Press Release

Extension of Fixed-rate Mortgage Pilot Scheme for One Year

The Hong Kong Mortgage Corporation Limited (HKMC) today (Monday) announces that, the application period for the Fixed-rate Mortgage Pilot Scheme will be extended for one year to 30 October 2021. In response to the change in market interest rates, mortgage interest rates will be adjusted as follows, and the scheme will start receiving applications from today.

Fixed-rate period	Interest rate (p.a.)
10-year	1.99%
15-year	2.09%
20-year	2.19%

The Fixed-rate Mortgage Pilot Scheme aims to provide an alternative financing option to homebuyers for mitigating their risks arising from interest rate volatility, thereby enhancing banking stability in the long run. The aggregate loan amount of the scheme is HK$1 billion, subject to a maximum loan amount of each private residential mortgage of HK$10 million. As the borrowers will be insulated from interest rate movement under the fixed-rate period which is 10 years or longer, the HKMC has obtained agreement from the Hong Kong Monetary Authority that they will not be required to meet the stress testing against interest rate rise, but the current debt-to-income ratio will still be applicable.

The Hong Kong Mortgage Corporation Limited
2 November 2020