Press Release

Revisions of the Mortgage Insurance Programme

The Hong Kong Mortgage Corporation Limited (HKMC) today (Friday) announced that revisions will be made to the eligibility criteria for the Mortgage Insurance Programme (MIP).

Currently, properties with value at or below HK$6 million are eligible for the maximum MIP cover of 90% loan-to-value (LTV).

After the revisions, only mortgage loans of properties with value at or below HK$4 million will be eligible for the maximum MIP cover of 90% LTV.

Properties with value above HK$4 million and below HK$4.5 million will be eligible for MIP cover up to HK$3.6 million, being 80-90% LTV, while properties with value at or above HK$4.5 million will only be eligible for the maximum MIP cover of 80% LTV. The cap on the value of properties under MIP will remain unchanged at HK$6 million.

The revisions will apply to MIP applications with provisional sale and purchase agreement signed on or after 23 February 2013. For homebuyers who have executed the provisional sale and purchase agreement on or before 22 February 2013, 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.

The Chief Executive Officer of the HKMC, Mr Raymond Li, said, “Taking into account the current market conditions, these revisions aim to ensure that the HKMC is taking a prudential approach to risk management on its exposure to

high LTV mortgage lending.”

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

The Hong Kong Mortgage Corporation Limited
22 February 2013