

Terms and Conditions

Mortgage Facility Terms

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Mortgage Facility Terms

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Important notice

You need to read this document.

It sets out specific terms and conditions on which we agree to provide you with *mortgage facilities*. **You must read it in conjunction with our letter of offer, our pricing guide, our Customer Terms and any other documents forming our banking agreement.** To the extent of any inconsistency between these terms and our Customer Terms, these terms prevail and if there is any inconsistency between the letter of offer and any other part of our banking agreement, then the terms in the *letter of offer* prevail.

Key words

The meaning of key words printed *like this* and other words used in our banking agreement is explained in our Customer Terms. Some additional key words which apply to the *products* referred to in these terms are explained at the end of these terms.

Part A – Getting started

1. Our mortgage facilities

Some of the mortgage facilities we offer are:

- Residential property loan
- Commercial property loan
- Equity loan
- Short term loan
- Bridging loan

Some of the packages we offer are:

Floating Rate packages

- *SIBOR*-Pegged without MortgageOne feature
- *SIBOR*-Pegged with MortgageOne feature
- Fixed Deposit Rate-Pegged without MortgageOne feature
- Fixed Deposit Rate-Pegged with MortgageOne feature
- *SORA*-Pegged without MortgageOne feature

Fixed Rate package

You should contact us to discuss which *mortgage facility* suits your personal banking needs. We can also explain the features and terms of our *mortgage facilities*. Please refer to your *letter of offer* for additional terms and conditions.

2. Application

When you decide on the *mortgage facility* that suits you, you need to fill in an *application* and give us any other documents or information we require to assess the *application*.

3. Letter of offer

If we approve your *application*, we issue a *letter of offer*. If you want to accept our *letter of offer* you need to do so in accordance with the procedures set out in the *letter of offer*.

4. Pre-conditions to use

4.1 Before you can use a *mortgage facility* you must:

- comply with the requirements we specify from time to time and any other pre-conditions we specify in our banking agreement including the requirements set out in the list in schedule 1;
- unless otherwise stated in our *letter of offer*, have paid all our costs in connection with the *mortgage facility*. (We may deduct any fees payable from funds drawn down);
- have opened or maintain a *nominated account* or any other *account* we specify with us. For the avoidance of doubt, these accounts shall exclude Savings Accounts and must be maintained at all times for the purposes of the *mortgage facility*. For example, if you have a *MortgageOne facility*, we require you to open and maintain a *MortgageOne account*;
- have satisfied our insurance requirements, the requirements of the insurer and, unless we agree to finance them, paid the premiums due including, if we require you to have mortgage insurance, the premium amount;
- provide us with all *securities* in the form and substance we require including all documents we consider necessary to ensure the *security* is effective; and
- provide us with all other documents or information we reasonably require.

Each item must be in form and substance satisfactory to us, our lawyers and our consultants (including evidence of stamping, if applicable). If a document is not an original document it must be certified in the manner we require as being a true and up to date copy of the original).

4.2 We need not provide any funds to you or otherwise allow you to use the *mortgage facility* if:

- any of the circumstances in clause 2 (Pre-conditions to use of any product) of the Customer Terms exists; or
- the results of any searches, requisitions or other enquiries in connection with you, any *security provider* or the *property* are not in form and substance satisfactory to us, our lawyers or consultants.

5. Your limit

You may only draw on a *mortgage facility* up to the *limit*. We may cancel or vary the *limit* at any time without notice to you.

6. Conversion

If you want to convert a *mortgage facility* to another type of *mortgage facility* we offer, please contact us to discuss the available options. If we agree to a conversion it must be on terms satisfactory to us (including payment of fees and costs).

