

Notice No : **MAS Notice 115 (Amendment) 2017**
Issue Date : **10 March 2017**

RESIDENTIAL PROPERTY LOANS

Introduction

1 This Notice is issued pursuant to section 64(2) of the Insurance Act (Cap. 142) and amends MAS Notice 115 on Residential Property Loans [“the Existing Notice”] dated 27 August 2013 and last revised on 10 February 2014.

Amendments

2 The Existing Notice is hereby amended by –

(a) deleting the word “solely” wherever it appears in paragraphs 2, 6, 9, 10, 11, 13, 15, 16, 17, 18, 28, 29, 30(a), 30(b), 30(r), 30(s), 30(t) and 30(aa);

(b) deleting paragraph 8 and substituting the following paragraph:

“8. For the purpose of determining the Relevant Amount applicable to a Borrower or in the case where the Borrower is a vehicle set up for the purchase of Residential Property, the vehicle and the Individual who directly or indirectly holds the vehicle, or any part thereof, who at the time of applying for a credit facility for the purchase of Residential Property has any outstanding credit facility for the purchase of any other Residential Property that the Borrower, the vehicle or the Individual, as the case may be, owns, either by itself or jointly,

(a) a direct insurer shall apply the Relevant Amount applicable to a Borrower or in the case where the Borrower is a vehicle set up for the purchase of Residential Property, the vehicle and the Individual who directly or indirectly owns the vehicle, or any part thereof, who does not have any outstanding credit facility for the purchase of another Residential Property, if the Borrower, or the vehicle and the Individual, as the case may be, reasonably satisfies the direct insurer that before the disbursement of any funds under the credit facility applied for,

(i) in the case where –

(A) the credit facility applied for is for the purchase of a second Residential Property, being an EC purchased directly from a Property Developer or a HDB Flat; and

(B) the Borrower or in the case where the Borrower is a vehicle set up for the purchase of Residential Property, the vehicle and the Individual who directly or indirectly holds the vehicle, or any part thereof, owns, either by itself or jointly, only one existing Residential Property for the purchase of which there is any outstanding credit facility at the time of applying for the credit facility for the purchase of the second Residential Property,

it will take steps, in accordance with paragraph 9(a), to sell the existing Residential Property and the direct insurer obtains a written declaration from the Borrower or in the case where the Borrower is

a vehicle set up for the purchase of Residential Property, the vehicle and the Individual who directly or indirectly holds the vehicle, or any part thereof, that it will be the owner, either by itself or jointly, of the second Residential Property and that it does not own, either by itself or jointly, any other Residential Property other than the existing Residential Property for which it will take steps to sell;

- (ii) in the case where the credit facility applied for is for the purchase of a Residential Property in any other case, it has taken steps to sell all other Residential Property, for the purchase of which there is an outstanding credit facility, in accordance with paragraph 9(b); or
 - (iii) it has discharged all outstanding credit facilities for the purchase of all other Residential Property; and
- (b) in any other case, the direct insurer shall apply the Relevant Amount applicable to a Borrower or in the case where the Borrower is a vehicle set up for the purchase of Residential Property, the vehicle and the Individual who directly or indirectly holds the vehicle, or any part thereof, who has an outstanding credit facility for the purchase of another Residential Property.”;
- (c) inserting, immediately after the words “any credit facility” in paragraph 19, the words “(including any Re-financing Facility)”;
- (d) deleting paragraph 20 and substituting the following paragraph:
- “20. In the case of a credit facility which is secured by a pool of collateral including Residential Property, where the market valuation of the collateral which is not Residential Property less the value of any encumbrance comprises at least 50% of the credit limit of the credit facility at all times –
- (a) paragraphs 2 to 6, 7(a), 7(b), and 8 to 17 shall not apply in respect of the grant of the credit facility; and
 - (b) paragraph 7(c) shall not apply in respect of the grant of the credit facility except where the Borrower is an Individual including an Individual who directly or indirectly holds a vehicle, or any part thereof, set up for the purchase of Residential Property, in which case paragraph 7(c) shall apply *mutatis mutandis* to the grant of the credit facility.”;
- (e) deleting paragraph 25 and substituting the following paragraph:
- “25. Subject to paragraph 26, a direct insurer shall not grant –
- (a) any credit facility for the purchase of Residential Property, the date on which the option to purchase was granted is on or after 29 June 2013; or
 - (b) any Re-financing Facility for the purchase of Residential Property, the date on which the option to purchase was granted is on or after 29 June 2013,

to any Borrower where the Borrower is not the mortgagor, either by himself or jointly, in respect of the Residential Property which is used to secure that credit facility.”;

