Up to HK$100,000
Loan Tenor	Up to five years		
Repayment Term	• For loan tenor up to three years, a repayment holiday of six months is provided • For loan tenor of over three years up to five years, a repayment holiday of 12 months is provided		