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# Housing Loan from HDB

If you need financing to buy or take over the ownership of a flat, you may apply for a housing loan from HDB or the [financial institutions \(FI\)](#). Understand the [key terms and considerations](#) for the different loan options before making a decision.

Apply for an HDB Flat Eligibility (HFE) letter via the [HDB Flat Portal](#) for a holistic understanding of your housing and financing options before you embark on your home buying journey. It will inform you upfront of your eligibility to buy a new or resale flat, as well as the amount of housing grants and HDB housing loan you are eligible for.

Find out the eligibility conditions, credit assessment criteria and important information on the HDB housing loan below.

## Eligibility conditions

Check if you and all persons listed in the HFE letter application meet the eligibility conditions.



<b>Citizenship</b>	At least 1 applicant is a Singapore Citizen
<b>Household status</b>	All the members of the core family nucleus in your HFE letter application, formed by the applicant(s) and occupier(s) who enable the household to meet the eligibility conditions for the flat purchase, have not taken 2 or more housing loans from HDB.
<b>Intended flat purchase</b>	<ul style="list-style-type: none"><li>• <a href="#">Singapore citizens aged 55 and above</a>: you are not applying for a 2-room Flexi flat on short lease<sup>[1]</sup>.</li><li>• <a href="#">Singles aged 35 and above</a>: you are buying one of the following:<ul style="list-style-type: none"><li>◦ 2-room Flexi flat on 99 year-lease from HDB; or</li><li>◦ 5-room or smaller resale flat</li></ul></li></ul>

[1] Housing loan is not available for the purchase of 2-room Flexi flats on short lease or Community Care Apartments. You must pay for the flat purchase using cash and/ or CPF Ordinary Account savings.

**Monthly  
household  
income ceiling**

Your average gross monthly household income must not exceed:

- \$14,000 for families
- \$21,000 for extended families (refer to the [guide](#) for more details)
- \$7,000 for singles buying under the Single Singapore Citizen (SSC) Scheme

## Interest or ownership in a property

You are considered to own or have an interest in a property if you have acquired a property through purchase or when it is:

- Acquired by gift;
- Inherited as a beneficiary under a will or from the Intestate Succession Act;
- Owned, acquired, or disposed of through nominees; or
- Acquired by holding on trust for another person/ entity.

The conditions on ownership/ interest in private residential and non-residential property apply to **all local and overseas properties that are completed or uncompleted**, and include but are not limited to the following:

### Private residential property

A house, building, land that is under a residential land zoning (including land with multiple land zoning<sup>[2]</sup>), Executive Condominium (EC) unit, privatised HUDC flat and mixed use development<sup>[3]</sup>.

[2] E.g. residential with commercial at 1st storey or commercial and residential zoning.

[3] E.g. properties with a residential component, such as HDB shop with living quarters or shophouse.

### Non-residential property

A property under a non-residential land zoning and/ or the permitted use does not include housing.

This may include commercial properties (e.g. shops or offices), industrial properties, market/ hawker stalls, or vacant/ plantation/ agricultural land.

## Private residential property

All applicants and occupiers listed in the HFE letter application:

- Must not own or have an interest in any local or overseas private residential property; and
- Must not have disposed of any private residential property in the last 30 months, from the legal completion date, before the HFE letter application.

For example, if the private residential property was disposed of on 1 July 2024, based on the legal completion date of disposal, you may apply for an HFE letter to buy a flat from HDB, resale Plus or Prime flat, or resale unclassified<sup>[4]</sup>/ Standard flat with CPF housing grant(s), or take an HDB housing loan on or after 1 January 2027.

[4] Unclassified resale flats refer to flats sold before October 2024 sales exercise and not classified as Standard, Plus or Prime.

## Non-residential property

All applicants and occupiers listed in the HFE letter application can, as a household, own or have an interest in up to 1 non-residential property<sup>[5]</sup> at HFE letter application, if they wish to buy a flat from HDB, a resale Plus/ Prime<sup>[6]</sup> flat, or a resale unclassified/ Standard flat with CPF housing grant(s).