(f) deleting paragraph 26 and substituting the following paragraph:

“26. Paragraph 25 shall not apply where a credit facility or Re-financing Facility referred to in paragraphs 25(a) and 25(b) respectively is not secured by the Residential Property for which the credit facility or the Re-financing Facility, as the case may be, is granted.”;

(g) deleting paragraph 30(e) and substituting the following paragraph:

“(e) "CPF" means any amount withdrawn from any Central Provident Fund account for payment towards the purchase price of the Residential Property (including any Central Provident Fund grant for the purchase of the Residential Property but does not include any amount withdrawn for payment of stamp duties or legal fees);”;

(h) deleting the table in paragraph 30(t)(i) and substituting the following table:

Borrower who is an Individual applying for or contributing towards the payment of any part of the monthly repayment instalment in relation to a credit facility for the purchase of Residential Property, a credit facility otherwise secured by Residential Property or a Re-financing Facility for a credit facility otherwise secured by Residential Property			
Scenario	LTV%	Cash%	Description
(1)	80%	-	In the case of a credit facility otherwise secured by Residential Property or a Re-financing Facility for a credit facility otherwise secured by Residential Property, the application date is on or after 27 July 2011, and the Borrower, at the time of applying for the credit facility or the Re-financing Facility, does not have any outstanding credit facility for the purchase of another Residential Property.

(2)	80%	5%	<p>In the case of a credit facility granted for the purchase of Residential Property that is not a HDB Flat, where –</p> <ul style="list-style-type: none"> (a) the date on which the option to purchase was granted or where there is no option to purchase, the date of the sale and purchase agreement, is on or after 28 August 2013; (b) the Borrower, at the time of applying for the credit facility, does not have any outstanding credit facility for the purchase of another Residential Property; (c) the tenure of the credit facility is less than or equal to 30 years; and (d) the sum of the tenure of the credit facility and the age of the Borrower, at the time of applying for the credit facility, is less than or equal to 65 years.
(3)	80%	5%	<p>In the case of a credit facility granted for the purchase of a HDB Flat, where –</p> <ul style="list-style-type: none"> (a) the date on which the option to purchase was granted or where there is no option to purchase, the date of the sale and purchase agreement, is on or after 28 August 2013; (b) the Borrower, at the time of applying for the credit facility, does not have any outstanding credit facility for the purchase of another Residential Property; (c) the Borrower does not provide the direct insurer with a Letter of Invitation from the HDB; (d) the tenure of the credit facility is less than or equal to 25 years; and (e) the sum of the tenure of the credit facility and the age of the Borrower, at the time of applying for the credit facility, is less than or equal to 65 years.

(4)	80%	5%	<p>In the case of a credit facility granted for the purchase of a HDB Flat, where –</p> <ul style="list-style-type: none"> (a) the date on which the option to purchase was granted or where there is no option to purchase, the date of the sale and purchase agreement, is on or after 28 August 2013; (b) the Borrower, at the time of applying for the credit facility, does not have any outstanding credit facility for the purchase of another Residential Property; (c) the Borrower provides the direct insurer with a Letter of Invitation from the HDB; (d) the tenure of the credit facility is less than or equal to 30 years; and (e) the sum of the tenure of the credit facility and the age of the Borrower, at the time of applying for the credit facility, is less than or equal to 65 years.
(5)	60%	10%	<p>In the case of a credit facility granted for the purchase of Residential Property that is not a HDB Flat, where –</p> <ul style="list-style-type: none"> (a) the date on which the option to purchase was granted or where there is no option to purchase, the date of the sale and purchase agreement, is on or after 28 August 2013; (b) the Borrower, at the time of applying for the credit facility, does not have any outstanding credit facility for the purchase of another Residential Property; and (c) if the – <ul style="list-style-type: none"> (i) tenure of the credit facility exceeds 30 years; or (ii) sum of the tenure of the credit facility and the age of the Borrower, at the time of applying for the credit facility, exceeds 65 years.

