



The Hong Kong Mortgage Corporation Limited

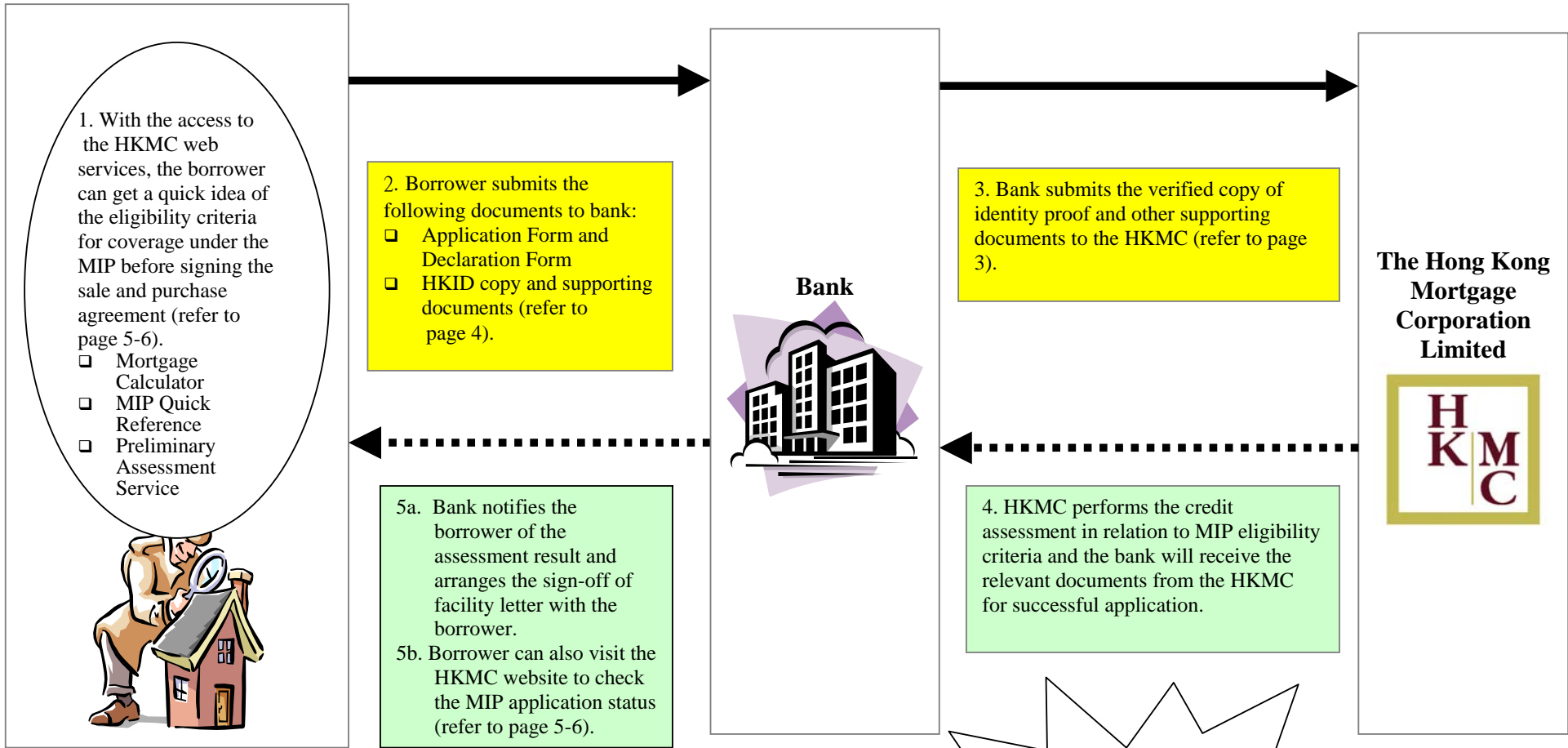
MORTGAGE INSURANCE PROGRAMME (MIP)

January 2009

All information contained in this document is for reference only. Should there be any discrepancy, the final decision of The Hong Kong Mortgage Corporation Limited shall prevail.