If the applicants and occupiers own or have an interest in more than 1 non-residential property, they must have disposed of the other non-residential properties at least 30 months (counted from the legal completion date of the disposal of the interest) before applying for an HFE letter.

[5] This is regardless of the share of ownership in the non-residential property. If the applicants and occupiers own the same non-residential property, the household is considered as owning 1 non-residential property.

[6] Prime flats include Prime Location Public Housing (PLH) flats sold before October 2024 sales exercise. The eligibility criteria for resale Prime flats follow the prevailing BTO eligibility criteria.

**Remaining lease of the flat**

The loan amount will depend on the extent the remaining lease can cover the youngest applicant to the age of 95 and above.

Use the [payment plan calculator](#) to find out the payments required at various milestones to buy a new or resale flat, and check that you have sufficient budget before committing to a flat purchase.

Remaining Lease of Flat is More Than 20 Years and Covers Youngest Applicant to Age of	Loan-to-Value (LTV) Limit <sup>[7][8]</sup>	Loan Period
95 years and above	New flat: Up to 75% of the purchase price.  Resale flat: Up to 75% of the lower of the resale price or value of the flat.	Shortest of: <ul style="list-style-type: none"><li>• 25 years;</li><li>• 65 years minus the average age of the applicants; and</li><li>• Remaining lease at the point of flat application minus 20 years.</li></ul>
Less than 95 years	A lower loan limit pro-rated from 75%, based on the extent the remaining lease can cover the youngest applicant to the age of 95 and above.	

[7] The LTV limit refers to the maximum amount of housing loan a flat applicant may take up, expressed as a percentage of the lower of the flat price or value of the flat.

[8] For complete resale applications received by HDB on or after 20 August 2024 and flat applications for the October 2024 sales exercise onwards.

Applicants who have booked a new flat or submitted a resale application will be provided with a customised financial plan, which will include the applicable LTV limit at the point of flat application (if they are taking an HDB housing loan), and the payments required at the various milestones of their flat purchase.

# Conditions when taking a second HDB housing loan

To promote financial prudence and prevent over-borrowing, your second HDB housing loan amount will be granted only after you have paid for the flat purchase using the full CPF refund and part of the cash proceeds received from the disposal\* of the following residential properties:

- Existing or last-owned HDB flat; or
- Last-owned private residential property, disposed of at least 30 months, based on the legal completion date, before your HFE letter application.

\* The manner of disposal includes the sale, transfer or surrender of a flat or private residential property, or by any other method under the Housing and Development Act or any other written law.

To apply for a second HDB housing loan, you must meet the following requirements:

At Point of Flat Purchase	Conditions to Take a Second HDB Housing Loan
You have disposed of the existing flat or private residential property, and do not own any HDB flat	<p>You and all members of the core family nucleus must use the CPF refund and up to 50% of the cash proceeds received from the disposal of the last-owned HDB flat, or private residential property disposed of at least 30 months before your HFE letter application. This shall be based on the legal completion date of the disposal.</p> <p>You may retain up to \$20,000 in your <u>CPF Ordinary Account (OA)</u> and use the remaining balance in your OA to buy the flat.</p>
You are buying an HDB flat <b>before</b> disposing of the existing one	<p>You will be charged commercial interest rate (pegged to the average non-promotional interest rate for HDB flats offered by the 3 local FIs*) for the housing loan to buy the next flat.</p> <p>The interest rate will be converted to the concessionary rate after you have disposed of the existing flat, within 6 months from the date of legal completion of the flat purchase, and used the CPF refund and up to 50% of the cash proceeds received from the disposal to redeem the housing loan for the next flat. From the CPF monies refunded, you may retain up to \$20,000 in your <u>CPF OA</u>.</p>

+ The 3 local FIs are DBS Bank Limited, Overseas-Chinese Banking Corporation Limited, and United Overseas Bank Limited.

