

BENEFIT AND LEAVES (SINGAPORE)

Staff Housing Loan - Terms and Conditions (Singapore)

Last updated 15 October 2024 ...

What are the Terms and Conditions of the loan?

A. Valuation, legal fees and fire insurance

- For new staff loan application, you are required to pay legal fees and valuation fees for the property to be valued by UOB's approved appraisers/ valuers.
- However, for refinancing of an existing home loan with UOB from another financial institution or bank, you will be eligible for the prevailing subsidy as follows:

Type of Property	Loan size	Subsidy
Private residential properties	At least \$450,000	\$2,200
Private residential properties	Below \$450,000	0.4% of loan amount, capped at \$1,800
Housing Development Board properties	At least \$300,000	\$2,000
Housing Development Board properties	Below \$300,000	0.4% of loan amount, capped at \$1,500

*Applicable for completed properties only.

- Subsidy amount subject to changes.
- In addition, you are also required to pay premiums for fire insurance.
- The fire insurance is to be endorsed in favour of the Bank as mortgage, and must contain non-cancellation and loss payable clauses.

B. Security

- The property must be free from all encumbrances other than the mortgage to UOB.
- A First Legal Mortgage on this property will be required.

C. Mortgage Reducing Insurance Policy

- A Mortgage Reducing Insurance Policy (MRP) takes care of your mortgage payments in the event of your death or, in some cases, terminal illness or disability.
- That means your family or dependants will be protected from losing their home should a tragedy occur.
- The MRP should cover the full loan quantum, with coverage until at least the statutory retirement age or for the duration of the loan and assign to UOB before the loan is disbursed.
- For Housing Development Board loan financed using your Central Provident Fund (CPF), it is mandatory for you to purchase a Home Protection Scheme (HPS) from the CPF Board.
- As HPS is a form of MRP, you would be deemed to have purchased an MRP for the staff loan and you are not required to assign the HPS to the Bank as stipulated by the CPF Board.
- For a private property loan, you may purchase an MRP from Prudential Assurance Company (Singapore) Pte Ltd. Premiums for the MRP will be deducted from your UOB account through GIRO.
- Alternatively, you may assign your existing life insurance policy to UOB. After your policy is assigned to the Bank, an administration fee of \$200 shall be payable if the policy assigned is changed.
- You may choose to opt out of the purchase of an MRP by signing the [Staff Housing Loan Policy Declaration Form](#) that you understand the consequence of not purchasing an MRP and take full responsibility for the decision of not purchasing an MRP.
- The completed form can be returned to the [Personal Financial Services \(PFS\) Mortgage Relations Unit](#) or your PFS mortgage sales banker.
- However, we strongly encourage that you take up an MRP as it provides financial protection for your outstanding housing loan amount in the unfortunate event of disability or terminal illness or death, thereby easing the financial burden on your dependants.

D. Repayment and redemption

- The loan tenor is based on prevailing terms and credit policy for commercial loans. Your monthly repayments will be deducted from a UOB account that you maintain, either solely or jointly with your co-owner(s).
- Repayments through CPF accounts are subject to the CPF Board's approval. If you would like to make pre-payments, you will need to give the Bank at least one month's written notice for partial pre-payment and three months' written notice for a full pre-payment.

E. Penalties

- If you were to give notice to leave the Bank prior to loan disbursement, the staff housing loan will be converted to the Bank's commercial housing loan terms.

- If you decide to cancel the loan, the 0.1% cancellation fee will apply. If you decide to make full prepayment of the loan within 12 months of the first disbursement, there will be a full prepayment fee of 1.5% charged on the prepayment amount.
- This will be waived if the prepayment is due to any of the following conditions:
 - You have sold the property;
 - You have made prepayment through cash or CPF, and provided supporting documents of the prepayment; or
 - You are no longer an employee of the Bank.
- If you convert the staff housing loan to commercial housing loan, there will be an administrative charge of \$300, unless this conversion is due to cessation of employment.

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