Press Release

Permanent Offer of Fixed-rate Mortgage Scheme

The Hong Kong Mortgage Corporation Limited (HKMC) announced that the Fixed-rate Mortgage Scheme will be converted from a pilot programme into a permanent product starting from 1 November 2021 (Monday). The current fixed interest rates per annum under the scheme will be maintained until end-January 2022[1]:

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

Starting from February 2022, the HKMC will determine the fixed interest rates per annum from time to time in accordance with factors such as its cost of funds, business risks and market conditions. The rates will be announced monthly.

The Financial Secretary, Mr Paul Chan, said, "Proposed in the 2020-21 Budget, the Fixed-rate Mortgage Scheme has approved loans totalling around HK$400 million in the past year and a half. This reflects a certain market demand for fixed-rate mortgage products. The scheme has filled a market gap, and its permanent offer will continue 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."

Under the Fixed-rate Mortgage Scheme, the maximum loan amount of each

[1] The final fixed interest rate of a mortgage loan will be subject to the date of receiving the mortgage application and the drawdown date.

residential mortgage is HK$10 million. At the end of the fixed-rate period, the borrower may either re-fix the mortgage rate under the fixed-rate mortgages at that time or convert the mortgage to a floating-rate loan. As the borrowers will be insulated from interest rate movements 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
29 October 2021