



HONG KONG MONETARY AUTHORITY
香港金融管理局

Our Ref.: B1/15C
B9/25C

2 August 2024

The Chief Executive
All Participating Authorized Institutions of HKMCI Mortgage Insurance Programme

Dear Sir/Madam,

Residential mortgage lending under the Mortgage Insurance Programme

I am writing regarding the announcement made by HKMC Insurance Limited (HKMCI) to accept applications for waiver of the owner occupancy requirement under the Mortgage Insurance Programme (MIP) with effect from 8 August 2024. The waiver will allow eligible mortgagors with special needs to rent out their self-occupied properties purchased with the assistance of the MIP (“MIP properties”).

In accordance with the latest countercyclical macroprudential measures for property mortgage loans introduced by the Hong Kong Monetary Authority (HKMA) on 28 February 2024, for non-self-use residential properties that are valued at HK\$30 million or below, the maximum loan-to-value (LTV) ratio and debt servicing ratio (DSR) limit are both 10 percentage points lower than those for residential properties for self-occupation. For the purposes of compliance with the countercyclical macroprudential measures for property mortgage loans, the HKMA considers it appropriate for MIP loans for properties with the owner occupancy requirement waived by HKMCI to continue to be subject to the maximum LTV ratio and DSR limit that are applicable to self-occupied properties.

Where HKMCI has granted a waiver to allow an MIP property to be rented out, the HKMA does not expect the mortgage terms for the property concerned to be more restrictive than the prevailing mortgage terms for non-MIP residential rental properties that are offered by the existing lending institution or to cause undue hardship to the mortgage borrower.

Should your institution have any questions about this circular, please send them to rml_hkma@hkma.gov.hk.

Yours faithfully,

Arthur Yuen
Deputy Chief Executive