



中華人民共和國香港特別行政區  
Hong Kong Special Administrative Region of the People's Republic of China



立法會 LEGISLATIVE COUNCIL

葉劉淑儀 議員 GBS, 太平紳士 Hon Mrs Regina IP LAU Suk-yeec GBS, JP

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Hon CHAN Kam-lam, SBS, JP  
Chairman, Panel on Financial Affairs  
Legislative Council  
8 Jackson Road  
Hong Kong

*Regina Kam Lam*

**Hong Kong Mortgage Corporation (HKMC)**

It has been several months since this Panel last discussed issues relating to HKMC. Today I would like to request some updated information from HKMC on its latest development for our review, before we invite relevant officials to come back to the Panel when LegCo returns from summer recess.

I would first like to refer to HKMC's Annual Report 2009:

- a) Korean Mortgage-back Securities (MBS): on page 21 HKMC mentioned it purchased HK\$3.1 billion Korean MBS in financial year 2009. So what is the total amount of Korean MBS has HKMC purchased since inception, and how much of them are still outstanding? Has HKMC assessed whether the growing geopolitical tension on the Korean peninsula would increase the risks of holding such securities?
- b) Joint venture in Shenzhen (Bauhinia HKMC): has HKMC invested further in this entity since the initial RMB\$90 million? And what business has the Bauhinia HKMC conducted since start-up?
- c) Joint venture in Malaysia (Cagamas HKMC Berhad): has HKMC invested further in this entity since the initial HK\$115 million? And what business has the Cagamas HKMC Berhad conducted since start-up?
- d) Refinements of Mortgage Insurance Programme (MIP): on page 26 it is mentioned that "*With new access to the consumer credit data held by the credit*

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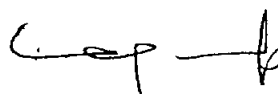
*reference agency, TransUnion Limited, the Corporation further expanded the scope of [Risk-based Pricing Scheme] RBPS... " Can HKMC explain how RBPS operate and its advantages? And why does HKMC need to proactively tap into consumer credit data for MIP, as even without access to TransUnion data, relevant banks would still submit sufficient MIP applicants' credit data to HKMC?*

Separately, according to some media reports in recent weeks, HKMC is planning to insure Home Ownership Scheme's (HOS) land premium payment with an "installment plan". Please provide details of this scheme and HKMC's assessment on how this scheme would affect the housing price of HOS Secondary Market, and whether HKMC has any plans to prevent speculation or even a "bubble".

Last but not least, Mr. Norman CHAN, Chief Executive of the Hong Kong Monetary Authority (HKMA) briefed Members at the Special Panel Meeting of 20 May 2010 that HKMC has been conducting feasibility study on reverse mortgage. What is the progress of the study?

I would be grateful if you could seek answers to my questions above from the Financial Services and the Treasury Bureau, the HKMA and the HKMC.

Yours sincerely,



Mrs. Regina IP