



Dear Licensees,

Re: Amendments to the Mortgage Insurance Programme

The Estate Agents Authority (“EAA”) is writing to draw all licensees’ attention that HKMC Insurance Limited (“HKMCI”) announced on 23 February 2022 that the following amendments have been made to the Mortgage Insurance Programme (“MIP”) for completed residential properties, in order to provide assistance to homebuyers with housing needs:

1. For mortgage loans up to 90% loan-to-value (“LTV”) ratio applicable to first-time homebuyers, the maximum property value is amended to HK\$10 million;
2. The maximum property value eligible for mortgage loans up to 80% LTV ratio is amended to HK\$12 million;
3. To avoid a significant drop of the allowable LTV ratio for mortgage loans with property value slightly over HK\$12 million, coverage of the MIP is extended to properties valued from above HK\$12 million and up to HK\$19.2 million, subject to a mortgage loan cap of HK\$9.6 million. For example, properties with value of HK\$16 million are eligible for mortgage loans with 60% LTV ratio under the extended MIP coverage; and
4. The maximum debt-to-income (“DTI”) ratio for both the above-mentioned and existing MIP loans is set at 50%, and borrowers have to meet the stressed DTI ratio. First-time homebuyers will still be eligible for MIP loans up to 80% or 90% LTV ratio even if they cannot meet the stressed DTI ratio, subject to an additional adjustment to the premium based on relevant risk factors.

The amendments had become effective on 23 February 2022. Licensees are reminded to refer to the relevant webpage of the HKMCI



地 產 代 理 監 管 局
ESTATE AGENTS AUTHORITY

(www.hkmc.com.hk) for details of the amendments and remember not to provide any inaccurate or misleading information to the prospective purchasers.

In addition, licensees are reminded that they must not make any statement to assure prospective purchasers about the amount of mortgage loan that they could obtain. On the contrary, licensees should advise prospective purchasers to consult the HKMCI or financial institutions directly for financial advice before making a property purchase decision.

Estate Agents Authority

25 February 2022