(6)	60%	10%	<p>In the case of a credit facility granted for the purchase of a HDB Flat, where –</p> <ul style="list-style-type: none"> (a) the date on which the option to purchase was granted or where there is no option to purchase, the date of the sale and purchase agreement, is on or after 28 August 2013; (b) the Borrower, at the time of applying for the credit facility, does not have any outstanding credit facility for the purchase of another Residential Property; (c) the Borrower does not provide the direct insurer with a Letter of Invitation from the HDB; and (d) if the – <ul style="list-style-type: none"> (i) tenure of the credit facility exceeds 25 years; or (ii) sum of the tenure of the credit facility and the age of the Borrower, at the time of applying for the credit facility, exceeds 65 years.
(7)	60%	10%	<p>In the case of a credit facility granted for the purchase of a HDB Flat, where –</p> <ul style="list-style-type: none"> (a) the date on which the option to purchase was granted or where there is no option to purchase, the date of the sale and purchase agreement, is on or after 28 August 2013; (b) the Borrower, at the time of applying for the credit facility, does not have any outstanding credit facility for the purchase of another Residential Property; (c) the Borrower provides the direct insurer with a Letter of Invitation from the HDB; and (d) if the – <ul style="list-style-type: none"> (i) tenure of the credit facility exceeds 30 years; or

			(ii) sum of the tenure of the credit facility and the age of the Borrower, at the time of applying for the credit facility, exceeds 65 years.
(8)	60%	-	In the case of a credit facility otherwise secured by Residential Property or a Re-financing Facility for a credit facility otherwise secured by Residential Property, the application date is on or after 27 July 2011, and the Borrower, at the time of applying for the credit facility or the said Re-financing Facility, has any outstanding credit facility for the purchase of another Residential Property.
(9)	50%	25%	In the case of a credit facility granted for the purchase of Residential Property that is not a HDB Flat, where – <ul style="list-style-type: none"> (a) the date on which the option to purchase was granted or where there is no option to purchase, the date of the sale and purchase agreement, is on or after 28 August 2013; (b) the Borrower, at the time of applying for the credit facility, has one outstanding credit facility for the purchase of another Residential Property; (c) the tenure of the credit facility is less than or equal to 30 years; and (d) the sum of the tenure of the credit facility and the age of the Borrower, at the time of applying for the credit facility, is less than or equal to 65 years.
(10)	50%	25%	In the case of a credit facility granted for the purchase of a HDB Flat, where – <ul style="list-style-type: none"> (a) the date on which the option to purchase was granted or where there is no option to purchase, the date of the sale and purchase agreement, is on or after 28 August 2013; (b) the Borrower, at the time of applying for the credit facility, has one outstanding credit facility for the

			<p>purchase of another Residential Property;</p> <p>(c) the Borrower does not provide the direct insurer with a Letter of Invitation from the HDB;</p> <p>(d) the tenure of the credit facility is less than or equal to 25 years; and</p> <p>(e) the sum of the tenure of the credit facility and the age of the Borrower, at the time of applying for the credit facility, is less than or equal to 65 years.</p>
(11)	50%	25%	<p>In the case of a credit facility granted for the purchase of a HDB Flat, where –</p> <p>(a) the date on which the option to purchase was granted or where there is no option to purchase, the date of the sale and purchase agreement, is on or after 28 August 2013;</p> <p>(b) the Borrower, at the time of applying for the credit facility, has one outstanding credit facility for the purchase of another Residential Property;</p> <p>(c) the Borrower provides the direct insurer with a Letter of Invitation from the HDB; and</p> <p>(d) the tenure of the credit facility is less than or equal to 30 years; and</p> <p>(e) the sum of the tenure of the credit facility and the age of the Borrower, at the time of applying for the credit facility, is less than or equal to 65 years.</p>
(12)	30%	25%	<p>In the case of a credit facility granted for the purchase of Residential Property that is not a HDB Flat, where –</p> <p>(a) the date on which the option to purchase was granted or where there is no option to purchase, the date of the sale and purchase agreement, is on or after 28 August 2013;</p>