MORTGAGE INSURANCE PROGRAMME Application Workflow and Required Documents



In general, HKMC can provide the preliminary assessment result to bank within two business days.





MORTGAGE INSURANCE PROGRAMME

Product Features

	Owner Occupied	Non-owner Occupied
1. Property Type	HK residential properties, including completed private residential properties and properties under construction	
2. Borrower Type	Personal Customer	Personal Customer Or Shelf Company
3. Maximum Loan-to-value (“LTV”) Ratio and Loan Size	90% LTV: HK\$20 million 95% LTV: HK\$8 million	85% LTV: HK\$8 million
4. Maximum Loan Tenor	90% LTV: 40 Years 95% LTV: 30 Years	
5. Employment Type	All employment/income types are eligible to apply	
6. Premium Rates	0.55% to 4.70%	
7. Premium Payment Method	Single Premium Payment (can be financed by the mortgage loan) or Annual Premium Payment (CANNOT be financed by the mortgage loan)	Single Premium Payment (can be financed by the mortgage loan)

Note: Please refer to the HKMC website for the eligibility criteria in respect of the relevant MIP products. Should there be any discrepancy, the final decision of The Hong Kong Mortgage Corporation Limited shall prevail.



MORTGAGE INSURANCE PROGRAMME

List of Required Documents

❖ **For Regular Salaried Employee**

- bank book/statements showing salary deposits clearly earmarked for the last three months; plus
- Any one of the following documents:
 - most recent tax demand note issued by the Inland Revenue Department; or
 - an employer's letter (on letterhead and/or bearing company chop, including name, position and signature of the undersigned) confirming job title and income details; or
 - the most recent salary payroll slip with the employer's name and evidence of credit of that salary into a bank account.

❖ **For Non-regular Salaried Employee**

- bank book/statement showing salary deposits clearly earmarked for the last six months; plus
- Any one of the following documents:
 - the most recent tax demand note issued by the Inland Revenue Department; or
 - the salary payroll slips with employer's name and evidence of credit of that salary into a bank account for the last six months.

❖ **For Professional Self-employed Person**

- a valid Business Registration Certificate; and
- a valid practising certificate; and
- latest tax demand note issued by the Inland Revenue Department; and
- company and obligor's bank book/statement for the last six months showing his/her average net cash flow during the period; plus
- latest audited financial statements of the business

❖ **For Non-professional Self-employed Person**

- a valid Business Registration Certificate; and
- company's tax demand note issued by the Inland Revenue Department for the latest two years; and
- audited financial statements of the business for the latest two years; and
- company and obligor's bank book/statement for the last six months showing his/her average net cash flow during the period; plus
- proof of establishment of the business for a minimum period of 3 years

Mortgage Insurance Programme Web Services

www.hkmc.com.hk

Mortgage Calculator

The screenshot shows the Mortgage Calculator interface. It features a navigation menu on the left with options like 'The Company', 'Our Businesses', 'Business Partners', 'Publications', 'Press Releases', and 'Contact Us'. The main content area is titled 'Mortgage Calculator' and includes a description: 'This tool helps you to compute your total mortgage loan amount and repayment schedule, as well as the required premium under the Mortgage Insurance Programme.' The form contains several input fields and dropdown menus: 'Use of Property' (Owner-occupied), 'Property Value' (HK\$), 'Loan-to-Value (LTV) Ratio' (%), 'or Loan Amount' (HK\$), 'Loan Tenor' (5 Years), 'Mortgage Type' (Floating Rate), 'Interest Rate per annum' (% per annum), and 'Premium Payment Option' (Applicable for 70% LTV Threshold). A 'Calculate' button is highlighted with a red circle. Below the form, there is a note: '* under the HKMC FARM Programme. This calculation is for simulation & reference purposes only.'

