

Updated CPF and HDB loan rules



CPF usage and HDB loans will be pro-rated based on the extent that the remaining lease can cover the youngest buyer to the age of 95.

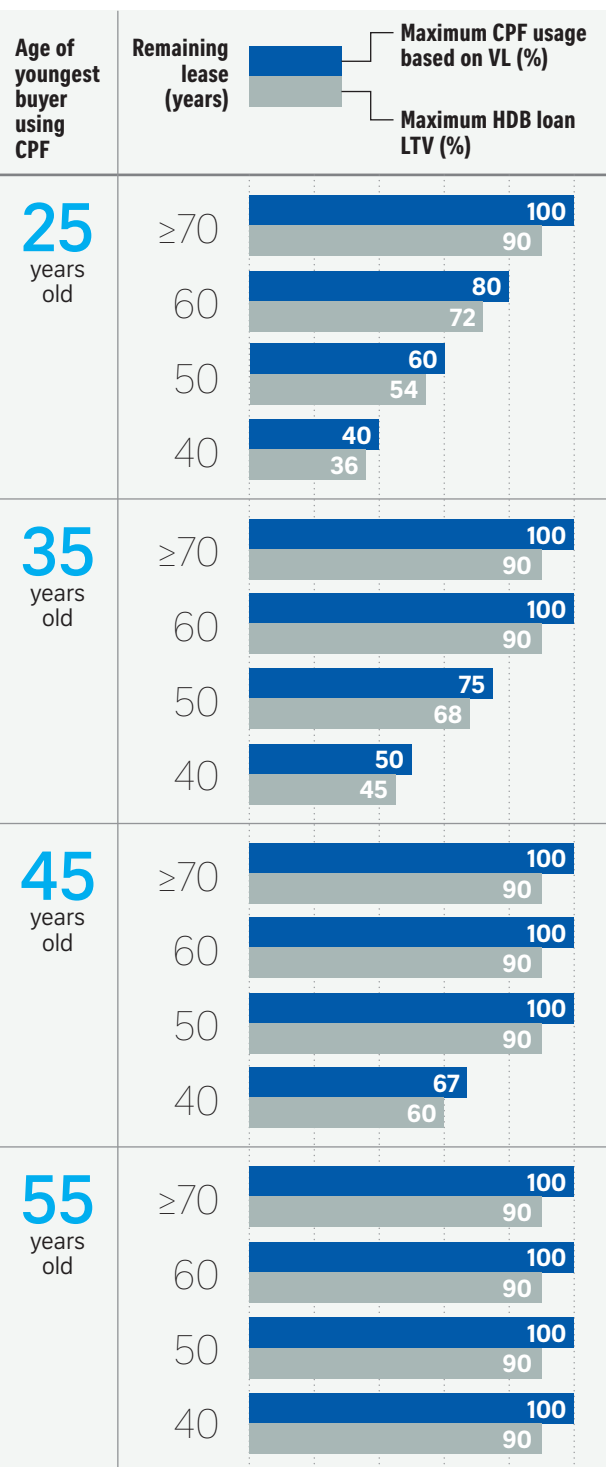


Buyers who purchase a home for life would face less restrictions on their CPF usage.



Those who do not buy a home for life can use CPF and take up an HDB loan, with limits to safeguard their retirement adequacy.

VL: valuation limit LTV : loan-to-value



SCENARIO 1

John (age 48) and Jane (age 45) are buying a flat to move closer to their elderly parents' homes.

Property type

4-room resale HDB flat with 50 years remaining on the lease (i.e. lease covers youngest buyer Jane until at least age 95)

Lower of property price or market value

\$430,000

- **Maximum CPF usage based on VL**

Their maximum CPF usage is 100%, or \$430,000. This is an increase from the previous 80% or \$344,000.

- **Maximum HDB loan LTV**

Their maximum HDB loan is 90%, or \$387,000.

- **Retirement**

As the property covers them to age 95, they may also apply to withdraw CPF savings above their Basic Retirement Sum from the age of 55.

SCENARIO 2

Nick and Cheryl, both age 25, just got married and want to buy their first home.

Property type

4-room resale HDB flat with 65 years remaining on the lease (i.e. lease does not cover buyers until age 95)

Lower of property price or market value

\$430,000

- **Maximum CPF usage based on VL**

Their maximum CPF usage is 90%, or \$387,000. This is a decrease from the previous 100%, or \$430,000.

- **Maximum HDB loan LTV**

Their maximum HDB loan is 81%, or \$348,300. This is a decrease from the previous 90%, or \$387,000.

- **Retirement**

As the property does not cover them to the age of 95, they cannot apply to withdraw CPF savings above the Basic Retirement Sum from age 55, except for the first \$5,000 from age 55 and 20% of their Retirement Account savings from their payout eligibility age.

