

## TERMS & CONDITIONS ON THE USE OF CPF FOR REFINANCING OF HDB FLATS WITH BANK LOANS

### 1. **OBJECTIVE**

The objective of the Approved Housing Schemes is to help CPF members buy a flat in Singapore for occupation.

### 2. **USE OF CPF SAVINGS**

A member is allowed to withdraw his Ordinary Account savings under the Approved Housing Schemes for:

- a) Direct payment of purchase price of the flat, including cost of common areas, to the HDB and/or sellers. This amount will only be released when member has paid the cash difference (purchase price less housing loan and CPF lumpsum);
- b) Repayment of housing loan in part or whole and/or to pay the monthly instalments of the \*housing loan taken for the purchase of the flat;
- c) Payment of stamp duty, legal fees, and other related costs incurred in connection with the purchase or mortgage on the flat;
- d) Payment of the cost of upgrading the HDB flat incurred under the HDB Main Upgrading Programme (MUP) and/or Town Council Lift Upgrading Programme (TCLUP), in part or whole and/or by monthly instalments.

\*The housing loan should be for a fixed term and secured by a mortgage on the property, which is owned by the member.

### 3. **CPF CHARGE**

A CPF Charge on the flat is effected immediately upon the release of CPF monies for the flat. The Charge shall be in force until the CPF released towards the flat, including the interest accrued, are refunded into the member's account as required by the Board, or when the member is eligible to withdraw under Section 15 of the CPF Act.

The Board may, where it deems fit, accept an application and release information regarding the Board's charge on a flat to any public authority and/or members of the public. An administration fee of \$21.00 (including GST) will be imposed for the release of information.

### 4. **WITHDRAWAL LIMIT**

The lumpsum CPF withdrawn plus the loan taken for the purchase of the flat cannot exceed the Valuation Limit (VL), which is the lower of the purchase price or market value of the flat at the time of purchase as assessed by the Board. The Board reserves the right to release monies based on the value of the property as assessed by the Board.

If the housing loan is still outstanding when the Valuation Limit (VL) is reached, flat owners may use further CPF savings up to the CPF Withdrawal Limit (WL) if they can set aside half of the prevailing Minimum Sum in their Ordinary and Special Accounts. The table below shows the schedule of the WL over the years:

<b>Date of Purchase (i.e. S&amp;P agreement)</b>	<b>CPF Withdrawal Limit (WL)</b>
1 Jan 2003 – 31 Dec 2003	150% of VL
1 Jan 2004 – 31 Dec 2004	144% of VL
1 Jan 2005 – 31 Dec 2005	138% of VL
1 Jan 2006 – 31 Dec 2006	132% of VL
1 Jan 2007 – 31 Dec 2007	126% of VL
1 Jan 2008 onwards	120% of VL

Where a member has used CPF for a private property before 1 July 2006, and applies to use CPF for a flat purchased on or after 1 July 2006, he is required to set aside half of the prevailing Minimum Sum, or Minimum Sum cash component shortfall if he is aged 55 and above, before he can withdraw any excess in the Ordinary Account for the flat. Savings in the Special Account (including the amount used for investment) and Ordinary Account can be used to meet this required amount. The withdrawal limit for the second and subsequent properties will be set at 100% of the VL.

### 5. **ABORTIVE PURCHASE**

The member shall refund to his account all the monies he had withdrawn for the flat if he withdraws his application for the purchase of the flat, or if the agreement entered into by the member and any person for the purchase of the flat is rescinded.

### 6. **NOTIFICATION OF CHANGES TO LOAN DETAILS**

The member, who had used CPF towards the purchase of the flat, and his financier (if any) are required to notify the Board of the following:

- a) full redemption of the housing loan
- b) refinancing or re-mortgage of the flat
- c) increase in loan quantum approved by the financier (Note: If the quantum exceeds the CPF Withdrawal Limit, the Board may require the member and his financier to maintain a separate loan account for the excess sum.)
- d) Changes in term of loan (applicable if using CPF for monthly instalment payment)

**7. APPLICATION TO WITHDRAW CPF SAVINGS**

All applications must be submitted on official application forms which are obtainable from the Board. The forms are to be submitted to the Public Housing Section – Bank Loan **at least 10 working days prior to the payment due date**. Members are required to furnish the Board all such information, evidence and documents as the Board may require for the release of the members' CPF in respect of the flat.

In the event the member submits a second application while the first application is still being processed by the Board, the second application will be deemed to supersede the first application.

