

Press Release

Amendments to the Mortgage Insurance Programme

HKMC Insurance Limited (HKMCI), a wholly-owned subsidiary of The Hong Kong Mortgage Corporation Limited, announced today (22 September) that amendments are made to the Mortgage Insurance Programme (MIP) for residential properties under construction^(Note) so that the applicable eligibility criteria align with those for completed residential properties. Upon the amendments:

1. for eligible properties under construction with property value up to HK\$10 million, the maximum loan-to-value (LTV) ratio is 90%;
2. for eligible properties under construction with property value above HK\$10 million and up to HK\$15 million, the maximum LTV ratio is 80% or an LTV ratio derived from a mortgage loan cap of HK\$9 million, whichever the higher; and
3. for eligible properties under construction with property value above HK\$15 million and up to HK\$30 million, the maximum LTV ratio is 70% or an LTV ratio derived from a mortgage loan cap of HK\$12 million, whichever the higher.

The amended eligibility criteria will apply to mortgage loans for properties under construction for self-occupation with provisional agreements for sale and purchase executed on or after 22 September 2023.

Before that, the MIP could only provide mortgage insurance for properties under construction with property value up to HK\$6 million. In making the amendments

this time, the HKMCI has considered the property market conditions and its own business and risk factors, and is seeking to enable the MIP to further promote home ownership.

Details of the MIP are available at the programme's web page:

https://www.hkmc.com.hk/eng/our_business/mortgage_insurance_programme.html

HKMC Insurance Limited

22 September 2023

Note: Pursuant to the eligibility criteria of the MIP, properties under construction must be covered by the Lands Department Consent Scheme and scheduled for completion within 12 months from the drawdown dates of the mortgage loans. For those properties not meeting these criteria, the HKMCI will consider on a case-by-case basis having regard to risk factors. Homebuyers can consult banks to ascertain whether a property development project under construction is covered by the MIP.