7. Order of funds provided

7.1 We provide funds to you under the *mortgage facilities* in the following order:

- Bridging Loan I – this normally covers the initial 5% of the purchase price or the current market value of the *property*, whichever is lower;
 - Bridging Loan II – this normally covers the next 15% of the purchase price or the current market value of the *property*, whichever is lower;
 - Short Term Loan – this covers the balance of the purchase price which you intend to repay when you have received the proceeds of sale of your existing property;
 - Bridging Loan III – this covers stamp duty and/or legal fees;
 - Residential/Commercial (as applicable) property loan; then
 - Equity Loan,
- unless we agree otherwise.

7.2 If you are using your *CPF savings*, we provide funds under the *mortgage facilities* (excluding Bridging Loan I) only after the total amount approved by the *CPF board* and us for withdrawal from the *CPF savings* has been used.

Part B – Mortgage Loans – General

This Part B sets out terms which apply to each *mortgage facility* which must be repaid in full at the end of its term as stated in the *letter of offer*.

8. Funding

Purpose

- 8.1 You must use the *mortgage facility* only for the purpose set out in the *letter of offer* or as otherwise approved by us.

Requesting funds

- 8.2 If you want us to provide you with funds, you may do so by a written request in the form we require.
- 8.3 If the *mortgage facility* is provided to finance construction, each request made during the construction period may require certification of matters relating to the building and attachment of documents or other information we specify including invoices from the builder.

Your request must be made within a reasonable time (for example, at least 7 business days) before you require the funds.

How we provide the funds

- 8.4 We pay the funds to you as directed by you or your agent, except to the extent that we require otherwise. For example:
- if the *mortgage facility* is provided in connection with a *HDB property*, we provide funds in accordance with the requirements of the *HDB*;
 - if the *mortgage facility* is provided to finance construction, we provide the *loan* in a series of advances as the work progresses against the certifications or invoices we approve. (Also see Schedule 1 for additional requirements.) We may provide the funds by paying them directly to the builder. If we mistakenly provide funds in excess of those required to pay the builder's invoice, you must immediately repay the excess to us. You must provide us with receipts from the builder within 2 months of the date we provide the funds.

Availability period

- 8.5 If the *letter of offer* states an availability period, each request for funds must be made during the availability period. Any unused portion of the *limit* at the end of the availability period is automatically cancelled.
- 8.6 If the *mortgage facility* is provided to finance construction, you must ensure that the work is completed within the construction period you and we agree. We are not responsible in any way for ensuring that the construction is completed within the agreed construction period or in accordance with the builder's invoices.

You must inform us immediately if the construction is delayed.

9. Interest, fees and charges

Interest – general

- 9.1 The interest rate may be based on or may reference a base lending rate. The base lending rates that we use include, but are not limited to, the:
- *SIBOR*;
 - *SORA*;
 - *SOR*; and
 - Fixed Deposit Rate.
- If the *SIBOR*, *SORA*, *SOR*, Fixed Deposit Rate or such other relevant base lending rate is less than zero, the base lending rate shall be deemed to be zero.
- 9.2 You must pay interest on the loan monthly in arrears (or as otherwise set out in our letter of offer) at the rate set out in the letter of offer, which the aggregate of the applicable base lending rate and the loan or overdraft margin that are set out in the letter of offer, or at any other rate we determine. Despite the terms of our letter of offer, the interest rate we charge cannot be less than 0% per annum at any time.
- 9.3 Unless otherwise stated in our letter of offer, interest on the loan accrues on a daily basis and is as calculated:
- for a *MortgageOne facility*, on the basis of a 365 day year (a 366 day year in the case of a leap year) in accordance with the following formula:
$$\frac{\text{Interest rate (p.a.)}}{365 \text{ (or 366 in the case of a leap year)}} \times \text{loan at the end of any given day}$$
 - for all other *mortgage facilities* including the *HDB loan*, term loan, bridging loan and short term loan, on a 12-month basis in accordance with the following formula:
$$\frac{\text{Interest rate (p.a.)}}{12 \text{ months}} \div \text{days in any given month} \times \text{loan at the end of any given day}$$
- 9.4 Interest is payable on the dates set out in the *letter of offer* or the *disbursement notice*.

