



RECENT POLICY ANNOUNCEMENTS



Briefing to IEA/SAEA/SISV/ASEA
12 Mar 2010



Scope of Briefing

- **Revision to HDB Loan Policy**
- **Reinforcing Owner-Occupation**
- **Reinforcing Privileges of Citizenship**
- **Revision to Ethnic Integration Policy**
- **Quota for SPR Households**
- **Revision to Lease Buyback Scheme**



Revision to HDB Loan Policy to Encourage Financial Prudence and Right-sizing



Housing Loan from HDB

Lifting of Upgrading Condition

2nd concessionary loan available to all eligible households regardless whether they upgrade, downsize or move to same flat type

For HLE applications received on or after 5 Mar 2010



Housing Loan from HDB

Right-sizing of 2nd Conc Loan Amount*

Amount of 2nd concessionary loan reduced by:

- CPF balance/refund, and
- half of cash proceeds or up to \$25,000 from sale of existing or immediate past flat

* For HLE applications received on or after 5 Mar 2010



Housing Loan from HDB

Right-sizing of 2nd Conc Loan Amount

Sell 1st Buy Later

Concessionary loan will be given, subject to 90% LTV, credit assessment & drawdown of:

- CPF balance in Ordinary A/C, and
- half of cash proceeds or up to \$25,000 from sale of existing or immediate past flat



Housing Loan from HDB

Right-sizing of 2nd Conc Loan Amount

Buy 1st Sell Later

Mortgage loan at commercial rate will be given, subject to 90% LTV, credit assessment & drawdown of CPF balance in Ordinary A/C

After sale of existing flat, to redeem commercial rate loan with CPF refund and half of cash proceeds or up to \$25,000

Commercial rate loan will then be converted to concessionary rate



Housing Loan

Maximum Loan Amount

HDB loan - up to **90%** of market value or **90%** of resale price, whichever is lower

Bank loan* - up to **80%** of market value or **80%** of resale price, whichever is lower

Initial Payment

HDB loan - can use **CPF** to pay full **10%**

Bank loan* - minimum **5% cash** (**15% CPF/cash**)

*from 20 Feb 2010



Reinforcing Owner-Occupation Among HDB Flat Owners



Selling a Flat

Minimum Occupation Period*

5 Years

- New/DBSS flats
- Flats bought with CPF housing grant

2½ Years

- Resale flats (without CPF housing grant) bought with HDB loan

1 Year

- Resale flats (without CPF housing grant) bought with bank loan or no loan

*Applications to buy received by HDB before 5 Mar 2010



Selling a Flat

Minimum Occupation Period*

5 Years

- New/DBSS flats
- Flats bought with CPF housing grant

3 Years

- Resale flats bought without CPF housing grant

*Applications to buy received by HDB on or after 5 Mar 2010

Apply for confirmation @ HDB InfoWEB - www.hdb.gov.sg > e-Services > Selling your flat > Request for Confirmation of Eligibility to Sell Your HDB Flat



Reinforcing the Privileges of Citizenship



Reinforcing the Privileges of Citizenship

HDB will withhold \$10,000 of housing subsidies for SC/SPR households



CPF Housing Grant Scheme

SC/SPR Differentiation*

- Full grant[^] to family with at least 2 Singapore Citizens (SC/SC Household)
- Child/parents can be included to form SC/SC Household
 - Child/parents' names cannot be deleted from flat for 5 years from date of purchase

[^]\$30,000 or \$40,000 (living near parents)

*Resale applications received by HDB on or after 5 Mar 2010



CPF Housing Grant Scheme

SC/SPR Differentiation*

- \$10,000 less for family with 1 SC and at least 1 Singapore Permanent Resident (SC/SPR Household)
 - Can apply for Citizen Top-Up if SC child is born or spouse/parent becomes SC
 - Must apply for top-up within 6 months of getting Singapore Citizenship/birth of SC child
 - Not eligible to apply for top-up after flat has been sold

*Resale applications received by HDB on or after 5 Mar 2010



Revision to Ethnic Integration Policy



Ethnic Integration Policy

- ❖ Introduced in Mar 1989
- ❖ Ensure a balanced ethnic mix across HDB estates
- ❖ Prevent the formation of racial enclaves

Rationale for change

Ethnic limits revised in tandem with demographic shifts



Ethnic Integration Policy

Increase limits for Indian/Others by 2 percentage points

No change for Chinese and Malay

Ethnic Group	Previous Limits		Revised Limits	
	NH	BIK	NH	BIK
Malay	22%	25%	22%	25%
Chinese	84%	87%	84%	87%
Indian/ Others	10%	13%	12%	15%



Ethnic Integration Policy

Once ethnic limits reached, can only buy from sellers of same ethnic group

For resale applications received by HDB on or after 5 Mar 2010



Quota for SPR Households



Singapore Permanent Resident Quota

**Foster social integration of
SPR families within larger
citizen community**

Prevent formation of enclaves



Singapore Permanent Resident Quota

SPR Quota*:

5% at Neighbourhood level and 8% at Block level

- ❖ **Malaysian SPRs excluded (only need to fulfill EIP)**

Exclusion of Malaysian SPRs

- ❖ **Close historical and cultural links**

Definition of Non-Malaysian SPR Households

- ❖ **Households with no SC/Malaysian SPR owner**

*Resale applications received by HDB on or after 5 Mar 2010



Singapore Permanent Resident Quota

Public can check HDB InfoWEB

- Blocks where EIP limits and/or SPR Quota reached the allowable limits
- Info updated on 1st day of each month and is valid for whole month

Once quota reached, can only buy from non-Malaysian SPR sellers



Revision to Lease Buyback Scheme



Lease Buyback Scheme

To benefit more elderly lessees

Scheme extended* to:

- elderly lessees who had previously owned 4R or larger HDB flats, and
- those with an outstanding loan of more than \$5,000 (but have minimum proceeds of \$60,000 for buying Immediate Annuity under CPF LIFE)

*With effect from 1 Apr 2010



Q&A

Thank You

