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Housing Loan from Financial Institutions

You may finance your flat purchase with a housing loan from a financial institution (FI) that is regulated by the [Monetary Authority of Singapore \(MAS\)](#).

You can apply for an In-Principle Approval (IPA) from the participating FIs through the [integrated loan application service](#) on the HDB Flat Portal. After you have confirmed the flat to purchase, you can request your preferred FI to convert the IPA into a Letter of Offer (LO) on the HDB Flat Portal.

Find out the key considerations and important information below when taking a housing loan from an FI. You may also read our [frequently asked questions](#) on applying for a housing loan from FIs through our integrated loan application service.

Financing considerations

[Understand the terms and considerations when taking an FI housing loan.](#)



Interest rate

Varies among FIs and may change with market conditions.

[View and compare housing loan packages offered by the participating FIs.](#)

Repayment period

Up to 30 years

Loan-to-Value (LTV) Limit Expressed as a percentage of the purchase price or flat value, for the maximum loan amount a flat applicant may take up.

	New Flats	Resale Flats
LTV Limit	Up to 75% of the flat purchase price	Up to 75% of the lower of the resale price and value
Conditions	FIs may have <u>restrictions</u> for purchase of flats with shorter remaining leases; and/ or if your repayment period exceeds 25 years or you have additional housing loan(s)	

Minimum cash payment At least 5% of the flat price or value (whichever is lower) must be paid in cash. The remaining balance can be paid in cash, CPF savings in your Ordinary Account (OA), and/ or housing loan.

The minimum cash payment will depend on the flat applicants' age, loan period, and whether there are any outstanding housing loans.

CPF utilisation You may use any amount in your CPF OA for flat purchase, up to the applicable limits as follows:

- The total amount of CPF savings that can be used to buy the flat and pay the monthly mortgage instalments depends on the extent the remaining lease of the flat can cover the youngest applicant up to the age of 95; and
- Applicable CPF usage limits for the purchase of:
 - New flats
 - Resale flats

When the allowed CPF amount is used up, you need to pay for the balance purchase price and/ or the monthly mortgage instalments in cash.

For more information on the use of CPF savings, you may use [CPF Board's calculator](#).

Refinancing You may refinance the FI housing loan with one from another FI or a different interest rate package. Do check with the FI on the terms and conditions (e.g., lock-in period).

You cannot refinance to an HDB housing loan.

Priority of payment

If you sell an HDB flat with an outstanding housing loan from an FI, the sales proceeds will be applied in the following order:

1. Discharge the outstanding housing loan with the FI.
2. Refund the CPF monies (with interest) that was used to finance the property.
3. Pay the interest on the housing loan (from the date of default in payment, if applicable), and the interest on the CPF monies that was used.

The FIs offer a variety of housing loan packages with different features and benefits. Evaluate your options and understand the terms and conditions of your housing loan before making a decision and committing to a flat purchase.

Integrated loan application service with participating FIs

Find out when and where to apply for a housing loan with the FIs.



The FIs (in alphabetical order) available on the integrated loan application service on the HDB Flat Portal are:

- DBS Bank Limited
- Hong Leong Finance Limited
- Maybank Singapore Limited
- Overseas-Chinese Banking Corporation Limited
- Sing Investments & Finance Limited
- United Overseas Bank Limited

When to apply

Apply early for an IPA from 1 or more of the participating FIs for an indicative housing loan amount.

You must have a valid LO on the confirmed loan offer from an FI, before you may:

- Sign the Agreement for Lease for a new flat
- Exercise the OTP for a resale flat

Do plan ahead and give yourself enough time to:

- Evaluate the different housing loan options available
 - You may use our [calculator](#) to obtain housing loan estimates from HDB and the FIs, and work out your flat budget.
- Submit applications to your preferred FI(s) for an IPA or LO
- Apply to your preferred FI to convert your IPA into an LO and accept the LO

Apply for housing loans via the HDB Flat Portal

With the new integrated housing loan application service with participating financial institutions (FIs), you can:



Compare housing loans from HDB and participating FIs

Compare loan packages when you:

- Work out your housing budget using the financial calculators on the HDB Flat Portal
- Apply for an In-Principle Approval (IPA) from your preferred FI(s)
- Request for a Letter of Offer (LO) from your preferred FI to confirm the housing loan offer



Apply for In-Principle Approvals (IPAs) from participating FIs

Apply for an IPA from your preferred FI(s) to find out your eligible housing loan amount(s) when you apply for an HDB Flat Eligibility (HFE) letter



Apply for a Letter of Offer (LO) from participating FIs

If you applied for an IPA from your preferred FI(s), you can also request an LO from the FI(s) to confirm the housing loan offer:

New flat buyers After booking a flat with HDB

Resale flat buyers After receiving the outcome of your Request for Value for a resale flat

The IPA and LO applications will be transmitted to the FI(s) of your choice.
The FIs will inform you of the outcome of your IPA and LO applications.
You should accept only one LO from your chosen FI.



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Apply for an IPA

When applying for an HFE letter, you can view and compare housing loans offered by the participating FIs and HDB, and apply for an IPA to your preferred FI(s) to know your eligible housing loan amount.

Request for an LO

If you have received an IPA via the HDB Flat Portal, you can compare housing loan packages and request for a LO from your preferred FI to confirm the housing loan offer via:

- The digital platform which guides new flat buyers who have booked a flat; or
- The "Convert IPA to LO" e-Service for resale flat buyers who have received an outcome for their Request for Value^.

^ Do note that you must have a valid LO before you exercise the Option to Purchase to buy a resale flat. The FIs will liaise with you directly on accepting the housing loan offer. Please accept only 1 LO from an FI to finance your flat purchase.

The IPA and LO applications will be sent to the FI(s) of your choice. The FI(s) will inform you directly of the outcome of your application(s).

You may also approach other FIs, regulated by the [MAS](#), on the [Financial Institutions Directory](#) to check your loan eligibility.

Do request a Customer Information Sheet from the FIs for your reference.

Must I take a housing loan from an FI?

You do not need a housing loan if you have sufficient cash and/ or CPF savings to pay for the flat purchase in full.

If you require a housing loan, you may take it from HDB or FI, subject to meeting the respective eligibility criteria and credit assessment guidelines.

HDB does not provide housing loans for the purchase of [Executive Condominium](#) units from property developers.

Financing guides

[Learn more about taking a housing loan from FIs and debt management.](#)



Plan your finances and make an informed decision with the following guides:

- [About Home Loans – Key Questions to Ask the Financial Institutions \(FIs\) Before Taking a Home Loan](#)
- [MyMoneySense – Create your Home Financing Plans](#)

These articles were produced by the [Association of Banks in Singapore \(ABS\)](#) in close collaboration with major FIs, the Consumers Association of Singapore, and [MoneySENSE](#).

Legal services

Find out the conveyancing and legal services for your flat purchase.



The purchase of HDB flats require the services of solicitors for the conveyancing and mortgage (if you are taking a housing loan). We provide these legal services for those who are taking a housing loan from HDB to buy a new or resale flat.

If you are taking a housing loan from an FI, do take note of the following requirements, depending on your arrangement with the FI:

Arrangement	Requirements
If engaging the services of private solicitors	You have to submit a letter from your solicitors to us.
If engaging HDB's legal services	<p>HDB can act for you in the purchase and/ or mortgage of the flat.</p> <p>However, if a personal guarantee is required by the FI to secure the housing loan, HDB cannot act for you in the mortgage.</p> <p>To engage our legal services, you will need to submit a signed Warrant to Act which will be provided by HDB.</p>

NEXT STEPS

Application for an HDB Flat Eligibility (HFE) Letter

Find out more about the HFE letter and how to apply for one to confirm your eligibility. You may also concurrently apply for an In-Principle Approval from the financial institutions for a housing loan.

Working Out Your Flat Budget

Plan your finances and budget for a flat purchase with our ABCs of financial planning and financial tools.

Finding a Flat

Find out more about the types of HDB flats available for sale and design features of new flats.

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