- 9.5 Unless otherwise stated in our *letter of offer* interest is charged to your *account* on the last day of each month and on the day when all amounts owing in connection with the *mortgage facility* are finally paid.
- 9.6 Any overdue instalment incurs interest at the *default rate* set out in the *letter of offer* or otherwise in our banking agreement (see "Interest, fees and costs" in the Customer Terms) together with any applicable late payment fee.
- 9.7 We may vary the interest rate, the basis for calculating the interest rate (including any base lending rate or other reference rate) and the margin. If we vary the interest rate, we will notify you of the effective date of the revised interest rate.

Interest – MortgageOne

- 9.8 After we have provided you with funds, two thirds of the credit balance in your *MortgageOne account* (up to a maximum of your *loan*) earns the same interest rate that applies to your *MortgageOne facility* on any particular day. The remaining credit balance in your *MortgageOne account* on that day earns *normal interest*. You can offset the interest earned on your *MortgageOne account* against the interest payable on the *MortgageOne facility*. Interest earned on the *MortgageOne account* which exceeds the interest payable on the *MortgageOne facility* is applied towards reducing the *balance owing* for the *MortgageOne facility*.

Fees and charges

- 9.9 The fees and costs for each *mortgage facility* are set out in the *letter of offer* or the *pricing guide*, if any. They are also available by contacting us at any of our branches, by phone banking or through our website. They may be varied without notice to you.

10. Facility term

The term of a *mortgage facility* commences on the date of first drawdown and continues for the period stated in the *letter of offer*.

11. Repayment

Repayment by instalments

- 11.1 The instalment repayment structure for the *mortgage facility* is stated in the *letter of offer*.
- 11.2 We will notify you the amount of the instalment and each instalment payment date in the *disbursement notice*. Any *balance owing* for the *mortgage facility* (after payment of all instalments) must be repaid on the final payment date we notify you.
- 11.3 If you have not fully drawn down the *mortgage facility* (that is, you have not used up all of your *limit*) by the end of any availability period stated in the *letter of offer*, we may vary the instalment amount, the number of the instalments and the term of the *mortgage facility* or cancel the undrawn amount of the *limit*.
- 11.4 If the *mortgage facility* is provided to finance construction, you may not be required to pay instalments until a date stated in the *letter of offer* or another date we notify you.
- 11.5 If we vary the interest rate on the *mortgage facility*, we may vary the instalment amount and the number of instalments. However, if the *letter of offer* states that the *mortgage facility* has a term that may be extended, if an interest rate increases, we extend the term of the *mortgage facility* (until it reaches the maximum term stated) rather than varying the instalment amount. If the maximum term is reached, we may vary the instalment amount.
- The right to vary instalments is in addition to our other rights to vary as set out in our banking agreement. See, for example "Variation of our banking agreement" in the Customer Terms.
- 11.6 If you ask, we may agree to defer a particular monthly instalment. If this happens, you must pay the additional interest which accrues on the deferred instalment amount on the final payment date we notify you.

Statements

- 11.7 We issue you an annual statement for the *mortgage facility*.

When you must repay in full

- 11.8 On the last day of the *term*, to the extent there is any *balance owing* for the *account* for the *mortgage facility*, you must repay that *balance owing*.
- 11.9 Despite any other term of our banking agreement, we may ask you to repay all or part of the *balance owing* for the *account* for the *mortgage facility* and all other amounts owing to us in connection with the *mortgage facility* at any time. If we do so, you must immediately pay the amount we demand.
- 11.10 Before we discharge any *security*, you must pay all fees and costs payable in connection with the final settlement of your *mortgage facility* (such as discharge fees and costs).