## Additional information on cash proceeds:

- HDB reserves the right to determine the amount of proceeds to be used, either by taking into account the manner of holding of the existing/last-owned HDB flat or last-owned private residential property, or according to any court order that has provided for the disposal/ division of the residential property.
- Generally, flat applicants can keep the higher of \$25,000 or 50% of the cash proceeds (including the cash deposit received). HDB will take into account the remaining cash proceeds when determining the second HDB housing loan amount.

Use the [sale proceeds calculator](#) to work out how much cash proceeds you need to use for your flat purchase. Be sure to secure sufficient financing before committing to sell your existing flat or buy another one.

# What happens if I do not meet the eligibility conditions?

You have to take a [housing loan from an FI](#) if you need mortgage financing.

## **Credit assessment criteria**

[Find out if you meet our assessment criteria.](#)



Besides meeting the eligibility conditions, flat applicants have to fulfil our credit assessment criteria to apply for an HDB housing loan.

## Credit assessment criteria to apply for an HDB housing loan



For all types of employment and trade, applicants need to meet the following criteria:

- Be working at the point of HFE letter application
- Have stable work and regular income

Applicants who are earning an income **without** monthly CPF contribution need to also meet the following criteria, in addition to the above condition:

- Have good credit standing

Do take some time to build up your finances and work records if you do not meet the credit assessment criteria for an HDB housing loan.

### Application for an HDB housing loan

What you need to know about the HFE letter and when to apply for one.





If you wish to take an HDB housing loan to buy a flat, you have to first apply for an HFE letter before embarking on your home buying journey.

Find out more about the [HFE letter](#), when and where to apply.

## Details on the HDB housing loan

Understand the considerations that determine your housing loan amount.



The HDB housing loan amount is determined based on the following:

**Flat applicants’ financial situation**

Financial ability of flat applicants to sustain the payment of the monthly mortgage instalments, to ensure that they do not borrow beyond their means.

This is based on flat applicants’:

- Age
- Monthly income
- Job stability
- Current loans and financial commitments (e.g., credit card bills, car loans)
- Past repayment records
- Monthly cash savings

**Note:**

- The applicant must be working at the point of HFE letter application and when HDB disburses the housing loan.
- If you are buying an uncompleted flat from HDB, we will review your financial position nearer the completion of the flat, before we disburse the housing loan. This is to confirm that there is no adverse change in your ability to service the housing loan. In the event of changes, the loan amount may be reduced.

**Repayment period**

Capped at whichever is the shortest:

- 25 years;
- 65 years minus the average age of the applicants; or
- Remaining lease of the flat minus 20 years.

## Applicable interest rate

To encourage flat applicants to borrow prudently, HDB uses the higher of the following to compute the eligible housing loan amount:

- Interest rate floor (currently at 3.0% per annum); and
- Prevailing HDB housing loan interest rate.

### Prevailing HDB housing loan interest rate

**Concessionary interest rate** Pegged at 0.1%-point above the prevailing CPF Ordinary Account interest rate and reviewed quarterly.

**Commercial interest rate where charged, for flat applicants taking a second HDB housing loan before disposing of their existing flat** Pegged to the average non-promotional interest rates for HDB flats offered by the 3 local FIs, subject to a minimum of the concessionary interest rate.

The interest rate will be converted to the concessionary rate after the flat applicant has disposed of their existing flat, within 6 months from the legal completion of their flat purchase, and used the CPF refund and 50% of the cash proceeds received from the disposal of their existing flat to reduce the second HDB housing loan amount.

Read more on the conditions to take a [second HDB housing loan](#).

The interest payable on the HDB housing loan is computed on a monthly-rest basis or such other basis as HDB may decide. Find out more on the [interest rate](#).

## Monthly instalments

Up to 30% of the applicants' monthly income.

**Loan-to-Value (LTV) Limit**

Refers to the maximum amount of housing loan a flat applicant may take up, expressed as a percentage of the lower of the purchase price or value of the flat.

