

MORTGAGE INSURANCE PROGRAMME

Home Ownership Scheme Secondary Market Scheme of the Hong Kong Housing Authority

Description: Insurance Eligibility Criteria for Floating Rate Mortgages with Loan-to-Value ratio above 70% up to and including 95% for Green Form buyers (or 90% for White Form buyers) and secured on subsidised sale flats under the Home Ownership Scheme Secondary Market Scheme (the “**HOSSMS**”) of the Hong Kong Housing Authority (the “**HA**”). This table is applicable to mortgage loans with provisional sale and purchase agreement signed on or after 16 October 2024.

Note:

For the avoidance of doubt, all MIP applications must comply with the applicable circulars and requirements of the HKMA.

The Insurance Eligibility Criteria are summarised below:

Product type	Floating Rate Mortgages
Maximum property value ^{##}	HK\$15,000,000
Maximum loan amount at origination	HK\$12,000,000 Only fully amortising mortgage loans are eligible for Cover. Mortgage loans with balloon payments, payment holidays and Deferred Principal Repayment Loans are not eligible for Cover.
Maximum Loan-to-value (LTV) ratio	<u>Green Form Buyers</u> For eligible properties with property value ^{##} up to HK\$10 million, the maximum LTV ratio is 95%*. For eligible properties with property value ^{##} above

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	<p>HK\$10 million and up to HK\$15 million, the maximum LTV ratio is 80% or an LTV ratio* derived from maximum loan amount of HK\$9.5 million, whichever the higher.</p> <p><u>White Form Buyers</u></p> <p>For eligible properties with property value## up to HK\$10 million, the maximum LTV ratio is 90%*.</p> <p>For eligible properties 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 maximum loan amount of HK\$9 million, whichever the higher.</p> <p>(may exceed the respective LTV ratio to the extent the Premium is financed by the mortgage loan)</p> <p>*only applicable to application with (i) all mortgagors not holding any residential properties in Hong Kong at the time of application and (ii) all applicants being regular salaried persons</p>
Maximum debt-to-income (DTI) ratio at origination	<p>50%</p> <p>Borrowers shall be allowed to add guarantors to help meet the DTI requirement if necessary and there is no restriction on guarantor's relationship with Borrower.</p>
Maximum original term to maturity	30 years
Maximum sum of "remaining term to maturity" and "age of Property" at origination and throughout the life of the mortgage loan	75 years

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Borrower type	Personal customers
Type of Property	<p>The Property must be a subsidised sale flat under the Home Ownership Scheme Secondary Market Scheme of the HA* with the relevant Legal Charge executed on or after the launch date (i.e. 1 March 2024) for the purchase of the Property.</p> <p>* For the purposes of the MIP, the coverage of “Home Ownership Scheme Secondary Market Scheme” includes subsidised flats sold under the Home Ownership Scheme, the Private Sector Participation Scheme, the Buy or Rent Option Scheme, the Tenants Purchase Scheme and the Green Form Subsidised Home Ownership Pilot Scheme / Green Form Subsidised Home Ownership of the HA.</p>
Owner occupancy	<p>At least one of the Borrower(s)/ Mortgagor(s) / Guarantor(s)* must physically live in the Property and use the Property as his primary residence while Cover is maintained, or until such requirement is waived at the discretion of the HKMCI and its reinsurers.</p> <p>The occupying Borrower / Mortgagor / Guarantor’s* income must not be less than the sum of monthly mortgage instalment payment and his/her other monthly debt obligations at the time of application.</p> <p>*Guarantor must be the immediate family member (but not relative) or fiancé of Borrower or Mortgagor.</p>

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Premium rates	<p>(Refer to the details of Premium Rate Sheet - for Loans under subsidised housing – Table 2)</p> <p>For those applications complied with the “Eligibility Criteria for 80% Mortgage Insurance Programme (for property value^{##} up to HK\$6 million)”, refer to the details of Premium Rate Sheet - for Loans under subsidised housing - Table 1</p> <p>For properties under subsidised housing for the purpose of refinancing, refer to the details of Premium Rate Sheet – for Loans under subsidised housing - Table 1R to Table 2R</p>
Premium Discount	<p>Premium discount is applicable to mortgage loan which is guaranteed by the HA under the HA Guarantee (with reference to the property age and LTV ratio).</p> <p>(Refer to the details of Premium Rate Sheet - for Loans under subsidised housing - Premium Rate Discount Table applicable to HOSSMS of the HA)</p>
Down payment	<p>The down payment for the purchase of the Property must be paid from the Borrower / Mortgagor’s own assets and must not be financed by any loan or banking / credit facility.</p>

^{##} the lower of (a) the appraised value of the Property and (b) the purchase price of the Property as stated in the sale and purchase agreement (less the amount of any incentive). (b) is not applicable to refinancing loans.

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Note: The Mortgage Insurance Programme is operated by HKMC Insurance Limited (Enquiry hotline: 2536 0136).

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