12. Prepayment

- 12.1 You may prepay all or part of the *mortgage facility* if:
- you give us reasonable notice in writing in accordance with the notice period stated in the *letter of offer*;
 - the prepayment amount complies with any minimum or maximum amount we specify;
 - you prepay only part of the *loan*, you must maintain a minimum *loan* balance we specify;
 - when you prepay, you also pay all accrued but unpaid interest, fees and *costs* in connection with the *mortgage facility* (including any early redemption or repayment fees as set out in the *letter of offer* or *pricing guide* and *costs* in connection with the prepayment);
 - you have a *mortgage facility* for a *HDB property*, you comply with all the requirements of the government authority in connection with your prepayment of the *mortgage facility*; and
 - you comply with any other requirements stated in the *letter of offer*. In some cases this may require our consent before you make a prepayment.
- If you are unable to give us notice of prepayment, we may also require you to pay us an amount equal to one month's interest on the *mortgage facility* or any other amount we specify.
- 12.2 If you prepay only part of the *loan*, we may charge an early redemption or repayment fee. The amount of each instalment and the term of the *loan* may be adjusted. We will give you a revised instalment schedule.

Right to reborrow

- 12.3 You may only reborrow an amount prepaid if our *letter of offer* states that the *mortgage facility* permits reborrowing (known as a revolving loan) and if you satisfy any conditions we require to permit reborrowing. Any amount you reborrow forms part of the *loan*.

13. Review, cancellation, termination, suspension

In addition to the terms below, our Customer Terms and the *letter of offer* set out our right to review the terms of your *mortgage facility* and when you and we may end or suspend your use of any *product*. The Customer Terms also set out what you need to do if that happens (including immediate payment of the *balance owing* for the *account* for the *mortgage facility*) and our enforcement rights. See, for example, Parts A and H of the Customer Terms.

- 13.1 You may cancel a *mortgage facility* by giving us notice in writing. However, we may charge you a cancellation fee (see the *letter of offer*).
- 13.2 In addition to the rights we have under our Customer Terms to end your use of any *product*, we may end a *mortgage facility* if:
- we have offered you a Bridging Loan but you use the proceeds of sale of your existing *HDB property* to set off all or part of the purchase price of the new *HDB property*; or
 - you have failed to comply with any rules, terms or conditions of the *HDB*.

Part C – General

14. Foreign currency

This clause applies if your *mortgage facility* is drawn in a foreign currency or we agree to you switching the currency of your *mortgage facility* to a foreign currency.

Raising funds in foreign currency involves the risk of movement in exchange rates. You can make losses and that is a risk you take if you decide to raise funds in a foreign currency. If you do not understand the risks or are not willing to accept the risks or make losses, you should not raise funds in foreign currency.

There are certain products that can help you manage exchange rate risks. Details of these products are available on request.

Drawing in foreign currency

- 14.1 Your *mortgage facility* may be drawn in foreign currency only if this is stated in the *letter of offer* and then, only in the foreign currency specified in the *letter of offer*.
- 14.2 For any proposed drawing in a foreign currency, we determine the amount of the unused portion of the *limit* by calculating the current *base currency* value of the proposed drawing and all outstanding drawings under the *mortgage facility* by reference to prevailing exchange rates.

Payment

- 14.3 You must make each payment in the currency in which you drew down on your *mortgage facility*.

Switching currency

- 14.4 If you want to switch the currency of the *loan* to another currency, please contact us to discuss optional currencies we are prepared to offer to you. If we agree to a currency switch, it will be on the terms we specify (including provision of any additional *security* and payment of all fees and *costs*). You must repay the *loan* in the *base currency* on the agreed switching date and we re-advance in the new currency on the same date. The amount re-advanced is the *base currency* amount of the *loan* converted by us into the new currency at a rate of exchange we reasonably consider appropriate less our switching fees and any *costs* incurred in connection with the conversion.

Top up

- 14.5 If, at any time, the then current *base currency* value of all outstanding drawings under your *mortgage facility* determined by reference to the then prevailing exchange rate because of movement in exchange rates is more than the *limit* for your *mortgage facility*, you must:
- repay an amount sufficient to ensure that this level is not exceeded;
 - provide cash cover; or
 - provide additional *security* acceptable to us.

