

## TERMS AND CONDITIONS OF THE LEASE BUYBACK SCHEME (LBS)

### 1. APPROVAL FOR LBS

- 1.1 All flat owners and their spouses must satisfy all the prevailing terms and conditions of the LBS, including but not limited to:
  - a. If the flat has been announced for SERS, the household's eligibility to apply for the LBS will be assessed as at the date of SERS announcement.
  - b. A person whose name is in a debarment list for infringement of any HDB/Government rules, regulations or policies will not be eligible to apply for the LBS.
- 1.2 The flat owner's spouse's consent must be obtained if he/she is not listed as one of the flat owner(s).
- 1.3 If any flat owner or his/her spouse or witness (child/immediate relative above 21 years old. For flat owners without child/immediate relative, witnesses may be their friends or grassroots leaders) does not turn up for the appointments, HDB reserves the right to reject or cancel the application.
- 1.4 HDB's approval for the LBS is granted subject to the following:
  - a. Settlement of all payments (including mortgage loan, upgrading cost/estimated upgrading cost under paragraph 4.3 (where applicable etc) debts, ex-tenancy/lease arrears, taxes (including income or property taxes), charges (including LBS fees (such as administrative/legal fees)) and any other fees due and owing to/on demand by/demanded by HDB and other government authorities and persons (including banks);
  - b. If any person listed in the application form has any outstanding debts due and owing to HDB, such person shall be required to settle such debts and pay an administrative charge to be determined at HDB's discretion before the application can be considered;
  - c. HDB has the right (but is not obliged to exercise it) to deduct any outstanding mortgage loan, upgrading cost/ estimated upgrading cost and LBS fees (such as administrative/legal fees) from the proceeds from the sale of the tail-end lease under the LBS before the net proceeds will be utilised to top up the flat owner(s)' (RAs) and/or Medisave Accounts ("MAs"); and
  - d. If HDB exercises the right of deduction under paragraph 1.4(c), then apart from the payments stated therein, if there are any other payments, debts, ex-tenancy/lease arrears, taxes (including income or property taxes), charges and any other fees payable to HDB and/or other government authorities and persons (including banks), flat owners are required to settle these payments by cash before the LBS transaction is completed.

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### 2. NET LBS PROCEEDS

#### 2.1 Apportionment of Net Proceeds

Under the LBS, the proceeds after deducting all required payments (if any) as stated in paragraph 1.4(c) (i.e. net proceeds) will be apportioned amongst the flat owner(s) in the same proportion as the flat owner(s)' manner of holding (e.g. 50%/50% for two owners under a joint tenancy and their respective shares under a tenancy-in-common).

#### 2.2 Top-up of CPF Accounts

HDB will, on the flat owners' behalf, transmit to the Central Provident Fund Board ("CPF Board") the net proceeds to top up the RAs and/or MAs of the flat owners, and/or their spouses. The amount of net proceeds to top up the CPF accounts is set out in paragraphs 2.2 (a) to (e) as follows:

- a. Every flat owner shall use his/her share of net proceeds to top up his/her own RA to the specified top-up requirement corresponding to his/her age. The specified top-up requirements will be adjusted according to the current Full Retirement Sum (i.e. "FRS") as CPF Board may determine in its sole discretion from time to time;

#### **CPF Specified Top-Up Requirement**

*(For Applications Submitted from 1 Jan 2022 to 31 Dec 2022)*

<b>Flat Owner's Age</b>	<b>Sole Owner Top-up Requirement</b>	<b>Two or More Owners Top-up Requirement</b>
CPF Payout Eligibility Age <sup>^</sup> (now 65) to 69	\$192,000	\$96,000
70 to 79	\$182,000	\$91,000
80 or older	\$172,000	\$86,000

<sup>^</sup> The age is computed based on the application date.

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<b>Flat Owner's Age</b>	<b>Sole Owner Top-up Requirement</b>	<b>Two or More Owners Top-up Requirement</b>
CPF Payout Eligibility Age <sup>^</sup> (now 65) to 69	\$198,800	\$99,400
70 to 79	\$188,800	\$94,400
80 or older	\$178,800	\$89,400

<sup>^</sup> The age is computed based on the application date.