			<p>(b) the Borrower, at the time of applying for the credit facility, has one outstanding credit facility for the purchase of another Residential Property; and</p> <p>(c) if the –</p> <p>(i) tenure of the credit facility exceeds 30 years; or</p> <p>(ii) sum of the tenure of the credit facility and the age of the Borrower, at the time of applying for the credit facility, exceeds 65 years.</p>
(13)	30%	25%	<p>In the case of a credit facility granted for the purchase of a HDB Flat, where –</p> <p>(a) the date on which the option to purchase was granted or where there is no option to purchase, the date of the sale and purchase agreement, is on or after 28 August 2013;</p> <p>(b) the Borrower, at the time of applying for the credit facility, has one outstanding credit facility for the purchase of another Residential Property;</p> <p>(c) the Borrower does not provide the direct insurer with a Letter of Invitation from the HDB; and</p> <p>(d) if the –</p> <p>(i) tenure of the credit facility exceeds 25 years; or</p> <p>(ii) sum of the tenure of the credit facility and the age of the Borrower, at the time of applying for the credit facility, exceeds 65 years.</p>
(14)	30%	25%	<p>In the case of a credit facility granted for the purchase of a HDB Flat, where –</p> <p>(a) the date on which the option to purchase was granted or where there is no option to purchase, the date of the sale and purchase agreement, is on or after 28 August 2013;</p>

			<p>(b) the Borrower, at the time of applying for the credit facility, has one outstanding credit facility for the purchase of another Residential Property;</p> <p>(c) the Borrower provides the direct insurer with a Letter of Invitation from the HDB; and</p> <p>(d) if the –</p> <p>(i) tenure of the credit facility exceeds 30 years; or</p> <p>(ii) sum of the tenure of the credit facility and the age of the Borrower, at the time of applying for the credit facility, exceeds 65 years.</p>
(15)	40%	25%	<p>In the case of a credit facility granted for the purchase of Residential Property that is not a HDB Flat, where –</p> <p>(a) the date on which the option to purchase was granted or where there is no option to purchase, the date of the sale and purchase agreement, is on or after 28 August 2013;</p> <p>(b) the Borrower, at the time of applying for the credit facility, has two or more outstanding credit facilities for the purchase of any other Residential Property;</p> <p>(c) the tenure of the credit facility is less than or equal to 30 years; and</p> <p>(d) the sum of the tenure of the credit facility and the age of the Borrower, at the time of applying for the credit facility, is less than or equal to 65 years.</p>
(16)	40%	25%	<p>In the case of a credit facility granted for the purchase of a HDB Flat, where –</p> <p>(a) the date on which the option to purchase was granted or where there is no option to purchase, the date of the sale and purchase agreement, is on or after 28 August 2013;</p>

			<ul style="list-style-type: none"> (b) the Borrower, at the time of applying for the credit facility, has two or more outstanding credit facilities for the purchase of any other Residential Property; (c) the Borrower does not provide the direct insurer with a Letter of Invitation from the HDB; (d) the tenure of the credit facility is less than or equal to 25 years; and (e) the sum of the tenure of the credit facility and the age of the Borrower, at the time of applying for the credit facility, is less than or equal to 65 years.
(17)	40%	25%	<p>In the case of a credit facility granted for the purchase of a HDB Flat, where –</p> <ul style="list-style-type: none"> (a) the date on which the option to purchase was granted or where there is no option to purchase, the date of the sale and purchase agreement, is on or after 28 August 2013; (b) the Borrower, at the time of applying for the credit facility, has two or more outstanding credit facilities for the purchase of any other Residential Property; (c) the Borrower provides the direct insurer with a Letter of Invitation from the HDB; (d) the tenure of the credit facility is less than or equal to 30 years; and (e) the sum of the tenure of the credit facility and the age of the Borrower, at the time of applying for the credit facility, is less than or equal to 65 years.
(18)	20%	25%	<p>In the case of a credit facility granted for the purchase of Residential Property that is not a HDB Flat, where –</p> <ul style="list-style-type: none"> (a) the date on which the option to purchase was granted or where there is no option to purchase, the date of

