

# **MORTGAGE INSURANCE PROGRAMME**

## **80% MIP**

Description: Insurance Eligibility Criteria for Floating Rate Mortgages and Fixed Adjustable Rate Mortgages for loans up to HK\$12 million with Loan-to-Value ratio above 70% (or 60%/50%, where applicable) up to and including 80% and secured on completed private residential properties or properties under construction (applicable to equitable mortgage loans with provisional sale and purchase agreement signed on or after 22 September 2023) with property value up to HK\$17.15 million.

**Note:**

For the avoidance of doubt, all MIP applications must comply with the applicable circulars and requirements of the HKMA. For first time homebuyers who are unable to meet the requirement of stress test, additional adjustment of insurance premium amount (not applicable to the Fixed Rate Mortgage Scheme under Fixed Adjustable Rate Mortgage Programme) will be required based on the relevant risk factor.

### **The Insurance Eligibility Criteria are summarised below:**

Product type	(a) Floating Rate Mortgages  (b) Fixed Adjustable Rate Mortgages
Maximum property value	HK\$17,150,000  (Pursuant to the purchase price of the Property as stated in the sale and purchase agreement. For refinancing loans, the property value shall be the appraised value of the Property, if applicable.)
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.

<p>Maximum Loan-to-value (LTV) ratio</p>	<p><b><u>Property value above HK\$4 million and up to HK\$10 million:</u></b> 80% or 90%*</p> <p><b><u>Property value above HK\$10 million and below HK\$11.25 million:</u></b> 80% to 90%*, subject to a loan cap of HK\$9 million (whichever is lower)</p> <p><b><u>Property value at or above HK\$11.25 million and up to HK\$15 million:</u></b> 80%</p> <p><b><u>Property value at or above HK\$15 million and up to HK\$17.15 million:</u></b> 80% or capped at HK\$12 million (whichever is lower)</p> <p>(may exceed the respective LTV ratio to the extent the Premium is financed by the mortgage loan)</p> <p>The purchase price must exclude the value of any incentives offered by the relevant vendor or any other third party to the Borrower / Mortgagor in relation to the purchase of the Property.</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>
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Maximum debt-to-income (DTI) ratio at origination	<p><b><u>If none of the applicants has borrowed or guaranteed outstanding mortgage loans for one or more properties at the time of applying for MIP Cover<sup>^</sup>*(see Note 1(ii)), the maximum DTI ratio is:</u></b></p> <p>50%</p> <p><b><u>If any applicant has borrowed or guaranteed outstanding mortgage loans for one or more properties at the time of applying for MIP Cover<sup>*#</sup>, the maximum DTI ratio is:</u></b></p> <p>40%</p> <p><sup>^</sup> 70% LTV Threshold Premium Rate Sheet will apply  <sup>*</sup> 60% LTV Threshold Premium Rate Sheet will apply (see <b>Note 1</b>)  <sup>#</sup> 50% LTV Threshold Premium Rate Sheet will apply (see <b>Note 2</b>)</p> <p><b><u>Note:</u></b></p> <p>1. 60% LTV Threshold Premium Rate Sheet will apply where:</p> <ul style="list-style-type: none"> <li>(i) any applicant has borrowed or guaranteed outstanding mortgage loans for one or more properties at the time of applying for MIP Cover; <u>or</u></li> <li>(ii) property value above HK\$15,000,000 and up to HK\$17,150,000 (provided that none of the applicants has borrowed or guaranteed outstanding mortgage loans for one or more properties at the time of applying for MIP Cover).</li> </ul> <p>2. 50% LTV Threshold Premium Rate Sheet will apply where:</p> <ul style="list-style-type: none"> <li>(i) any applicant has borrowed or guaranteed outstanding mortgage loans for one or more properties at the time of applying for MIP Cover; <u>and</u></li> <li>(ii) property value above HK\$15,000,000 and up to HK\$17,150,000.</li> </ul>
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	<p>Single and annual premium payment option, no premium refund arrangement under annual premium payment option.</p> <ol style="list-style-type: none"> <li>1. <u>For Property value up to HK15 million:</u> <ol style="list-style-type: none"> <li>(a) for first time homebuyers, refer to the details of Premium Rate Sheet – Table 3 or Table 7</li> <li>(b) for non first time homebuyers, refer to the details of Premium Rate Sheet – Table 4 or Table 8</li> </ol> </li> <li>2. <u>For Property value above HK15 million,</u> refer to the details of Premium Rate Sheet – Table 9 or Table 10</li> <li>3. For properties under subsidised housing, refer to the details of Premium Rate Sheet – for Loans under subsidised housing - Table 2 or Table 4</li> </ol>

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.
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September 2023

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