**8. APPOINTMENT OF LAWYER**

Where HDB is not acting for the member, the Board may appoint a lawyer to disburse the CPF monies withdrawn from the member's account for payment to the relevant parties for the completion of the flat purchase, and/or collect the repayment of the CPF monies into the member's account upon the sale, transfer, assignment or otherwise disposal of the flat. For flats under the Design, Build and Sell Scheme (DBSS), the Board's lawyer will also liaise with member's lawyer to reserve CPF monies for subsequent progress payment.

**The costs incurred shall be borne by the members.** The indicative costs are as follows:

	Disbursement of CPF Monies	Recovery of CPF Monies (not payable using CPF savings)
* Legal Fees for non-DBSS flats	≤ \$220/-	≤ \$175/-
* Legal Fees for DBSS flats	≤ \$320/-	≤ \$175/-

\*The costs indicated above exclude GST, and may vary depending on the nature of work and members' application.

**9. OTHER CONDITIONS**

- a) In the event that a member passes away after his application to use his CPF for the flat is accepted by the Board, but before the payment is released from his account, no payment will be released from his account for the purchase or payment of the flat or housing loan.
- b) Members who already own a property bought with their CPF savings and wish to buy another property with CPF savings on or after 1 July 2006, will be given a grace period if they intend to sell the existing properties. The grace period is as follows:
  - i) 6 months from date of issue of the Temporary Occupation Permit (TOP) if the new property is under construction
  - ii) 6 months from date of completion of purchase if the new property is a completed property.

Where members bought their first property before 1 July 2006, and apply to use CPF for the first property only after making an application to use CPF for the second property bought after 1 July 2006, the multiple property (MP) rule will apply to the second property. For example:

	Property P1		Property P2		Treatment
	Purchase Date	Application Date	Purchase Date	Application Date	
Scenario A	1 Aug 05	1 Nov 06	1 Oct 06	1 Oct 06	Apply MP rule to P2
Scenario B	1 Aug 06	1 Aug 06	1 Oct 06	1 Oct 06	Apply MP rule to P2
Scenario C	1 Aug 06	1 Nov 06	1 Oct 06	1 Oct 06	Apply MP rule to P1

- c) For member who has applied to use CPF for monthly repayment of housing loan, the Board will cease the CPF monthly deduction when there is no CPF contribution for 6 consecutive months.

**10. NOTIFICATION OF SALE AND REFUND OF CPF MONIES**

A member, who had used CPF towards the purchase of the flat, and his financier (if any) are required to notify the Board of the intended sale, transfer, assignment or otherwise disposal of the flat four weeks prior to the completion of the transaction. The member and/or his financier are to furnish the Board with the redemption statement of the housing loan four weeks prior to the completion of sale, transfer, assignment or otherwise disposal of the flat.

If the member is below age 55, he is required to refund the CPF savings withdrawn plus accrued interest to his CPF account upon the sale, transfer, assignment or otherwise disposal of the flat. If the member is aged 55 and above, he is required to refund to his account the Minimum Sum deficiency, or the principal CPF savings withdrawn for the property plus the accrued interest, whichever is lower. The Minimum Sum deficiency is the Minimum Sum applicable to the member when he turned age 55 less the balance in his Retirement Account (excluding interest earned).

For members who had turned age 55 before 1 July 1995, the required CPF refund will be the principal amount pledged for part of the Minimum Sum plus the accrued interest on the pledge.

**11. PENALTY FOR FALSE DECLARATION AND MIS-USE OF PROPERTY**

Any member who has purchased a property under the Approved Housing Schemes by making a false statement or declaration, or furnishing any information or document which he knows to be false in material or who allows such property to be used for any immoral, illegal or unauthorized purposes, or who contravenes any of the conditions under the Approved Housing Schemes, shall be guilty of an offence under the CPF Act. The Board shall in such circumstances, be entitled to seize the property and sell it to recover the amount of CPF savings that has been withdrawn plus accrued interest.

## GENERAL INFORMATION ON HOME PROTECTION SCHEME (HPS)

**Note:** The coverage under the Home Protection Scheme is subject to the provisions of the Central Provident Fund Act (Cap 36) and the Central Provident Fund (Home Protection Insurance Scheme) Regulations made thereunder and any amendment, modification or re-enactment thereof and also to all terms and conditions as may be imposed by the Board from time to time.

HPS is a mortgage-reducing term insurance which helps CPF members and their families pay off the insured members' share of the outstanding housing loan in the event of their permanent incapacity or death before age 65.

