

PEP-SBF AWARDS 2023

PRO-ENTERPRISE TRANSFORMATION (PET) AWARD - SILVER

Name of Initiative

Integrated Housing Loan Application Service

Agency

Housing and Development Board (HDB)



HOUSING &
DEVELOPMENT
BOARD

Summary of Initiative

Buying a home is probably one's single largest purchase of one's life. Often, flat buyers take a housing loan from HDB or a financial institution (FI) to finance their purchases.

Previously, flat buyers taking a housing loan had to approach HDB and/or FIs individually to source for information, assess which offers best suit their needs, and apply to HDB and/or their chosen FI for a housing loan.


To provide greater convenience to flat buyers and enhance efficiency of home financing, HDB engaged the stakeholders extensively and co-developed an integrated housing loan application service with six participating FIs, namely DBS Bank Limited, Hong Leong Finance Limited, Maybank Singapore Limited, Oversea-Chinese Banking Corporation Limited, Sing Investments & Finance Limited, and United Overseas Bank Limited. With this service, flat buyers can now view and compare the different housing loan packages by HDB and the FIs in a single platform, and apply for an In-Principle Approval (IPA) with their preferred financier(s). After securing a flat purchase, they can apply to their chosen financier, via this service, to convert the IPA to a Letter of Offer. In this way, taking a housing loan, be it from HDB or FI, has become seamless and efficient.

This has transformed the housing loan application process for flat buyers, and at the same time facilitated FIs' participation in the public housing mortgage market, which supports them to further innovate and make their loan offerings more attractive. Flat buyers also benefit from a more competitive market for the provision of housing loans.

Infographic on HDB InfoWEB


Apply for housing loans via the HDB Flat Portal

With the new integrated housing loan application service with participating financial institutions (FIs), you can:



Compare housing loans from HDB and participating FIs

Compare loan packages when you:

- Work out your housing budget using the financial calculators on the HDB Flat Portal
- Apply for an In-Principle Approval (IPA) from your preferred FI(s)
- Request for a Letter of Offer (LO) from your preferred FI to confirm the housing loan offer


Apply for In-Principle Approvals (IPAs) from participating FIs

Apply for an IPA from your preferred FI(s) to find out your eligible housing loan amount(s) when you apply for an HDB Flat Eligibility (HFE) letter


Apply for a Letter of Offer (LO) from participating FIs

If you applied for an IPA from your preferred FI(s), you can also request an LO from the FI(s) to confirm the housing loan offer:


New flat buyers

 After booking a flat with HDB

Resale flat buyers

 After receiving the outcome of your Request for Value for a resale flat

The IPA and LO applications will be transmitted to the FI(s) of your choice.
The FIs will inform you of the outcome of your IPA and LO applications.
You should accept only one LO from your chosen FI.



**HOUSING &
DEVELOPMENT
BOARD**

Fulfilling Dreams, Building Homes, Creating Communities
Visit us at www.hdb.gov.sg

What was the impetus behind this project/initiative?

Since 2003, flat buyers may obtain a housing loan from the Housing & Development Board (HDB) or any of the financial institutions (FIs) regulated by the Monetary Authority of Singapore. As HDB and FIs have their respective loan application processes, flat buyers needed to reach out to HDB and/or FIs individually to find out the respective loan packages, and assess which one best suited them. As the application for an HDB housing loan is an integral part of the flat buying journey in HDB's e-services, some flat buyers might see the HDB housing loan as the default financing option and may not be aware or take the effort to find out more about the attractive loan offers available in the market. The integrated housing loan application service was conceived to help flat buyers make an informed decision on their financing options and facilitate FIs' participation in the public housing mortgage market.

What challenges did you/your team encounter, how did you/your team overcome them?

Through our engagement with various stakeholders, HDB saw an opportunity to develop an end-to-end housing loan application process for flat buyers taking a loan from HDB as well as the FIs.

Other than designing a new process and developing a new system that would streamline the housing loan application experience for flat buyers, there was also a need to integrate them in the already established flat buying journey. Hence, the views of different stakeholders were considered in the conceptualisation and development of the service.

With multiple FIs on board, the challenge was also to take into consideration their varying priorities and system requirements and obtain agreement on the processes underpinning the intended customer journey (e.g. application processes, customer communications), information requirements by HDB and FIs, and systems design and business/IT requirements to support the collaboration. After numerous discussions and iterations facilitated by HDB, all parties agreed on the collaboration terms and framework.

Additionally, for this collaboration to work, there was a need to facilitate the exchange of information between HDB and the FIs, with the consent of the flat buyers. In doing so, HDB transformed the conventional practices and developed a process for sharing personal data with private sector partners, taking into account the prevailing legal requirements and Public Service guidelines.