Getting a fresh start

How will the new Fresh Start Housing Scheme help families?



Mr and Mrs Tan

- Both aged 40
- They have a 12-year-old child
- Mr Tan is the sole breadwinner, earning \$1,400 a month



• They live in a two-room public rental flat

• The family pays a monthly rent of \$240 in cash

FlatTwo-room flat on 99-year lease, priced at \$115,000Two-room Flexi flat on 60-year lease, priced at \$95,800To pay (selling price + resale levy)\$155,000\$120,800Upfront grant-\$20,000Assumed CPF/cash savings\$35,000\$35,000Housing loan needed\$120,000\$65,800Monthly mortgage instalment needed\$550\$300Mortgage payment-\$290 by CPF, \$10 by cashAdditional deferred grant-\$15,000, reducing loan tenure by six years, nine months		Without the scheme	Under the Fresh Start scheme
Upfront grant-\$20,000Assumed CPF/cash savings\$35,000\$35,000Housing loan needed\$120,000\$65,800Monthly mortgage instalment needed\$550\$300Family will not qualify for a loan as this exceeds the maximum Mortgage Servicing RatioFamily will be able to qualify for a loanMortgage payment-\$290 by CPF, \$10 by cashAdditional deferred grant-\$15,000, reducing loan tenure by	Flat	Two-room flat on 99-year lease, priced at \$115,000	Two-room Flexi flat on 60-year lease, priced at \$95,800
Assumed CPF/cash savings\$35,000\$35,000Housing loan needed\$120,000\$65,800Monthly mortgage instalment needed\$550\$300Family will not qualify for a loan as this exceeds the maximum Mortgage Servicing Ratio\$290 by CPF, \$10 by cashMortgage payment-\$290 by CPF, \$10 by cashAdditional deferred grant-\$15,000, reducing loan tenure by	To pay (selling price + resale levy)	\$155,000	\$120,800
Housing loan needed\$120,000\$65,800Monthly mortgage instalment needed\$550 Family will not qualify for a loan as this exceeds the maximum Mortgage Servicing Ratio\$300 Family will be able to qualify for a loanMortgage payment-\$290 by CPF, \$10 by cashAdditional deferred grant-\$15,000, reducing loan tenure by	Upfront grant	-	\$20,000
Monthly mortgage instalment needed\$550 Family will not qualify for a loan as this exceeds the maximum Mortgage Servicing Ratio\$300 Family will be able to qualify for a loanMortgage payment-\$290 by CPF, \$10 by cashAdditional deferred grant-\$15,000, reducing loan tenure by	Assumed CPF/cash savings	\$35,000	\$35,000
instalment neededFamily will not qualify for a loan as this exceeds the maximum Mortgage Servicing RatioFamily will be able to qualify for a loanMortgage payment-\$290 by CPF, \$10 by cashAdditional deferred grant-\$15,000, reducing loan tenure by	Housing loan needed	\$120,000	\$65,800
Additional deferred grant – \$15,000, reducing loan tenure by	Monthly mortgage instalment needed	Family will not qualify for a loan as this exceeds the maximum	Family will be able to
	Mortgage payment	-	\$290 by CPF, \$10 by cash
	Additional deferred grant	-	

NOTE: Based on average price of two-room flats in non-mature estates in 2015. Assumed loan tenure of 25 years. Assumed resale levy amount is for illustration purposes only and the actual amount payable will vary.

Source: MINISTRY OF NATIONAL DEVELOPMENT, HOUSING AND DEVELOPMENT BOARD STRAITS TIMES GRAPHICS