



**MANAGING HDB FLAT
HOUSING LOAN ARREARS WITH
FINANCIAL INSTITUTIONS –
WHAT ARE MY OPTIONS?**



Information accurate as at Nov 2023

I have trouble repaying my HDB flat housing loan from a Financial Institution (FI). What can I do to better manage my loan repayments?

Here are some options to help you with managing your HDB flat housing loan.

Do approach your FI early to work out options to repay your arrears or to meet upcoming monthly mortgage instalments. This will help in reducing incurring additional costs such as interest penalties.

Your options	Things to note	Are you eligible?
1. Refinance/reprice your property loan to take advantage of lower interest rates where possible	<ul style="list-style-type: none"> For loans within the lock-in period, you may have to pay a refinancing fee depending on the terms of your loan. However, you can try to discuss with your FI to see if a fee waiver is possible. Total debt servicing ratio (TDSR) rules do not apply to the refinancing of owner-occupied housing loans. 	<ul style="list-style-type: none"> This is available for owner-occupied property loans, and also investment property loans. You are <u>not allowed</u> to refinance your existing FI loan with an HDB loan.
2. Use CPF savings for arrears or monthly instalments	<ul style="list-style-type: none"> For members reaching age 55, you can write to CPFIB 3 weeks before your 55th birthday to reserve your Ordinary Account (OA) savings from the sweep to Retirement Account (RA) at age 55 to pay for future housing instalments. Apart from the Ordinary Account, the Special, Retirement, and Medisave account are intended for retirement and healthcare, therefore cannot be used for housing. If you own a property and have RA monies above your Basic Retirement Sum (excluding interest earned, government grants and any top-ups made under the Retirement Sum Topping-Up Scheme) that you wish to use for your housing needs, you can apply for the withdrawal of your CPF savings by submitting an online application at cpf.gov.sg/A55. Make a request to use CPF savings for your housing payments with the CPF E-service 	<ul style="list-style-type: none"> If you have available balance in your CPF (OA) and have not been using it for your housing repayments.

Commented [HW1]: Mirrored from CPFIB's edits in PPO DMP.

Commented [HW2]: Mirrored from CPFIB's edits in PPO DMP.

	<ul style="list-style-type: none"> ○ CPF E-service: https://go.gov.sg/cpfhousingwithdrawal. ○ Note that there are limits on the CPF usage. 	
3. Extend loan tenure to reduce monthly instalment	<ul style="list-style-type: none"> ● You will pay more interest in total with a longer loan tenure. 	<ul style="list-style-type: none"> ● If your loan is not at the maximum tenure, you may discuss this option with your FI.
4. Add a co-owner (e.g. your child) to help with the housing loan repayments using his/her CPF Ordinary Account (OA) savings, on top of cash payments	<ul style="list-style-type: none"> ● Should HDB grant a housing loan to you and the proposed incoming co-owner(s), the proposed incoming co-owner(s) will only be eligible for one more HDB concessionary rate loan* in the future. The quantum of the second HDB concessionary housing loan will be reduced using the CPF refund and up to 50% of the cash proceeds (if any) from the disposal of the existing flat. *Each person is only able to take up to a maximum of two HDB concessionary loans ● The proposed incoming co-owner(s) needs to relinquish his/her interests in your flat and make the required refunds to his/her CPF accounts if he/she buys a flat in future. ● The proposed incoming co-owner(s) who is taking over the flat ownership will need to have sufficient finances to: <ul style="list-style-type: none"> a) Redeem the outstanding housing loan for the flat; b) Pay the legal and stamp fees involved in the transactions; and c) Pay the CPF refund for monies withdrawn and accrued interests to the outgoing owner's CPF account (if the outgoing co-owner is relinquishing his/her interests in the flat) ● The proposed incoming co-owner(s) may finance the sum required using their CPF Ordinary Account savings, cash and/or a fresh housing loan. 	<ul style="list-style-type: none"> ● You are eligible if the proposed incoming co-owner(s) meet the eligibility conditions on HDB website: https://www.hdb.gov.sg/cs/infoweb/residential/living-in-an-hdb-flat/changing-owners-occupiers/change-in-ownership/change-in-flat-ownership/eligibility

Commented [HW3]: Updated with link provided by CPF in PPO DMP.

Commented [HL4]: As per CPF's reply on 1 Aug 2023.

Commented [HL5]: As per CPF's reply on 5 Sep 2023.

<p>5. Rent out spare bedroom(s) or the whole flat for more income</p>	<ul style="list-style-type: none"> You will need to get HDB's approval to rent out the whole flat or spare bedroom(s). There will be a \$20 administrative fee for renting out your flat and a \$10 administrative fee for renting out each bedroom. 	<ul style="list-style-type: none"> Find out more on the eligibility conditions for rental of spare bedroom(s) and whole flat on HDB website: https://www.hdb.gov.sg/cs/infoweb/residential/renting-out-a-flat-bedroom
--	---	--

I also have other unsecured loans. Are there any options to help me?