	New Flats	Resale Flats
LTV limit^	Up to 75% of the flat purchase price	Up to 75% of the lower of the resale price or value of the flat
Conditions	If the remaining lease of the flat does not cover the youngest applicant to the age of 95 and above at the point of flat application, the LTV limit will be pro-rated from 75%.	

^ For complete resale applications received by HDB on or after 20 August 2024 and flat applications for the October 2024 sales exercise onwards.

Applicants who have booked a flat with HDB or submitted a resale application will be provided with a customised financial plan, which will include the applicable LTV limit at the point of flat application (if they are taking an HDB housing loan), and the payments required at the various milestones of their flat purchase.

**Additional information:**

HDB housing loan is only disbursed at key collection. Once a housing loan is disbursed:

- You will not be able to take up another HDB housing loan for 30 months from the legal completion of the flat purchase.
- All core member(s)<sup>#</sup> in your HFE letter application will be considered as having taken an HDB housing loan.

<sup>#</sup>Core member(s) refer to the applicant(s) and occupier(s) in an HFE letter application who enable the applicant(s) to qualify for a flat purchase under an eligibility scheme. All core members must remain in the flat application, and physically occupy the flat during the minimum occupation period (MOP) after the flat purchase. Their names cannot be removed.

**Use of CPF savings**

Find out the requirements on the use of CPF savings for your flat purchase and for servicing the monthly instalments. 

Applicants have the option to:

- Retain up to \$20,000 of the available savings in each of their CPF Ordinary Account (OA).
- Use the savings in their CPF OA to pay the stamp fee, registration fee, legal fees, and premium for the CPF Home Protection Insurance (if applicable)

The remaining balance in your CPF OA must be used to pay for the flat purchase or take over ownership of an existing flat, before the HDB housing loan can be granted.

The total amount of CPF savings that can be used to buy or take over the flat and pay the monthly mortgage instalments will depend on:

- Extent that 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 have 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](#).

Occupier(s) cannot use their CPF OA savings or housing grant for the flat purchase or servicing of housing loan.

## **Servicing the HDB housing loan**

[Find out more about the monthly repayment and how to save on interest payments.](#)



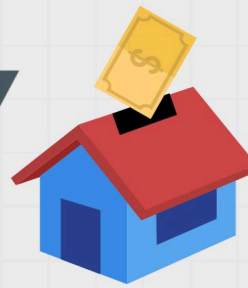
# Monthly repayment

Upon disbursement of the HDB housing loan, your first monthly instalment payment will start on the first day of the second month. Thereafter, your monthly instalments are due and payable on the first day of every month, until the housing loan is redeemed.

You can use your cash and/ or CPF savings to pay the monthly instalments, subject to the prevailing rules of CPF Board. If you choose to use cash instead of CPF savings, you can grow your retirement fund steadily with CPF interest rates. Find out more on the [monthly repayment](#).

# Save on interest payments

# Why pay more?



## Save interest on your HDB housing loan by:

### Minimising the loan amount

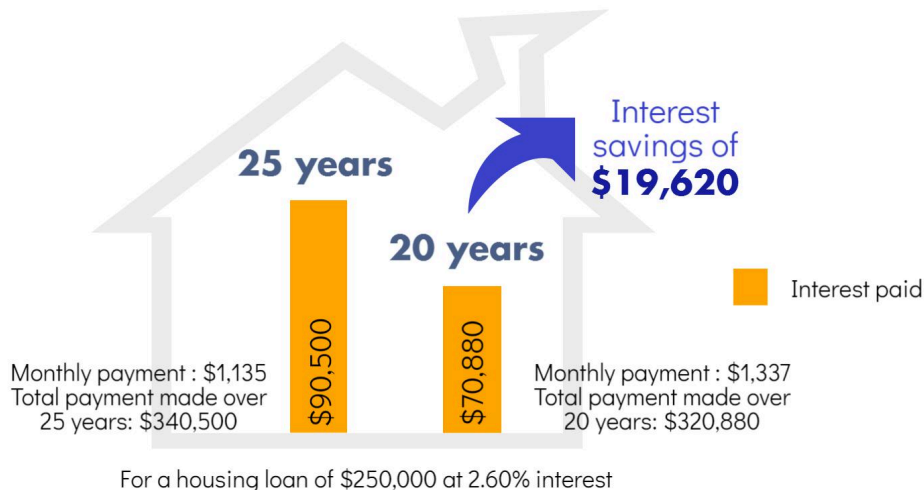
Other than taking a smaller loan from the start, you can also make partial capital repayment as and when you have the funds.

