

TERMS AND CONDITIONS OF AN HDB HOUSING LOAN

1 ELIGIBILITY CONDITIONS FOR AN HDB CONCESSIONARY HOUSING LOAN

You and/or the occupiers listed in the flat application have to meet the prevailing eligibility conditions and credit assessment criteria. The details are available on HDB InfoWEB at www.hdb.gov.sg.

2 USE OF CPF SAVINGS

If you take an HDB housing loan to buy or take over ownership of a flat with a remaining lease of 60 years or more, you may set aside your savings in the CPF Ordinary Account to pay the stamp, registration, and conveyancing fees, and premium for the CPF Home Protection Insurance (if applicable). You also have the option of retaining up to \$20,000 in your CPF Ordinary Account. The remaining available CPF Ordinary Account balance must be used for the flat purchase or the taking over of an ownership of a flat, before an HDB housing loan is granted.

If you take an HDB housing loan to buy or take over an ownership of a flat with a remaining lease of less than 60 years, you may be restricted, or even disallowed, from using the savings in your CPF Ordinary Account. You may also be disallowed from taking an HDB housing loan.

3 APPLICATION FOR SECOND OR SUBSEQUENT HDB CONCESSIONARY HOUSING LOAN

If you and/or the occupiers listed in the flat application have previously taken one HDB concessionary housing loan, please take note of the following:

A) If you have or will dispose¹ of an existing flat ("Flat A"²) before buying a flat ("Flat B") with an HDB housing loan

You must use the following to buy Flat B:

- i) 50% of the cash proceeds from the disposal of Flat A;
- ii) available funds³ in your CPF Ordinary Account; and
- iii) pay in cash, if your spouse/fiancé/fiancée is listed as an occupier in the flat application, for the amount equivalent to his/her CPF balance.

These conditions will also apply to those who take a second and subsequent HDB housing loan to buy part share of an HDB flat, or buy a resale flat under the Conversion of Adjoining Flats Scheme.

B) If you will dispose of Flat A after buying Flat B with an HDB housing loan

You will be charged commercial interest rate for the housing loan for Flat B. The interest rate will be converted to concessionary rate when the following conditions are met:

- i) you have disposed of Flat A, and have used the CPF monies refunded and 50% of the cash proceeds from the disposal to repay the housing loan for Flat B;
- ii) you have paid the lodgement and withdrawal fees for the caveat lodged on Flat A to notify HDB's interest in the proceeds from the disposal of Flat A. The caveat will be withdrawn after you have repaid the housing loan of Flat B using the CPF monies refunded³ and 50% of the cash proceeds from the disposal of Flat A; and you have paid in cash, if your spouse/fiancé/fiancée is listed as an occupier in the flat application, for the amount equivalent to his/her CPF balance to buy Flat B.

If Flat A is not disposed of within the stipulated timeframe after the purchase of Flat B and/or the above conditions are not met, HDB will recall the housing loan for Flat B. HDB may also compulsorily acquire Flat A under the Housing and Development Act.

C) Computation of Cash Proceeds from Disposal of Flat A

HDB reserves the right to determine the amount of cash proceeds from the disposal of Flat A, to be used to buy or take over Flat B, either by taking into account the manner of holding of Flat A or according to any court order(s) that provides for the disposal/division of Flat A in a divorce or otherwise.

¹ Disposal of a flat includes the sale, transfer or surrender of a flat or by any other method under the Housing and Development Act or any other written law.

² Flat A may comprise one or more flats (in part or in whole). It may also comprise one or more private residential properties, or a mix of HDB flats and private residential properties (in part or in whole).

³ You have the option of retaining up to \$20,000 in your CPF Ordinary Account.

D) Loan Agreement

The loan agreement must be signed personally⁴ by:

- i) all the joint owners of Flat A;
- ii) all the buyers/transferees of Flat B; and
- iii) the spouse(s)/fiancé(s)/fiancée(s) of all the buyers/transferees who is/are listed as an occupier(s) in the application for Flat B.

4 REPAYMENT

HDB determines the monthly instalment payable based on the actual loan amount issued. Each instalment amount comprises part of the principal and the interest payable. Interest is payable from the date the loan is issued.

Payment of the first monthly instalment will start on the first day of the second month following the month in which the housing loan or any part of it is issued. Thereafter, it will be due and payable on the first day of every month until the loan is fully redeemed. The monthly instalment can be paid by cash and/or CPF savings, subject to the prevailing rules of the CPF Board.

If you default in paying a monthly instalment on the due date or in paying any other monies under the loan terms, the outstanding loan amount together with interest will immediately become due and payable to the HDB. You will also need to pay all late payment charges imposed on the outstanding instalment at the end of the month. Any payment received subsequently will first be used to settle any outstanding late payment charges, followed by other outstanding charges and interests.

5 GIRO

If you pay the monthly instalments in cash (partially or fully), you will need to pay by GIRO. Please submit the duly completed GIRO application form before HDB provides the housing loan.

6 PARTIAL CAPITAL REPAYMENT AND REDEMPTION OF LOAN

During the loan repayment period, you can make partial or full capital repayment of the loan over and above the monthly instalments. Please give your HDB Branch a written notice of at least one month in advance and make the capital repayment by using your CPF savings and/or cash. The reduction in the outstanding loan amount will take effect within one month from the date of receipt of the payment.

To fully redeem the housing loan, you have to pay the whole of the principal sum and all other monies due to the HDB, including interest up to the date of receipt of payment.

HDB reserves the right not to accept any such payment or to accept such payments only if it is of a sum of not less than a minimum sum as may be determined by the HDB at its sole discretion.

7 RESTRICTION ON APPLICATION FOR ANOTHER HDB HOUSING LOAN

If your income has been used for credit assessment to obtain an HDB housing loan to buy or take over an ownership of a flat, you will not be able to apply for another housing loan from the HDB for 30 months from the date of purchase or takeover of that flat.

Once an HDB housing loan is issued, you and your spouse/fiancé/fiancée who is listed as an occupier in the flat application will also be considered as having taken an HDB housing loan.

8 FIRE INSURANCE

If you take an HDB housing loan to buy or take over ownership of a flat, you have to insure the flat with a fire insurance policy provided by an insurer appointed by HDB. You have to take up the fire insurance before or during the appointment to collect the keys to the flat. You also have to renew the fire insurance and keep the flat insured as long as the HDB housing loan has not been fully redeemed.

⁴ The loan agreement cannot be signed by a person who is appointed as: a) an attorney under a Power of Attorney; b) a donee under a Lasting Power of Attorney; or c) a deputy by an order of court.
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9 FALSE DECLARATION

In addition to other remedies, the Housing & Development Act (Chapter 129) provides that any person who makes a false statement is liable on conviction to a fine not exceeding \$5,000/- or to imprisonment for a term not exceeding 6 months or both.

The HDB reserves the right to debar any person who makes a false statement from buying a flat * or taking over ownership of a flat* by way of transfer, being included as an essential occupier of a flat* or taking up an HDB housing loan **for a period of 5 years** from the date of cancellation of the person's application for a flat or an HDB Loan Eligibility Letter or from the date of approval to compulsorily acquire the flat. Any existing application registered in the HDB's rental waiting list will also be cancelled.

* includes a unit to be bought under the Design, Build and Sell Scheme or the Executive Condominium Housing Scheme