If you have multiple unsecured loans, **Credit Counselling Singapore (CCS)** can help you with your debt problem through financial counselling, education and where suitable, facilitated debt repayment arrangement.

Contact CCS:

- Website: www.ccs.org.sg
- Email: enquiry@ccs.org.sg
- Hotline: 6225 5227

For debt counselling, support group sessions and financial literacy workshops to assist you in managing debts, you can get help from Social Service Agencies (SSAs):

- **Adullam Life Counselling**
 - General line: 6659 7844 / 9423 8832
 - Email: admin@adullam.org.sg
- **Arise2Care Community Services**
 - General line: 6909 0628
 - Email: admin@arise2care.sg
- **Association of Muslim Professionals (AMP)**
 - AMP helpline: 6416 3960
 - Email: corporate@amp.org.sg

I need financial assistance. Who can I approach to seek help?

Social Service Offices (SSOs) provide financial assistance to households that are unable to afford basic living expenses, based on their needs and circumstances. SSOs also facilitate

access to relevant government agencies and community partners, if the household requires other forms of assistance or services.

- Locate your nearest SSO for help from the MSF website: <https://www.msf.gov.sg/our-services/directories#socialtab> or contact the ComCare call hotline at 1800-222-0000.

Family Service Centres (FSCs) serve low-income and vulnerable individuals and families who need help addressing their family-related and social-emotional needs, to enhance their stability and wellbeing.

- Locate your nearest FSC from the MSF website: <https://www.msf.gov.sg/our-services/directories#familytab> or contact the ComCare call hotline at 1800-222-0000.

I need help finding a job. Are there any resources that can help me?

Access the **Employment Support Guide on LifeSG app** to explore job opportunities, book an appointment to meet a career coach and search for relevant government resources to aid in your job search.

- The employment support guide can be found on LifeSG app at: <https://www.life.gov.sg/guides/support-for-your-job-search>.

What happens if I or my co-owner passed on, suffered a terminal illness or total permanent disability; and I am unable to pay the loan instalment?

Check the coverage of your mortgage insurance to see if you can make insurance claims.

Mortgage insurance can help to pay off the outstanding mortgage loan in the event of death, terminal illness or total permanent disability of the borrower (being the life insured under the insurance policy). Check if you or your co-owner have any of the following:

1) Home Protection Scheme (HPS)

- HPS covers you up to age 65 or until the housing loans are paid up, whichever is earlier.
- If you or your co-owner are covered under HPS and eligible for a claim, CPF B will settle the outstanding housing loan, up to the insured sum, with the Financial Institution directly.
- To check the details of your HPS coverage, you may access the link below: <https://www.cpf.gov.sg/member/faq/home-ownership/home-protection-scheme/where-can-i-check-my-current-home-protection-scheme--hps--cover->

Commented [HW6]: For CPF B's input on updated link.

Commented [SRT(7R6)]: Updated link: <https://www.cpf.gov.sg/member/faq/home-ownership/home-protection-scheme/where-can-i-check-my-current-home-protection-scheme--hps--cover->

- To find out more about making a claim under HPS, you may access the link below: <https://www.cpf.gov.sg/member/home-ownership/protecting-against-losing-your-home/claiming-under-the-home-protection-scheme> ||

2) Mortgage insurance from private insurers

- The claiming process will differ depending if your policy has been assigned to an FI (being the mortgage lender)
- If your policy has already been assigned¹, your insurer will repay the outstanding housing loan to the FI directly. The FI may contact the claimant (being the life insured or the beneficiary, as the case may be) if the sum insured is higher than your outstanding housing loan and there is excess money left.
- If your policy has not been assigned, your insurer will pay the claimant (being the policyholder or the beneficiary)² after a valid claim has been made. The claimant may then use the proceeds to repay the outstanding housing loan accordingly. The claimant will need to contact the insurance company to check the details of any mortgage insurance coverage and apply to claim the insurance benefits.

Please inform your FI if you or your beneficiary have lodged an HPS/mortgage insurance claim.

Commented [HW8]: For CPF's input on updated link.

Commented [SRT(9R8)]: Updated copy and URL

¹ Where your insurance policy has been assigned to the FI, any insurance pay-out will go to the FI instead of you or your co-owner. An insurance policy can be assigned to another party as a form of security or collateral in relation to a financial dealing, such as taking out a housing loan.

² If you or your co-owner suffered a terminal illness or total permanent disability, the insurance pay-out will be made to the policyholder. In the event of death, the insurance pay-out will be distributed to the nominees. In cases where no nomination was made, the insurance pay-out will be distributed under the intestacy laws or Muslim inheritance laws.