

Mortgage Insurance Programme

(updated on 20230707)

1. Amendments to the Mortgage Insurance Programme:

Applicable to completed residential properties only	Regular Salaried (First-time Homebuyers)	Others
(1). Properties value above HK\$4 million and up to HK\$10 million	Maximum 90%*	Maximum 80%
(2). Properties value above HK\$10 million and below HK\$11.25 million	Maximum 80% -90%* (subject to a loan cap of HK\$9 million)	Maximum 80%
(3). Properties value at or above HK\$11.25 million and up to HK\$15 million	Maximum 80%	Maximum 80%
(4). Properties value above HK\$15 million and up to HK\$17.15million	Maximum 70% -80% (subject to a loan cap of HK\$12 million)	Maximum 80%
(3). Properties value above HK\$17.15million and up to HK\$30 million	Maximum 70%	Maximum 70%

Completed residential properties and properties under construction	Regular Salaried (First-time Homebuyers)	Others
(1). Properties value at or below HK\$4 million	Maximum 90%*	Maximum 80%
(2). Properties value above HK\$4 million and below HK\$4.5 million	Maximum 80% -90%* (Maximum HK\$3.6 million)	Maximum 80%
(3). Properties value at or above HK\$4.5 million and up to HK\$6 million	Maximum 80%	Maximum 80%

*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 (please refer to the requirement of maximum debt-to-income ratio as stated in the relevant Insurance Eligibility Criteria)

2. Loan-to-value Ratio (LTV) caps

Property value	Residential properties		Commercial and industrial properties and standalone car parking spaces
	Self-use ^{1,2}	Non-self-use or company held	
Applicants who have <u>not</u> borrowed or guaranteed other outstanding mortgage(s) at the time of making a mortgage application ³			
DSR-based lending			
≤ HK\$15 million	70%	50%	60%
> HK\$15 million and ≤ HK\$17.5 million	60% – 70% (subject to a loan cap of HK\$10.5 million)		
> HK\$17.5 million and ≤ HK\$30 million	60%		
> HK\$30 million and ≤ HK\$36 million	50% – 60% (subject to a loan cap of HK\$18 million)		
> HK\$36 million	50%		
Net worth-based lending			
Regardless of value	50%		50%
Applicants who have borrowed or guaranteed other outstanding mortgage(s) at the time of making a mortgage application			
DSR-based lending or net worth-based lending			
The above applicable LTV caps will be lowered by 10 percentage points.			

3. Debt Servicing Ratio (DSR) limits

	Residential, commercial and industrial properties, and standalone car parking spaces	
	Self-use ^{1, 2}	Non-self-use
Applicants who have <u>not</u> borrowed or guaranteed other outstanding mortgage(s) at the time of making a mortgage application³		
Base DSR limit	50%	40%
Stressed DSR limit (assuming a 200-basis point hike in interest rate)	60%	50%
Applicants who have borrowed or guaranteed other outstanding mortgage(s) at the time of making a mortgage application		
Base DSR limit	40%	
Stressed DSR limit (assuming a 200-basis point hike in interest rate)	50%	

Notes:

- 1 “Self-use” refers to occupancy by the owners or their immediate family members (i.e. parents, spouse, children and siblings), or by an individual majority shareholder or his/her immediate family members if the property is held by a shell company.
- 2 The HKMA’s countercyclical macroprudential measures are intended to apply to mortgage loans for the purpose of financing property transactions or the refinancing of existing properties. They are not intended to apply to credit facilities secured by properties for the purpose of financing the business operation of corporates, as these credit facilities are subject to a set of comprehensive credit underwriting standards and regular credit reviews by authorized institutions.
- 3 The limits are applicable to a borrower who has one property under mortgage and is making a mortgage application for either (i) refinancing or (ii) acquiring a new property before disposing the existing one. In the latter case, the applicant has to repay the outstanding mortgage loan for the existing property within 6 months upon the drawdown of the mortgage loan for the new property.