



## **FAQs about Central Provident Fund (CPF) and Home Loans Financing**

### **1) Q – How much of my Central Provident Fund (CPF) balance am I allowed to use as payment for my housing loan?**

A – This is largely depending on the monthly deduction/ amount specified by your financier. However, the deduction should not be more than the approved amount.

### **2) Q – Will the regulation allows transfer of money from my Special Account to my financier's account every month as payment for my loan?**

A – In November 2003, a regulatory update allowed deductions only if you had bought the property on or before October 1, 2003. However, this can be done only if the balance in your Ordinary Account is not sufficient to meet the monthly dues.

### **3) Q – Would the Special Savings regulation allows me to use the account as payment for my loan dues every month?**

A – You are not allowed to use the Special Savings for a loan payment. However, you are allowed to use the CPF Ordinary Account balance in paying your loan.

### **4) Q – Can I use the balance in my Retirement Account to pay my loan dues every month?**

A – You can use the account to answer your monthly loan amortization. However, this is allowed only if you have an excess balance. You may use only the excess balance of your required minimum amount. Another requirement for the use of the excess balance is only if you were born on or after July 1, 1940.

### **5) Q – What other terms and conditions of the CPF should I know and be aware of in line with my decision to use the account balance as payment for my monthly dues?**

A – The regulation states that by the time you reach 55 years old, the balance of the CPF should meet the required minimum amount. Learn more about your monthly deductions impact to your CPF balance [here](#)...

### **6) Q – Will CPF Board sends any notification whenever I fall below the amount I need to pay my monthly loan amortization/ deduction?**

A – Never. This means that you need to personally monitor your balance each month. You can do this by obtaining a SingPass and then access your CPF online.



**7) Q – If in case I fall below my required deductible amount, would I be allowed to deposit cash into my CPF account?**

A – You are allowed to make a cash deposit as long as you do not exceed your annual contribution limit. It is recommended that you pay the amount that you lack directly to your financier.

**8) Q – Is there a way for me to know the exact amount of cash I need to deposit to my CPF account after the sale?**

A – You may see the balance online using a SingPass at the CPF Online Services.

**9) Q – If I fall below the \$20,000 minimum, should I be liable to pay the 3.5% interest?**

A – You are not obliged to pay any interest if you fall below the \$20,000. If you want to read more about it, please visit the <http://mycpf.cpf.gov.sg/Members/Gen-Info/Int-Rates/Int-Rates.htm>. For your information, the calculation of the accrued interest is always based on the Ordinary Account's existing interest rate.

**10) Q – Am I allowed to use a representative if I live outside Singapore?**

A – Yes, you are allowed to send an authorized representative with a Special Power of Attorney.

**Disclaimer:** The information provided here is accurate at time of release only; hence it should only be used for reference. Regulatory bodies may change rules any time. If in doubt, please check with CPF board, or you can ask our consultants who will be more than happy to seek clarification on your behalf.

For advice on a new loan, go [here](#).

For refinancing advice, go [here](#).



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