

HDB introduces Resale Checklists for Housing Agents

HDB announced today that it is introducing mandatory Resale Checklists for housing agents handling resale HDB flat transactions. The checklists cover a list of key policies and procedures that housing agents will need to advise resale flat buyers and sellers **before** they commit to an HDB resale flat transaction. This is part of HDB's ongoing efforts to ensure that buyers and sellers are aware of the relevant HDB purchase and financing policies when buying/selling an HDB flat.

2 With effect from 1 May 2008, housing agents will be required to submit the completed Resale Checklists to HDB together with the resale application. Resale applications that do not comply with this new requirement will be rejected. There will be serious penalties for false declarations.¹

How It Works

3 Housing agents who are engaged by the sellers will have to go through a Resale Checklist with the sellers (Annex A) to highlight the important points before the sellers grant an Option to Purchase (OTP) to prospective buyers. Similarly, housing agents engaged by the buyers will have to go through a separate Resale Checklist with the buyers (Annex B), before the buyers exercise an OTP.

4 Housing agents must submit the checklists to HDB together with the resale application. HDB will then carry out checks to ensure that the housing agents have gone through the checklists with their clients before the OTP was granted or exercised. Housing agents also need to declare in the Housing Agent's Statutory Declaration Form that they have complied with the new requirement.

5 The Resale Checklist will be attached to the standard OTP forms available at HDB Hub and the HDB InfoWEB at www.hdb.gov.sg. The Checklists will also be made available in Chinese, Malay and Tamil, which should be used by housing agents to explain the information to resale flat buyers and sellers who are less proficient in English. However, only the English version of the checklist needs to be signed and submitted to HDB.

¹ Under the Oaths and Declarations Act, any false statement made in a Statutory Declaration will constitute an offence under the Penal Code which carries a penalty of up to 3 years' imprisonment or a fine, or both.

6 Buyers and sellers who do not engage the services of housing agents need not submit the Checklist. However, they are advised to go through the Checklist to ensure that they are aware of the key resale policies and procedures.

Making Resale Easier

7 In line with HDB's continual effort to improve its resale procedures especially for buyers and sellers who choose to perform resale transactions on their own, HDB has rolled out the following new e-Service initiatives on HDB InfoWeb:

- (a) HDB's e-Service "Resale Transactions" has been hyperlinked to the Singapore Institute of Surveyors and Valuers' (SISV's) Nation Property Portal with effect from 24 March 2008. Home buyers and flat sellers may search for resale flats, or advertise their flats for sale using this website.
- (b) HDB will send out SMS alerts to resale flat buyers and sellers to remind them of their 1st appointment and resale completion, with effect from 1 April 2008.

These initiatives, together with regular HDB Resale Seminars conducted in various languages and the Step-by-Step Resale Guide on the HDB InfoWeb, will facilitate resale flat buyers and sellers to carry out resale transaction on their own.

8 For enquiries, the public can e-mail hdbresale@hdb.gov.sg or call the Sales/Resale Customer Service Line at 1800-8663066 on weekdays from 8am to 5pm.

Issued by : Housing & Development Board
Date : 24 March 2008

✓ Resale Checklist for Housing Agent engaged by Sellers

*Housing agent must go through this Resale Checklist with the **sellers** before the sellers grant the Option to Purchase to prospective buyers*

Resale Flat Address: _____ Flat Type: _____

Housing Agent's Name: _____ Agent's I/C No. _____

Housing Agency: _____

Needs Attention
(tick ✓ all boxes)

I have informed sellers of the following:

Eligibility to Sell

- Sellers must meet the minimum occupation period before granting Option to Purchase
- Buyers must comply with the Ethnic Integration Policy at time of submitting Resale Application

Financial Planning/Next Housing Step

- Upon resale, sellers have to discharge the outstanding mortgage loan and refund the CPF monies used for the flat purchase with interest to their CPF accounts
- Calculate the estimated sale proceeds before selling. Can make use of the Sale Proceeds Calculator available in HDB InfoWEB (www.hdb.gov.sg)
- If sellers intend to buy another HDB flat, important to check the eligibility to buy and to obtain HDB loan or bank loan, before making arrangements to sell their flat

Understanding HDB's standard Option to Purchase (OTP)

- Sellers need to read the "Important Notes" attached to OTP document. OTP provides a 14-day option period for buyers to exercise the Option
- After granting the Option to the prospective buyers, sellers cannot revoke the offer within option period
- After buyers have exercised the OTP, a legally binding contract is formed between buyers and sellers

Payment of Resale Levy/Upgrading Cost (if applicable)

- Resale levy is payable by sellers of subsidised flat, when they buy or take over the ownership of another subsidised flat
- Where there is an outstanding upgrading cost/levy, sellers need to settle the payment before completion of resale transaction

Giving Accurate Information

- Sellers are aware that making false declaration, such as under-declaring or over-declaring resale price, entering into any supplementary agreement or cashback arrangement, is illegal and punishable by law (see Penalties for Infringement on Pg 2)

Confirmation by Seller(s):

Yes. Before I/we grant the Option to Purchase for the sale of my/our flat to the prospective buyer(s), my/our housing agent (name stated above) has gone through all the above checklist items with me/us on _____ (date) in English/Chinese/Malay/Tamil/Others _____ (delete where not applicable).