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- b. If a flat owner's share of net proceeds is **insufficient** to top up his/her own RA to the specified top-up requirement, he/she shall top up his/her own RA with his/her entire share of the net proceeds;
- c. If flat owner's share of net proceeds is **sufficient** to top up his/her RA to the specified top-up requirement, he/she shall top up his/her own RA with his/her share of net proceeds up to the specified top-up requirement;  
(i) No further top-up is required thereafter, unless all the flat owner(s) have a remaining combined net proceeds of more than \$100,000 (in which event, paragraph 2.2(d) would apply);
- d. If all the flat owners have a remaining combined net proceeds of more than \$100,000 after meeting the specified top-up requirements in paragraph 2.2(c), the net proceeds in excess of \$100,000 will be used to top up each and every owner's RA to the current FRS. This top-up will be made from each flat owner's own share of net proceeds;
- e. If every flat owner in the household has met the prevailing FRS, and the total RA top-ups under this paragraph 2.2 of all the flat owners in the household is less than \$60,000, the flat owners can **opt** to further top up their MAs and/or their spouses' RAs and/or MA (such that the total RA and/or MA top-ups will be at least \$60,000), in order to receive up to the full LBS bonus mentioned in paragraph 2.5 below. All top-ups to the RA and MA are subject to existing limits (*The voluntary contributions to the MA are subject to the CPF Annual Limit or the Medisave Contribution Ceiling (MCC), whichever is lower. Any balance will be refunded to the CPF member without interest.*).
- f. The entire CPF RA balance (including the amount topped up under this paragraph 2.2) in a flat owner's RA will be used to purchase a CPF LIFE plan if the flat owner meets the conditions stated in paragraph 2.3 below. This entire RA savings cannot be used for housing purposes or any other CPF concessionary schemes.
- g. No interest is payable on the proceeds for the period from completion date of the LBS transaction to the date of payment to CPF, for any purpose under the LBS, such as for the CPF RA and/or MA (if applicable) top-up.

### 2.3 Remaining Net Proceeds after CPF Top-Up

Any excess proceeds above the required CPF RA and/or MA top-up will be disbursed to the flat owner(s) as cash upon the completion of the LBS transaction on a household basis, by a single cheque in the joint names of all flat owner(s) for flat held by the owner(s) as joint-tenants or by separate cheques based on the flat owner(s)' respective shares for flat held by the owner(s) as tenants-in-common.

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### **2.4 CPF LIFE / Retirement Sum Scheme**

- a. Upon the approval of the LBS application by HDB, the flat owner's eligibility to join the CPF LIFE Scheme is subject to the CPF's Terms and Conditions, the provisions of the Central Provident Fund Act (Chapter 36) ("CPF Act") and the subsidiary legislation made thereunder, as may be amended from time to time and subject to all terms and conditions as may be imposed, amended or varied by the CPF from time to time.
- b. A flat owner below age 80 will be required to join CPF LIFE, so long as he/she has at least \$60,000 in his/her RA after making the top-up from the net LBS proceeds. Upon CPF's approval, the monies in the flat owner's CPF RA, including the LBS proceeds topped-up to the flat owner's CPF RA, will be deducted as premiums for their CPF LIFE plan of their choice. Thereafter, the flat owner will receive a monthly payout in accordance with the terms of the CPF LIFE policy purchased.
- c. If the flat owner at the time of application is already participating in CPF LIFE, the entire CPF RA balance (including the net LBS proceeds topped-up) will be used to increase the CPF LIFE premiums of the owner's existing CPF LIFE plan based on the prevailing legislation and terms and conditions of the CPF LIFE Scheme.
- d. Any future inflows to the flat owner's RA will automatically be used to increase the CPF LIFE premium so that they will receive higher CPF LIFE monthly payout for life.
- e. Flat owners who are not eligible to join the CPF LIFE (e.g. 80 at the time of application), will receive monthly payouts from their CPF RA savings under the Retirement Sum Scheme. The monthly payout rate the flat owner would receive under the Retirement Sum Scheme may increase, and/or last for a longer duration until his/her RA savings are depleted.

