Guidelines for New Mortgage

Property Valuation

Bank mortgage is based on Loan to Value ratio. Value is based on the bank's valuation or the actual purchase price, whichever is lower. However, there is a certain degree of subjective factor in property valuation. It is not uncommon to have quite different valuation given by different banks on the same property. Therefore, if your bank's initial valuation is not up to the purchase price of your intended property, you can ask them to review their valuation to see if they can match the purchase price. At the same time, you can also try to check with some other banks.

Mortgage for Residential Properties for "self-use"

("Self-use" refers to occupancy by owners or their immediate family members (i.e. parents, spouse, children and siblings), or by the majority shareholder or his / her immediate family members if the property is held through a shell company)

Properties value	Loan-to-Value(LTV)
$10M or over	max. 50%
$7-10M	max. 60% (loan value cap. at $5M)
Below $7M	max. 70% (loan value cap. at $4.2M)
$6M or below	with HKMC up tp 90% (loan value cap. at $5.4M for 70% mortgage, loan value cap. at $5M for 60% mortgage)

Mortgage for Residential Properties not for "self-use"

Max. 50%

If income derived mainly from outside Hong Kong

(subject to exemption, please check with your bank)

For self-use	
$10M or over	max. 30%
$7-10M	max. 40%(loan value cap. at $3M)
Below $7M	max. 50% (loan value cap. at $2.8M)
Not for self-use	max. 30%

Loans assessed based on net worth of mortgage applicant

max. 30%

Maximum Loan Tenor 30 years

The above are general guidelines followed by banks as mortgage loan ceiling at the time of writing. Actual loan amount you can get from the bank will also be subject to other limitations including but no limit to borrower's age, Debt service ratio, other outstanding mortgage (if any) of the borrower and the bank's policy. Therefore you are advised to check with your bank regarding your application.

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