Name of Seller(s)	I/C Number(s)	Signature of Seller(s)
(1) _____	_____	_____
(2) _____	_____	_____
(3) _____	_____	_____
(4) _____	_____	_____

Signature of Housing Agent: _____

Housing Agent to submit Resale Checklist together with Resale Application to HDB. Read instructions guide on Pg 2.

Instructions Guide to Complete the Resale Checklist

1 Introduction

HDB has introduced a Resale Checklist for housing agents to ensure that buyers/sellers are aware of the relevant and important HDB purchase/sale and financing policies when buying/selling an HDB flat.

- a) It takes effect for Resale Applications received by HDB on or after 1 May 2008.
- b) For buyers and sellers who conduct DIY resale transactions without housing agent, they can use the Resale Checklist for their own planning but need not submit it to HDB.

2 Resale Checklist Procedure

- a) Housing agent needs to complete the Resale Checklist before the sellers grant OTP to prospective buyers. All boxes must be ticked. *Advice:* to go through the Checklist as soon as sellers are considering selling the flat.
- b) Indicate the language used to explain to sellers. Resale Checklist in English and translated copies (for reference only) in Chinese, Malay and Tamil are available in HDB InfoWEB. Only the English version is to be submitted.
- c) Indicate date of Resale Checklist (the date as given under "Confirmation by Seller(s)") in the Resale Application Form. The Resale Application will not be accepted if the Resale Checklist is completed after the sellers have granted the OTP.
- d) Submit the completed Resale Checklist duly signed by housing agent and sellers together with the Resale Application. Attach a scanned copy when submitting Resale Application via HDB-ResaleNet System. For manual applications, submit the completed & signed Resale Checklist together with Resale Application Form.

3 Points to Note

- a) Only the housing agent engaged by the buyers/sellers is to complete the Resale Checklist, witness the signing of OTP/Resale Application Form and execute the Housing Agent's Statutory Declaration. These documents must be endorsed by the same agent.
- b) The Housing Agent's Statutory Declaration (existing resale procedure which requires all housing agents engaged by buyers/sellers to execute) has been revised to include the Resale Checklist requirement.

Penalties for Infringement:

In addition to other remedies, the Housing & Development Act (Chapter 129) provides that any person who makes a false statement is liable to a fine not exceeding \$5,000/- or to imprisonment for a term not exceeding 6 months, or both.

Under the Oaths and Declarations Act, any false statement made in a Statutory Declaration will constitute an offence under the Penal Code. The offence carries a penalty of up to 3 years' imprisonment or a fine, or both.

If a housing agent is found to have made a false declaration, HDB will report the matter to the appropriate authorities, such as the Police and the Inland Revenue Authority of Singapore (IRAS).

✓ Resale Checklist for Housing Agent engaged by Buyers

Housing agent must go through the Resale Checklist with the buyers before the buyers exercise the Option to Purchase

Resale Flat Address: _____ Flat Type: _____

Housing Agent's Name: _____ Agent's I/C No. _____

Housing Agency: _____

Needs Attention
(tick ✓ all boxes)

I have informed buyers of the following:

Eligibility to Purchase

- Buyers must qualify to buy the resale flat under one of HDB's eligibility schemes
- Buyers who are 1st-timers and meet the eligibility conditions for the CPF Housing Grant (including Additional CPF Housing Grant and higher-tier grant) can apply for the grant
- Buyers must comply with the Ethnic Integration Policy at time of submitting Resale Application

Financing

If buyers intend to take an HDB loan, make sure that:

- Buyers meet loan eligibility conditions & obtain an HDB Loan Eligibility (HLE) Letter. (HLE Letter indicates the maximum loan amount buyers are eligible, the monthly loan instalment etc. and has a validity period of 3 months)
- HLE Letter must be obtained before buyers exercise the Option to Purchase (OTP) and must not have expired at the time of exercising the OTP & at time of submitting Resale Application

If buyers intend to take bank loan, make sure that:

- The bank's Letter of Offer (LO) must be obtained before buyers exercise the OTP
- Acceptance date of LO is required when submitting Resale Application

Understanding HDB's standard Option to Purchase (OTP)

- Buyers need to read the "Important Notes" attached to OTP document.
- Buyers can exercise the OTP within the 14-day option period
- After buyers have exercised the OTP, they have entered into a legally binding contract with sellers

Payment of Upgrading Cost (if applicable)

Check whether the flat is undergoing upgrading and the liability to pay upgrading cost

Giving Accurate Information

Buyers are aware that making false declaration, such as under-declaring or over-declaring resale price, entering into any supplementary agreement or cashback arrangement, is illegal and punishable by law (see Penalties for Infringement on Pg 2)

Confirmation by Buyer(s):

Yes. Before I/we exercise the Option to Purchase for the purchase of the resale flat, my/our housing agent (name stated above) has gone through all the above checklist items with me/us on _____ (date) in English/Chinese/Malay/Tamil/Others _____ (delete where not applicable).

Name of Buyer(s)	I/C Number(s)	Signature of Buyer(s)
(1) _____	_____	_____
(2) _____	_____	_____
(3) _____	_____	_____
(4) _____	_____	_____

Signature of Housing Agent: _____

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