CPF members who use their CPF savings to pay their monthly housing loan instalments for their HDB flats have to apply for HPS. Their HPS cover should at least match their share of the housing loan repayment, including CPF savings and/or cash.

### **When the HPS cover will start**

The HPS cover will start after the housing loan is disbursed and:

- (1) you have obtained legal ownership of the flat\*,
- (2) the loan document or the instrument of mortgage of the property has been executed,
- (3) the health declaration is done and the risk is accepted by the Board, AND
- (4) you have paid the premium.

\*Not applicable to members who have purchased a HDB flat under the Design, Build and Sell Scheme and have opted to pay the purchase by progress payments. Progress payments are payments that the developer will ask you to pay as the flat is being constructed.

### **Cover Period**

You will be covered up to age 65 or until your housing loan is paid up, whichever is earlier.

### **Health Declaration**

You need to declare your health condition and any material fact that may affect the acceptance of your coverage under HPS. You have to provide such facts or information concerning your health before you can be insured under HPS. A new health declaration is also needed when you apply to adjust your existing HPS cover or increase your share of cover.

The Board will not consider claims from members who have given false or misleading statements, or have withheld information in their health declarations. No premium is refundable upon the rejection of claim.

### **Policy Lapse**

CPF members who are using their CPF to pay their housing loan instalments are required to be covered under HPS, subject to good health and premium payment. If a member's policy lapses due to non-payment of HPS premiums, the Board reserves the right to cease the use of their CPF savings for the housing loan instalments.

### **Payment of Premiums and Grace Period**

The premium is calculated based on your outstanding housing loan, loan repayment period, gender and age.

Premiums will be deducted annually from your CPF Ordinary Account on the premium payment date as indicated in the certificate.

The premium deduction will take priority over the deduction for housing instalments. You should ensure that you have enough CPF savings for the payment of the HPS premium and monthly housing instalments.

If you do not have enough CPF savings in your Ordinary Account, the Board will notify you in writing to pay the outstanding premium within the stated grace period.

If the outstanding premium is not paid after the grace period, the policy will lapse. You will have to apply for HPS cover again, and the acceptance of your application is subject to your good health.

**Adjustment of Coverage**

You may apply to the Board to adjust your HPS cover if your housing loan or share of housing loan repayment financial responsibility has changed. You will need to provide your latest loan information, make a new health declaration (for increased coverage) and pay the additional HPS premium, if any. Members' latest declaration of share of cover on application form for adjustment of share of coverage will supersede their existing share of cover.

**Termination/Cancellation of HPS Cover**

The HPS cover will be terminated if any of the following occur:

- (1) Your housing loan is paid up
- (2) Your property for which the HPS cover was taken up is sold or acquired by the housing authority.
- (3) A new HPS insurance cover is issued for a HDB property subsequently purchased.
- (4) The Sales and Purchase agreement is cancelled due to the death of the owner/ co-owner.

You need not pay the balance of the premium for the remaining period of cover upon termination of the policy.

For (1), member shall inform the Board in writing if the housing loan has been redeemed so that the cover can be terminated. Please note that claim is only payable if member is covered and still has an outstanding loan with an approved mortgagee.

For (4), the HPS cover will be cancelled with full refund.

**Death Claims**

If the claim is admitted, the Board will pay the outstanding housing loan up to the insured sum directly to HDB or the approved mortgagee.

For members who bought a flat still under construction under the Design, Build & Sell Scheme, the Board will liaise with the lawyers to settle the outstanding housing loan due to HDB/approved mortgagee and progress payments due to the private developer, up to the insured sum.

The Board shall require evidence of death of the member.

**Incapacity Claim**

"Incapacity" means that the member is physically or mentally incapacitated and can no longer work in any form of employment.

Members must submit evidence of permanent incapacity in order to make a claim. Members may be required to undergo a medical examination by the Board's appointed doctors to determine the incapacity.

The Board will pay the member's housing instalments (based on the member's share of HPS cover) for a period of up to two years before settling the insured sum in full.

Once a claim is admitted, the member need not continue to pay the annual premiums.

If the member resumes any employment or is no longer incapacitated, the Board will cease the claim payment, and the member will be covered for the remaining insured sum, provided he continues to pay the premiums.