Risks

- 14.6 You acknowledge that:
- we do not monitor movement in currency rates for you – this is your responsibility; and
 - in deciding to raise funds in a foreign currency and in selecting a particular currency:
 - you have made your own independent judgment and decision and have assessed and accepted the risk of movement in exchange rates;
 - you have considered the consequences of being required to reduce the *balance owing*, provide cash cover or provide additional *security* because of movements in exchange rates; and
 - you are not relying on any information given or representations made by us to you.

15. Property insurance

This clause is in addition to the "Insurance" clause in the Customer Terms.

- 15.1 You must ensure that the *property* is insured for the risks we specify. The sum insured:
- for any *property* governed by the Land Titles (Strata) Act (Cap. 158), must be at least equal to the *balance owing* for the *account* for the *mortgage facility* in connection with which the *security* is provided; or
 - for *property* not governed by the Land Titles (Strata) Act (Cap. 158), must be equal to the reinstatement value.
- 15.2 We are not liable to you for any loss you suffer in connection with any lapse of insurance cover and you must ensure each insurance policy is renewed on time.
- 15.3 You must notify us in writing before any building work is carried out on the *property* and maintain a contractors all risks policy.

Part D – Meaning of words

16. Meaning of words

You also need to refer to our Customer Terms which also define key words used in these terms. If a word defined in these terms is also defined in our Customer Terms, the definition in these terms applies for the purposes of a *mortgage facility*.

CPF Board means the Central Provident Fund board.

CPF funds means, for a *security provider*, all *CPF savings* and *CPF grants* available to the *security provider*.

CPF grant means each grant made to any *security provider* by the *CPF Board*.

CPF lump sum withdrawal means a portion of *CPF savings* as stated out in our *letter of offer*.

CPF savings means the total of the savings available to be used standing to the credit of the accounts held by the *security provider* with *CPF*.

default rate means, for a *mortgage facility* and at a particular time, the rate of interest per annum which applies to amounts owing under the *mortgage facility* as stated in our *letter of offer*, or as otherwise notified by us to you.

disbursement notice means, for a *mortgage facility*, the notice we send you setting out the disbursement and instalment schedule. It supplements and is to be read with the *letter of offer*.

HDB property means *property* which is a property held under a lease issued, or to be issued by, *HDB*.

limit means, for a *mortgage facility*, the limit as stated in our *letter of offer* for the *mortgage facility*.

loan means the outstanding principal amount of all drawdowns under a *mortgage facility*.

mortgage facility means each mortgage loan we make available to you under these terms as stated in our *letter of offer*.

MortgageOne account means, for a *MortgageOne facility*, the current account you open and maintain with us which is linked to your *MortgageOne facility*.

MortgageOne facility means the loan facility with the name *MortgageOne* which we offer to you as stated in our *letter of offer*.

MortgageOne net balance means, for a particular day and a *MortgageOne facility*, the *balance owing* for the *MortgageOne facility* minus the credit balance (if any) in the *MortgageOne account*.

normal interest means, for an account, interest that would (but for any *MortgageOne facility*) normally accrue on the account.

property means the property the subject of the *security* for your *mortgage facility*.