### **2.5 LBS Bonus**

- a. If the total RA and/or MA top-ups (stipulated under paragraph 2.2 above) of all the eligible flat owners in a participating household is at least \$60,000, the flat owners will collectively receive up to \$30,000 (3-room or smaller flat owners), \$15,000 (4-room flat owners) or \$7,500 cash bonus (5-room or larger flat owners).
- b. If a household is unable to meet the total top-up of \$60,000, the household will receive a pro-rated bonus match to the topped-up amount, up to \$30,000 for 3-room or smaller flat (i.e. \$1 bonus for every \$2 top-up), or up to \$15,000 for 4-room flat (i.e. \$1 bonus for every \$4 top-up) or up to \$7,500 for 5-room or larger flat (i.e. \$1 bonus for every \$8 top-up).
- c. The LBS bonus will be shared proportionately among eligible Singapore Citizens (SC) elderly owner(s) and their SC spouses in the household whose RAs and/or MAs were topped-up, based on their individual topped-up amounts.

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- d. The LBS bonus can only be enjoyed by each eligible household once.
- e. There will be no recovery of the LBS bonus should the LBS flat be returned to HDB prematurely.

### **3. PAYMENT**

- 3.1 Flat owners shall bear their own legal costs and other costs and expenses as may be necessary to facilitate the LBS transactions.
- 3.2 Flat owners may apply to the CPF Board to use their CPF monies for payment of legal costs and other costs and expenses incurred, subject to the CPF laws and such terms and conditions as may be imposed by CPF Board.

### **4. UPGRADING PROGRAMME**

- 4.1 If the flat is affected by any HDB and/or Town Council (TC) upgrading programme, the flat owners will be subject to the prevailing policies of the relevant upgrading programmes.
- 4.2 Subject to the prevailing policies of the relevant upgrading programmes, flat owners who have completed their LBS transaction before the 1<sup>st</sup> day of the upgrading polling period need not poll for the upgrading programme and consequently, they need not pay for the upgrading cost.
- 4.3 Subject to the prevailing policies of the relevant upgrading programme, if the LBS transaction is completed on or after the 1<sup>st</sup> day of the upgrading polling period, the LBS flat owners are liable to pay the upgrading cost. If the actual upgrading cost is not determined yet, HDB will (but is not obliged to) withhold a sum equivalent to the estimated upgrading cost from the LBS net proceeds. After the upgrading works are completed and the actual upgrading cost is determined, HDB will apply the monies withheld to settle the upgrading bill. Any excess will be refunded, without interest, to the LBS flat owners. If there is any shortfall in the upgrading cost, HDB will (but is not obliged to) absorb the shortfall.

### **5. UPGRADING LEVY**

- 5.1 If any flat owner has enjoyed 2 or more upgrading subsidies under the HDB Main Upgrading Programme Demonstration Phase to Batch 6 precincts, he/she would be required to pay a 10% upgrading levy based on the market value of the tail-end of the lease that is sold to HDB.

### **6. PAYMENT OF RESALE LEVY**

- 6.1 Flat owners who have enjoyed one housing subsidy for the flat are liable to pay a resale levy when they buy or take over the ownership of another subsidised flat or an EC as determined by HDB (subject to their eligibility to do so).

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### **7. MANNER OF HOLDING**

- 7.1 Where there are two or more flat owner(s), the LBS proceeds will be apportioned based on their manner of holding/ proportion of shares in the flat at time of LBS application. The manner of holding/ proportion of shares in the flat will remain the same after LBS completion.
- 7.2 If the owners wish to change the manner of holding, an application for a change in manner of holding/ proportion of shares will have to be submitted.

### **8. CHANGE OF FLAT OWNER/ OCCUPIER**

- 8.1 A change of flat owner/occupier listed in the flat is not allowed during the application of the LBS.

