

# **MORTGAGE INSURANCE PROGRAMME**

## **70% MIP**

Description: Insurance Eligibility Criteria for Floating Rate Mortgages and Fixed Adjustable Rate Mortgages for loans up to HK\$21 million with Loan-to-Value ratio above 60% up to and including 70% and secured on completed private residential properties or properties under construction with property value<sup>##</sup> above HK\$17.15 million and up to HK\$30 million. This table is applicable to mortgage loans (i) from secondary market transactions with provisional sale and purchase agreement signed from 28 February 2024 to 15 October 2024 and (ii) from primary market transactions with provisional sale and purchase agreement signed on or before 15 October 2024 and the properties are scheduled for completion on or before 15 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	(a) Floating Rate Mortgages  (b) Fixed Adjustable Rate Mortgages
Maximum property value <sup>##</sup>	HK\$30,000,000
Maximum loan amount at origination	HK\$21,000,000  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	70%  (may exceed the respective LTV ratio to the extent the Premium is financed by the mortgage loan)

Maximum debt-to-income (DTI) ratio at origination	<p><b><u>For any applicants has borrowed or guaranteed outstanding mortgage loans for one or more properties at the time of applying for MIP Cover*, the maximum DTI ratio is:</u></b></p> <p>40%</p> <p>* 60% LTV Threshold Premium Rate Sheet will apply</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
Borrower type	Personal customers
Type of property	<p>The property must be a residential property located in Hong Kong.</p> <p>Properties under construction<sup>#</sup>, excluding village houses, are eligible for coverage.</p> <p><sup>#</sup>The property development project must be covered by the Consent Scheme and scheduled for completion within 12 months from the Loan Drawdown Date, i.e. the Building Completion Date must be within 12 months from the Loan Drawdown Date.</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 / her 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 or fiancé of Borrower or Mortgagor.</p>

Premium rates	Single and annual premium payment option, no premium refund arrangement under annual premium payment option.  (Refer to the details of Premium Rate Sheet – Table 9)
Down payment	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.

<sup>##</sup> 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.

October 2024

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