SIBOR means Singapore Interbank Offered Rate

SORA means Singapore Overnight Rate Average

SOR means Swap Offer Rate

Schedule 1

Additional pre-conditions to use of mortgage facilities

Applicable mortgage facility	Depending on the type of the property you purchase, you may have to meet some or all of the conditions below
(A) All types of <i>mortgage facilities</i>	<ul style="list-style-type: none"> • Provide all documents or do all things necessary to enable our lawyer to confirm that the following have been complied with: <ul style="list-style-type: none"> - title to the <i>property</i> is in order based on our report on title; - all <i>security</i> (set out the <i>in letter of offer</i>) is in order. • Lodge a caveat in our favour against the <i>property</i>. • Evidence of the registration of the <i>security</i>. • Respond to any requisitions from government authorities or agencies. • Pay all maintenance fees and sinking fund contributions. • Pay the balance of the purchase price for the <i>property</i> which will be owing after payment of the <i>CPF lump sum withdrawal</i> plus the funds we provide under the <i>mortgage facility</i>. • Obtain all consents, approvals, declarations, undertakings, permits and approved building plans required for you to use any <i>mortgage facility</i>. • Architect's or professional engineer's written confirmation that the construction work on the <i>property</i> has been satisfactorily completed in accordance with the disbursement schedule. • Evidence that there are no legal proceedings against the seller or developer of the <i>property</i> or the <i>security provider</i>. • Evidence that there are no structural or other defects on the <i>property</i>. • Evidence and written confirmation that all stamp duties in connection with any <i>security</i> and the purchase of the <i>property</i> have been paid, held by stakeholders we approve or appropriately allocated. • If the <i>property</i> has not been issued with temporary occupation permit, evidence that the <i>property</i> will be developed by a licensed developer under the Housing Developers (Control And Licensing) Act (Chapter 130). • All title deeds to the <i>property</i>. • A copy of the sale and purchase agreement or option to purchase the <i>property</i>. • Documents evidencing the discharge of any existing <i>security interest</i> or other encumbrances over the <i>property</i>. • Letter from the <i>CPF Board</i> approving the sum for withdrawal that is consistent with the <i>letter of offer</i>. • If the <i>mortgage facilities</i> are to be used for the purpose of refinancing, the latest statements from the <i>CPF Board</i> in connection with the <i>property</i>. • Insurance policies (such as fire insurance) to our satisfaction. • Valuation report of the <i>property</i> not more than 6 months old issued to us by the valuer we select. • If separate title to the <i>property</i> has not been issued: <ul style="list-style-type: none"> - an architect's certificate certifying completion stages of the <i>property</i>; and - a letter of undertaking from the developer or developer's mortgagee to execute a partial discharge of mortgage for the <i>property</i> on issue of the temporary occupation permit and their receipt of 85% of the purchase price. • Evidence that all terms and conditions imposed by the developer and the <i>CPF Board</i> have been complied with and there is no breach of any of them. • If we specify in the <i>letter of offer</i>, declare to us that the <i>property</i> is for your own occupation. • Evidence that there is no breach of any requirement of <i>CPF</i> or any other government authorities in connection with the <i>property</i>. • If the <i>property</i> is tenanted, provide us with all relevant details of the tenancy which we require.
(B) Any <i>mortgage facilities</i> for <i>HDB property</i> (including executive condominium)	<p>In addition to the items in the right hand column in (A) above:</p> <ul style="list-style-type: none"> • A copy of the letter from <i>HDB</i> confirming the first appointment date and the time of the sale. • Evidence that all terms and conditions or requirements imposed by the <i>HDB</i> have been complied with and there is no breach of any of them. • All consent, approvals and authorisations we require, including a confirmation from <i>HDB</i> that the <i>security provider</i> is eligible to purchase the <i>property</i> and approval for the purchase. • The <i>security provider</i> has fulfilled all requirements under the Executive Condominium Housing Scheme (Eligibility Regulations 1996). • A financial plan with details of the amounts payable to <i>HDB</i> at the first appointment and on completion of the purchase. • Evidence that all town council and any related charges have been paid. • Documents from <i>HDB</i> showing the amount of any outstanding loans with <i>HDB</i> or, if applicable, all loans with <i>HDB</i> have been fully paid.
(C) Bridging Loan or Short Term Loan	<p>In addition to the items in the right hand column in (A) above:</p> <ul style="list-style-type: none"> • Confirmation that the <i>loan</i> will be paid directly to the developer or held by the stakeholder we approve pending completion of the purchase of the <i>property</i>. • Evidence that the sale proceeds of the existing property are sufficient to repay the <i>loan</i>. • A copy of the letter of undertaking from the owners of the existing property that they will forward the sale proceeds of the existing property to us when they receive those proceeds. • The latest statements from <i>CPF</i> in connection with the <i>property</i>.