**Exclusions**

Claim benefits may not be admissible if:

- (1) you are/were not in good health or are mentally/ physically incapacitated before the commencement of your policy, or
- (2) you made/provided false or misleading information in your application for HPS cover, or
- (3) you committed self-inflicted injury or suicide within the first policy year of the HPS cover, or
- (4) your death or incapacity arose from wars or any warlike operations or participation in any riot, or
- (5) members commit a criminal offence punishable by death within the first policy year of HPS cover.

For more information on HPS, please call us at 1800-227-1188 or visit our website at <http://www.cpf.gov.sg>



## Application to Use CPF Savings for Refinancing of HDB Flat with Bank Loan

This form may take you 15 minutes to complete.

### NOTE:

- Please read the terms & conditions before completing the form.
- All pages of the form have to be completed by all owners.
- Please ensure that all amendments are properly endorsed (eg. signed with date & company's stamp, where applicable.)

1. DETAILS OF HDB FLAT							
HDB Ref. No.: <input type="text"/>							
Address of Flat: Blk _____ # _____ - _____ Street _____							
Postal Code <input type="text"/>							
Purchase Price \$ _____				Valuation at date of purchase: \$ _____			
2. PARTICULARS OF OWNERS (to be completed by <u>all</u> owners)							
	Owner (1)		Owner (2)		Owner (3)		
Signature							
CPF Account No.	<input type="text"/>		<input type="text"/>		<input type="text"/>		
Name (as in NRIC)							
Contact No.							
Email Address							
3. CPF WITHDRAWAL DETAILS For Housing Loan Outstanding (before Refinancing)							
Financier (before Refinancing): <input type="checkbox"/> HDB <input type="checkbox"/> Others: _____ Code: <input type="text"/>							
(for official use)							
Amount Applied:		\$	¢	\$	¢	\$	¢
(i)	Loan Redemption						
	Date to Stop Monthly Instalment Deduction	Year <input type="text"/> <input type="text"/>		Month <input type="text"/> <input type="text"/>			
		2	0				
4. CPF WITHDRAWAL DETAILS For New Housing Loan							
Amount Applied:		\$	¢	\$	¢	\$	¢
(i)	Lumpsum						
(ii)	Monthly instalment						
	Starting From:	Year <input type="text"/> <input type="text"/>		Month <input type="text"/> <input type="text"/>			
		2	0				
5. CPF WITHDRAWAL DETAILS FOR STAMP & LEGAL FEES							
Amount Applied		\$	¢	\$	¢	\$	¢
Payable to:		<input type="text"/>					
(Please specify the law firm's name as in bank account.)							
Lawyer's Ref:						Code (for official use): <input type="text"/>	
6. TRANSFER OF FUNDS FROM RETIREMENT ACCOUNT TO ORDINARY ACCOUNT							
Applicable only for members aged 55 and above who wish to use their Retirement savings for the payments applied. (Please refer to your statement of account for amount available in your Retirement Account)							
Amount:		\$	¢	\$	¢	\$	¢
7. PAYMENT DUE DATE							
(Please note that the deduction from your CPF account will take place 2 working days before the payment due date.)							
Payment Due Date: (Should not be more than 3 working days before completion)		Year <input type="text"/> <input type="text"/>		Month <input type="text"/> <input type="text"/>		Day <input type="text"/> <input type="text"/>	
		2	0				

**8. PARTICULARS OF NEW HOUSING LOAN** (Loan amount should not include penalty charges, valuation fees, cancellation fees and outstanding insurance premiums.)

Name of new financier: \_\_\_\_\_ Code (for official use): 

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Outstanding Housing Loan Amount: \$ \_\_\_\_\_ Outstanding Housing Loan As At:

Outstanding Term of Loan: 

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 Years 

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 Months

Year 

2	0		
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 Month 

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 Day 

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Mortgage Rate (%): \_\_\_\_\_ Total Monthly Repayment Amount: \$ \_\_\_\_\_