### **9. RIGHT OF ENTRY**

- 9.1 Flat owners must allow HDB, any of its authorised officers or valuation consultant on its panel of valuers, to enter the flat at any time in the day to assess the value of the flat or for such purpose as may be required by HDB.

### **10. TITLE OF FLAT**

- 10.1 The title of the flat must be in order.
- 10.2 If the duplicate lease is misplaced or rendered invalid by the flat owners, they have to apply for a subsidiary certificate of title or its equivalent or other acceptable replacement title deed before completion and bear all legal cost/expenses incurred for the said application.

### **11. CANCELLATION OF LBS APPLICATION**

- 11.1 HDB will cancel the application upon receiving written confirmation from the flat owners to that effect.
- 11.2 HDB has the right to reject/cancel, withhold and/or revoke any application and/or HDB's approval ("cancellation") if:
- a. there is any false declaration and/or any false information or suppression of any information in the application form or in any other written forms, documents or undertakings for the LBS;
  - b. there is a failure to submit all relevant documents required by HDB;
  - c. there is any failure to comply with and/or infringement of any of HDB's terms and conditions of the LBS, HDB's prevailing policies, Agreement for Lease or Lease of the flat and/or any provisions under the Housing and Development Act and/or rules and regulations made thereunder or any other

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requirements imposed by HDB from time to time by any flat owner and/or his/her spouse; or

- d. any flat owner is not eligible to apply or becomes ineligible to retain his/her application under HDB's prevailing policies.

11.3 HDB reserves the right not to give any reasons for any cancellation.

11.4 Upon any cancellation, the flat owner will still be liable to pay the conveyancing, stamp, registration and any other fees, if any.

### **12. COMPLETION**

12.1 On the completion date of the lease buyback transaction, the flat owners must produce evidence that the service and conservancy charges and property tax have been paid up to the effective date when the tail end of the flat lease is sold to HDB under the LBS.

12.2 Flat owners must execute and register all relevant legal documents prepared by HDB to effect the lease buyback. The transaction cannot be aborted and is irrevocable after the legal documents have been signed. Hence, the lease of the flat cannot be reverted to its original lease term.

12.3 If the lease buyback transaction is completed after the date fixed for completion due to delay, the flat owners are liable to pay the service and conservancy charges, property tax and any other additional cost/interest (such as mortgage loan interest) up to and including the date of actual completion of the transaction.

### **13. SALE OF FLAT AFTER LBS COMPLETION**

13.1 The flat owner(s) is/are not allowed to sell the LBS flat on the open market.

### **14. RENTING OUT OF WHOLE FLAT AFTER LBS COMPLETION**

14.1 Renting out of whole flat is not allowed. However, flat owner(s) may be allowed to rent out spare bedroom(s), except 1 and 2-room flat owners, in accordance with the prevailing HDB rules on renting out bedrooms for HDB flats.

### **15. REFUND OF CPF SAVINGS AFTER LBS COMPLETION**

15.1 Upon subsequent surrender, transfer or otherwise disposal of the LBS flat (subject to HDB's approval), the flat owner would be required to refund the CPF from the proceeds of the surrender, transfer or other disposition such sums as may be required in accordance with the CPF Act and the subsidiary legislation made thereunder.

### **16. EARLY TERMINATION OF LEASE AFTER LBS COMPLETION**

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- 16.1 HDB may allow the flat owners to surrender the lease prematurely before the end of the lease retained period.
- 16.2 If the flat owners surrender the lease prematurely, HDB will reimburse the residual value of the lease based on straight-line depreciation.
- 16.3 The CPF LIFE policy (if any) will not be terminated and will continue to provide flat owners with a lifelong monthly payout even if the LBS flat is returned to HDB prematurely.

### **17. TIME BAR TO PURCHASE / RENT AN HDB FLAT**

- 17.1 Flat owners are required to wait out a 5-year period from date of completion of LBS transaction before they can apply for another subsidised HDB flat.
- 17.2 Flat owners are required to wait out a 2½-year period from date of completion of surrender or transfer of the LBS flat before they can apply for an HDB rental flat.

