

Circular

Circular No. 09-01 (CR)

- **Enhancement of the Mortgage Insurance Programme of The Hong Kong Mortgage Corporation Limited**

Enhancement of Mortgage Insurance Programme

The Hong Kong Mortgage Corporation (HKMC) announced on 11 December 2008 an enhancement of the Mortgage Insurance Programme (MIP) in response to the changed market conditions.

Under the enhancement, the HKMC will provide an additional option to homebuyers by offering MIP products with insurance coverage from 60% loan-to-value (LTV) ratio up to a total LTV ratio of 90%. The new measure is designed to facilitate banks in extending mortgage financing to homebuyers and reducing the down payment requirement of homebuyers for the purchase of a property. Under the MIP, different eligibility criteria for mortgage loans secured on residential properties in Hong Kong are applied for different MIP products. Details of the Programme are available at the HKMC's homepage <http://www.hkmc.com.hk>.

Purchasers who are interested in applying for mortgage loans under the MIP may approach the participating banks for details. According to the HKMC, the processing of the applications submitted by the participating banks will normally be completed within one to two working days.

This Circular is issued to update practitioners on the current financing arrangements and practices of the HKMC, which may be useful for purchasers or potential purchasers' reference. As mentioned in **Circular No. 04-02 (CR)**, practitioners should take care when introducing/explaining information on mortgage schemes.

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Holders of Statements of Particulars of Business
 should bring this Circular to the attention of all staff
 engaged in estate agency work