			<p>the sale and purchase agreement, is on or after 28 August 2013;</p> <p>(b) the Borrower, at the time of applying for the credit facility, has two or more outstanding credit facilities for the purchase of any other Residential Property; and</p> <p>(c) if the –</p> <p>(i) tenure of the credit facility exceeds 30 years; or</p> <p>(ii) sum of the tenure of the credit facility and the age of the Borrower, at the time of applying for the credit facility, exceeds 65 years.</p>
(19)	20%	25%	<p>In the case of a credit facility granted for the purchase of a HDB Flat, where –</p> <p>(a) the date on which the option to purchase was granted or where there is no option to purchase, the date of the sale and purchase agreement, is on or after 28 August 2013;</p> <p>(b) the Borrower, at the time of applying for the credit facility, has two or more outstanding credit facilities for the purchase of any other Residential Property;</p> <p>(c) the Borrower does not provide the direct insurer with a Letter of Invitation from the HDB; and</p> <p>(d) if the –</p> <p>(i) tenure of the credit facility exceeds 25 years; or</p> <p>(ii) sum of the tenure of the credit facility and the age of the Borrower, at the time of applying for the credit facility, exceeds 65 years.</p>
(20)	20%	25%	<p>In the case of a credit facility granted for the purchase of a HDB Flat, where –</p> <p>(a) the date on which the option to purchase was granted or where there</p>

			<p>is no option to purchase, the date of the sale and purchase agreement, is on or after 28 August 2013;</p> <p>(b) the Borrower, at the time of applying for the credit facility, has two or more outstanding credit facilities for the purchase of any other Residential Property;</p> <p>(c) the Borrower provides the direct insurer with a Letter of Invitation from the HDB; and</p> <p>(d) if the –</p> <p>(i) tenure of the credit facility exceeds 30 years; or</p> <p>(ii) sum of the tenure of the credit facility and the age of the Borrower, at the time of applying for the credit facility, exceeds 65 years.</p>
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(i) deleting the table in paragraph 30(t)(iii) and substituting the following table:

Borrower which is not an Individual or which is a vehicle set up for the purchase of Residential Property, applying for or contributing towards the payment of any part of the monthly repayment instalment in relation to a credit facility for the purchase of Residential Property		
Scenario	LTV%	Description
(21)	20%	The date on which the option to purchase was granted or where there is no option to purchase, the date of the sale and purchase agreement, is on or after 12 January 2013.

(j) deleting the table in paragraph 30(t)(iv) and substituting the following table:

Borrower which is a vehicle set up for the purchase of Residential Property, applying for or contributing towards the payment of any part of the monthly repayment instalment in relation to a credit facility otherwise secured by Residential Property or a Re-financing Facility for a credit facility otherwise secured by Residential Property			
Scenario	LTV%	Cash%	Description
(22)	80%	-	The application date is on or after 27 July 2011, and the vehicle or the Individual who directly or indirectly holds the vehicle, or any part thereof, does not have any outstanding credit facility for the purchase of another Residential Property at the time

			of applying for the credit facility or the Re-financing Facility.
(23)	60%	-	The application date is on or after 27 July 2011, and the vehicle or the Individual who directly or indirectly holds the vehicle, or any part thereof, has any outstanding credit facility for the purchase of another Residential Property at the time of applying for the credit facility or the Re-financing Facility.

(k) deleting paragraph 30(w) and substituting the following paragraph:

“(w) “vehicle set up for the purchase of Residential Property” means a shell company with no substantive business in genuine commercial activities set up primarily for the purchase of Residential Property which is held or any part thereof is held, directly or indirectly by any Individual, and which may obtain a credit facility for the purchase of Residential Property, a Re-financing Facility for the purchase of Residential Property, a credit facility otherwise secured by Residential Property or a Re-financing Facility for a credit facility otherwise secured by Residential Property.

For the avoidance of doubt, a vehicle set up by any Individual for the purchase of Residential Property does not need to have made a purchase of any Residential Property.”.

Commencement

3 This Notice shall take effect on 11 March 2017.