1. Mortgage calculator can help customer to estimate the mortgage repayment amount.
2. By inputting the relevant loan information, the system will calculate the following items automatically, e.g.:
 - Premium amount
 - Total loan amount
 - Monthly repayment amount

MIP Quick Reference

The screenshot shows the MIP Quick Reference interface. It features a navigation menu on the left with options like 'The Company', 'Our Businesses', 'Business Partners', 'Publications', 'Press Releases', and 'Contact Us'. The main content area is titled 'MIP Quick Reference' and includes a description: 'This tool gives you a quick idea of the eligibility criteria for coverage under the Mortgage Insurance Programme.' The form contains four numbered questions with radio button options:

1. What type of property is to be purchased?
 - Private property for residential use
 - Village house (except "Tso", "Tong" and small village house with alienation restriction)
2. Would the homebuyer occupy the property as his/her primary residence?
 - Yes
 - No
3. What is the employment type of the homebuyer?
 - Regular salaried employee
 - Self-employed person
 - Non-regular salaried employee
4. What is the Loan-to-Value (LTV) ratio the homebuyer requested?
 - 85% or below
 - Between 85% and 90%
 - Between 90% and 95%

 A 'Submit' button is highlighted with a red circle. Below the form, there is a note: 'This Quick Reference Guide is for reference purposes only. Please refer to Operational Manual of the HKMC's Mortgage Insurance Programme (MIP) for...'

1. MIP Quick Reference can give customer a quick idea of the eligibility criteria and product information under the MIP.
2. Based on customer's information, the tool will suggest an appropriate MIP product that best fits his/her needs, e.g.:
 - Property type
 - Maximum LTV ratio
 - Maximum loan amount
 - Debt-to-income ("DTI") ratio
 - Maximum loan tenor

MIP Preliminary Assessment

1. Customer can obtain a preliminary assessment result on whether he/she is eligible for the particular MIP product.
2. By inputting the relevant loan information, customer can obtain the preliminary assessment result of the following items, e.g.:
 - Monthly repayment amount
 - Premium amount
 - DTI ratio
 - Required documents

MIP Status Enquiry

1. Customer can check his/her MIP application status via the HKMC website.
2. By inputting the relevant information, customer can get the application status, e.g.:
 - Application is pending review
 - Application is approved
 - Application is rejected



MORTGAGE INSURANCE PROGRAMME

Hints



Given our experience in handling MIP applications, the main reason for deferring the application progress is the submission of incomplete/insufficient documents by the borrower.



The approval process can be expedited with a complete set of required documents submitted. In general, the preliminary assessment result will be available within two business days.



After submitting the MIP application, borrowers can check the application status via the HKMC website.

MORTGAGE INSURANCE PROGRAMME

List of Participating Banks

1	ABN AMRO Bank N.V.	13	GE Capital (Hong Kong) Limited
2	AIG Finance (Hong Kong) Limited	14	Hang Seng Bank Limited
3	Bank of China (Hong Kong) Limited	15	Inchroy Credit Corporation Ltd
4	Bank of Communications, Hong Kong Branch	16	Industrial and Commercial Bank of China (Asia) Ltd
5	China Construction Bank (Asia) Corporation Limited	17	MEVAS Bank Limited
6	Chiyu Banking Corporation Limited	18	Nanyang Commercial Bank Limited
7	Chong Hing Bank Limited	19	Public Bank (Hong Kong) Limited
8	Citibank (Hong Kong) Limited	20	Shanghai Commercial Bank Limited
9	CITIC Ka Wah Bank Limited	21	The Bank of East Asia Limited
10	Dah Sing Bank, Limited	22	The Hongkong and Shanghai Banking Corporation Ltd.
11	DBS Bank (Hong Kong) Limited	23	Wing Hang Bank Limited
12	Fubon Bank (Hong Kong) Limited	24	Wing Lung Bank Limited