

Home Equity Income Loan – Frequently Asked Questions (FAQ)

Eligibility

1. Can I take up the Home Equity Income Loan if I own more than 1 property?

The Home Equity Income Loan is designed for retirees who own 1 private property only. If you own multiple properties, we encourage you to explore options such as renting or selling your investment properties to supplement your retirement income. Do leave your contact details [here](#) if you have an exception request, and we will review your situation accordingly.

2. What is the age criteria for Home Equity Income Loan?

65 to 79 years old. This is aligned to the enrolment age for CPF LIFE.

3. Can I take up Home Equity Income Loan if I own a HDB flat?

For now, the Home Equity Income Loan is designed for private residential properties only. For HDB homeowners, you may want to find out more about the HDB Lease Buyback Scheme [here](#).

4. Can we take up the Home Equity Income Loan if my age is within the criteria, but my spouse's age is not?

We will review your situation on a case-by-case basis. Do leave your contact details [here](#) and we will be in touch.

5. Can I take up the Home Equity Income Loan alone, without my spouse who is also the owner of the property?

No, if your spouse is also the owner of the house, he/she will need to be one of the borrowers of the Home Equity Income Loan.

6. Can I take up the Home Equity Income Loan to top-up my CPF Retirement Account (RA) to an amount above the Enhanced Retirement Sum (ERS)?

In line with the CPF guidelines, the CPF RA may only be topped up to the current year ERS.

CPF/CPF LIFE-related

1. What is CPF LIFE?

The CPF Lifelong Income For The Elderly (CPF LIFE) scheme is a national longevity insurance annuity scheme that provides a monthly payout for as long as you live. For more information, please visit the CPF website at www.cpf.gov.sg/cpflife.

2. Do I still need to return the CPF funds that were used to pay for my property to my CPF account if the CPF housing charge is discharged?

When all outstanding CPF charges on the property have been discharged, there will be no need to refund the CPF funds withdrawn towards the property. For further assistance on CPF-related enquiries, do visit the CPF website or reach out to CPF Board.

Fees & Rates

1. What are the fees involved when applying for the Home Equity Income Loan?

There will be fees such as legal fees, valuation fees, and insurance premiums. Legal fees include costs for conveyancing, setting up the Lasting Power of Attorney (LPA) if you have not done so, and the CPF housing discharge if applicable. Insurance premium is for the Mortgagee Interest Policy (MIP) or Houseowner Policy (for landed and non-MCST properties), which protects the Bank's interest in the property, allowing us to claim for repayment of the outstanding loan amount and accrued interests from the insurer, in the event of damage to the property due to an insured event (such as fire).

2. What are the fees involved if I repay part or all of the loan before the loan matures?

There will be a 1.50% commitment fee on the amount prepaid partially or fully. The commitment fee will be waived if the full repayment is made due to sale of the property.

3. What is the interest rate for Home Equity Income Loan?

The current interest rate is a fixed rate at 3.88% p.a. throughout the loan period. Below is an illustration of the total repayment amount, including the interest payable.

Loan amount: \$100,000

Loan period: 30 years

Interest Rate: 3.88% p.a.

Year	Total Principle (P) at the end of the year	Total Accrued Interest (I) at the end of the year	Total (P+I) at the end of the year
1	\$100,000	\$3,880	\$103,880
5	\$100,000	\$19,400	\$119,400
10	\$100,000	\$38,800	\$138,800
15	\$100,000	\$58,200	\$158,200
20	\$100,000	\$77,600	\$177,600
25	\$100,000	\$97,000	\$197,000
30	\$100,000	\$116,400	\$216,400

[Please note that the interest rate offered for new loan application may be revised from time to time. We will inform you of the latest interest rate when you make an application.]

Loan Commitments

1. What happens if I pass on during the loan period?

If there is a surviving joint owner/borrower, the loan will continue. Otherwise, we will work out with your estate on the loan repayment.

2. If I take up the Home Equity Income Loan with my spouse and either of us passes away first, what happens to the loan?

The loan will continue until the surviving borrower passes away or is 95 years old, whichever is earlier. If there is a change in the property ownership, we will work with the surviving borrower and new owner(s) to assess for possible repayment or a new loan to fund the change.

3. Can I redeem the loan and sell my property before the loan matures?

Yes, you may sell your property and repay your loan anytime without any penalty fees.

4. What happens if I outlive the loan period?

There will be no immediate action against you or any surviving owner/borrower. We will work with you on a mutually acceptable solutions such as a repayment plan, alternative housing arrangements etc. Interest will continue to accrue during this period.