### **18. SELECTIVE EN BLOC REDEVELOPMENT SCHEME (SERS)**

- 18.1 In the event that the LBS flat is subsequently announced or has already been announced for SERS, the flat owners are subject to the prevailing policies under SERS.

### **19. INVESTMENT IN PRIVATE RESIDENTIAL PROPERTY**

- 19.1 Flat owners would only be allowed to invest in private property (regardless of whether the private property is completed or under construction) subject to the following conditions:
  - a. the owners must have completed a 5-year minimum occupation period from the effective date when the tail end of the flat lease is sold to HDB under the LBS; and
  - b. the owners and essential occupiers must continue to stay in their HDB flat after the purchase of the private property.

### **20. COMPULSORY ACQUISITION / REVESTING**

- 20.1 The LBS flat will be compulsorily acquired or revested if there is any breach of the compulsory acquisition or revesting provisions under the Housing & Development Act.

### **21. OTHER CONDITIONS**

- 21.1 Flat owners shall pay all rates, taxes and charges due to HDB and other government authorities.



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- 21.2 Flat owners shall not transfer, assign, mortgage, charge or part with the possession of the LBS flat or any part of the LBS flat without the prior written consent of HDB.
- 21.3 Flat owners shall keep in good and tenable repair and condition the interior of the LBS flat including all fixtures and fittings.
- 21.4 Flat owners shall notify HDB and obtain its prior written consent from the respective HDB Branch before making any alterations or additions to the LBS flat.

## **22. USE AND DISCLOSURE OF INFORMATION**

- 22.1 The flat owners consent to HDB, CPF and IRAS requesting, using, releasing and/or sharing any of their particulars including confidential information for any purpose relating to the LBS.
- 22.2 In processing this application, HDB is also entitled to rely on its own records or the records of any other relevant authority to obtain particulars such as NRIC No, nationality, race, sex, date of birth, marital status, names of parents for any child, address of the flat owner and other persons and any other relevant particulars of all parties listed in the application form.

## **NOTE**

- 1 The Terms And Conditions Of The Lease Buyback Scheme contained in this form are valid at the time of printing and are subject to HDB's prevailing policies, rules and regulations. HDB has the right to unilaterally vary or add to the Terms And Conditions Of The Lease Buyback Scheme at any time. Such varied and/or additional conditions shall take immediate effect and be binding on the flat owner/his or her Estate/Donee/Deputy appointed by the Court. You may also refer to [www.hdb.gov.sg/LBS](http://www.hdb.gov.sg/LBS) under application procedure for the latest Terms and Conditions for the Lease Buyback Scheme.
- 2 HDB has the right to reject/cancel, withhold and/or revoke any application and/or HDB's approval, or delete any person's name from the application without assigning any reason whatsoever.
- 3 The CPF LIFE Scheme is subject to the provisions of the CPF Act and the subsidiary legislation made thereunder, as may be amended from time to time and subject to all terms and conditions as may be imposed by the CPF from time to time.
- 4 All decisions by HDB shall be final and conclusive.

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### **CAUTION:**

In the event that HDB discovers that any flat owner or any other person listed in the application has made any false declaration or provided any false information or suppress any information relating to the application, HDB may take the necessary legal action against the flat owner or such other person.

In addition to other remedies, the Housing and Development Act (Chapter 129) provides that any person who makes any statement to HDB which is false, and which he either knows or believes to be false or does not believe to be true, shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$5,000/- or to imprisonment for a term not exceeding 6 months or to both.

### **HDB'S PRIVACY POLICY**

HDB collects personal data from you to administer HDB's public housing programmes and services. We may share necessary data with other Government agencies, unless such sharing is prohibited by legislation. This is to enable us to serve you in the most convenient, efficient and effective way. We will NOT share your personal data with non-Government entities, except where such entities have been authorised to carry out specific Government services. If you would like to find out more about HDB's Data Protection and Privacy Policy, you can visit our website [www.hdb.gov.sg](http://www.hdb.gov.sg) for more details.