**9. DECLARATION, AGREEMENT, UNDERTAKING & ACKNOWLEDGEMENT**

- A. I/We\* declare that all the particulars provided in this application are true and correct.
- B. I/We\* understand and agree that:
  - i. Acceptance by the Board of this application does not imply that the Board will approve the withdrawal(s) applied for.
  - ii. This application is subject to the provisions of the Central Provident Fund Act (Chapter 36), the rules and regulations as amended from time to time and all such terms and conditions as may be imposed from time to time.
- C. I/We\* agree and undertake to pay all valuation fees, legal costs and other expenses incurred by the Board for the processing of the application and all matters consequential thereto regardless of whether this application is approved. I/We\* hereby authorize the Board to deduct from my/our\* CPF account(s) the aforesaid expenses.
- D. I/We\* acknowledge that the withdrawals or revision to the monthly instalment deduction from my/our\* CPF account(s) under the Approved Housing Schemes as approved by the Board shall be instructed from time to time by me/us\* or my/our\* solicitors or my/our\* financiers. I/We\* hereby authorize the Board to deduct from my/our\* CPF account(s) each and every of the aforesaid withdrawals as approved by the Board, and to obtain information pertaining to the housing loan from my/our financier as and when required by the Board.
- E. I/We\* understand that the use of CPF (lump sum payment and monthly instalments) for the purchase of the property is subject to the following housing limits at different points in time: Valuation Limit (VL) and Withdrawal Limit (WL). I/We\* am/are\* aware that no further use of CPF towards the payment of the property will be allowed once the applicable limit mentioned above has been reached<sup>#</sup>
- F. I/We\* confirm that I/we\* have read and understood the terms and conditions of the Approved Housing Schemes.

<sup>#</sup> For more information on the definition of the various limits & computation of the estimated time-frame to reach the limits, please use the online calculators at the CPF Website (<http://www.cpf.gov.sg>) or approach your financier

\_\_\_\_\_  
Signature of OWNER (1)

\_\_\_\_\_  
Signature of OWNER (2)

\_\_\_\_\_  
Signature of OWNER (3)

Date:

Year	Month	Day								
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\*Delete where applicable



Central Provident Fund Board (CPF)

79 Robinson Road, CPF Building Singapore 068897

Website: www.cpf.gov.sg CPF Call Centre: 1800-227 1188

HBL/HD

Home Protection Scheme (HPS) Application for HPS Cover / To Adjust HPS Cover

This form may take you 5 minutes to complete.

IMPORTANT NOTES: Your HPS coverage is issued to you subject to you being in good health and paying premium. Under Section 31 of the Central Provident Fund Act (Chapter 36), you are required to disclose ALL information which you know or ought to know regarding your health in this form fully and faithfully. If you fail to do so for whatever reason, your Insurance Policy shall be rendered null and void and you shall NOT receive any claim benefits nor any premium refunds under the Home Protection Scheme. If you are unsure as to whether the information is material or not, you are advised to disclose it. This includes any information that you may have provided to the officer during your appointments at the HDB/ financial institution or to the solicitor but was not included in this declaration. Please check that the information declared in this form is correct.

PART A - MEMBER'S PARTICULARS

Form with fields for NAME (AS IN NRIC), NRIC / CPF A/C NO. (with S/T and digit boxes), and SHARE OF COVER: (with percentage boxes).

PART B - HEALTH DECLARATION Tick the appropriate box. It is COMPULSORY to answer ALL questions. Please sign against any amendments made on the form.

Table with 4 columns and 4 rows of health declaration questions. Each row contains a question and three columns for Yes/No responses with 'If yes, please specify:' prompts.

I declare that:-
(a) to my best knowledge and belief, the information given in this Declaration Form is true and complete and that I have not withheld any material fact, including any offence committed and/or any punishment imposed on me that may affect the acceptance of my application for the HPS. I understand that any misrepresentation or concealment of information shall render the HPS cover null and void and claims will not be admitted; and
(b) I understand that I should declare a share of cover that matches the proportion I am paying for my monthly housing instalments, including CPF savings and/or cash, and that the share of cover indicated by me above is decided after due consideration of my share of responsibilities towards the repayment.

I agree and authorise:-
(a) any medical source, insurance company, organisation or person to release any medical information to Central Provident Fund Board concerning me;
(b) the Board to refer to any medical information released at any time under any Central Provident Fund scheme to the Board by any medical source, insurance company, organisation or person;
(c) the Board to disclose to the doctors and/or medical institutions such information as the Board may consider appropriate in order to enable the doctors and/or medical institutions to conduct the various medical assessments and certification of my health condition;
(d) the Board to seek information from and to communicate with any mortgagees which finance my housing loan; and
(e) my mortgagee to inform the Board immediately upon the Board's request for any information relating to my housing loan

for purposes of assessing the application to be covered under the HPS, assessing the coverage and/or making a claim under the HPS. I shall hold my mortgagee harmless against all losses, damages, costs and expenses which I or any other parties may suffer as a result of my mortgagee's disclosure of such information relating to my housing loan upon my authorisation to my mortgagee to do so.

Signature / Right thumbprint of the Life Assured: and Date: (with Year, Month, Day boxes) For official use

Effective Date : Feb 2012