### Shortening the loan tenure

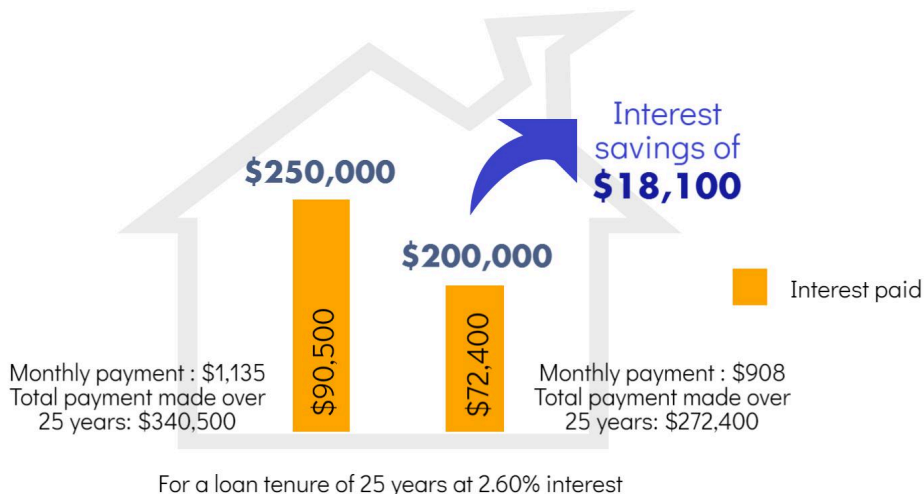
While this will increase the monthly mortgage instalments, you will save on the interest.

The chart illustrates the interest savings on a housing loan with a shorter loan tenure and smaller loan amount

## Taking a shorter loan tenure 25 years versus 20 years



## Taking a smaller loan \$250,000 versus \$200,000



A smaller housing loan and paying it off early will give you greater financial flexibility for your other goals (e.g. building up retirement funds, investments, etc.).

To reduce your financial commitments and save on interest payments, you can also make regular partial payments or early repayment of your housing loan, or shorten your repayment period. Your monthly instalment will be adjusted accordingly. Find out more on [servicing your HDB housing loan](#).

## **Insurance for HDB housing loan**

The insurance policies will protect you and your loved ones in the event of any unforeseen circumstances.



If you take an HDB housing loan to buy or take over ownership of a flat, you will have to buy these insurance policies:

- [HDB Fire Insurance Policy](#).
- [Home Protection Scheme](#) (if you are using your CPF savings to pay your monthly loan instalments)

The HDB fire insurance covers the cost of reinstating damaged internal structures, fixtures and areas built and provided by HDB. As it does not include home contents such as furniture, renovations and personal belongings, you are encouraged to buy additional home insurance from any insurer if you wish to go further to extend protection over your home contents. Find out more about the [HDB Fire Insurance Policy](#).

For those who are not taking a housing loan, you are also encouraged to buy a fire and home insurance for your flat. You can do so from any insurer.

The Home Protection Scheme is a mortgage-reducing insurance scheme administered by the CPF Board. It insures CPF members and their families against losing their home, should the policy holder become permanently incapacitated or pass away before the housing loan is paid up.

## **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](#)

### **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.](#)

[eligibility. You may also](#)  
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