CPF Housing Refund When Sale Proceeds Fall Short

Description

After an eligible HDB sale, proceeds first discharge the outstanding housing loan, then meet the required CPF refund and sale expenses.

If the remaining proceeds are insufficient for the required CPF refund, the seller generally refunds the remaining proceeds rather than topping up the CPF shortfall in cash, but option money received in cash forms part of the sale proceeds and must be accounted for.

Build the order of payment

The mortgage is not interchangeable with the CPF refund. Put the loan, CPF principal plus accrued interest, and sale expenses on separate rows. Use dated statements close to completion because interest and charges continue to move. (CPF Board sale-proceeds answer)

Cash collected earlier is not outside the transaction merely because it is no longer held by the conveyancing stakeholder. Include every option and exercise amount in the completion worksheet.

Situation	What changes
Proceeds exceed loan and CPF refund	Refund the required CPF amount and retain the remaining cash after expenses
Proceeds cover loan but not full CPF refund	Refund the remaining net proceeds under the applicable CPF rule
Sale does not clear the housing loan	Resolve the loan shortfall with HDB or the lender before completion
Option money was received in cash	Include it in the sale-proceeds reconciliation

Related: understand how accrued interest grows

Model a shortfall honestly

If sale price is S$500,000, loan S$360,000, expenses S$12,000 and required CPF refund S$180,000, only S$128,000 remains after loan and expenses. The remaining net proceeds are below the stated CPF refund by S$52,000. This is an estimate, not a completion statement. (HDB resale terms and conditions)

A rule limiting cash top-up for CPF does not waive an outstanding bank or HDB loan. Ask the lender or HDB about the loan gap before committing to completion.

Example: Illustrative case: S$500,000 sale price less a S$360,000 loan and S$12,000 expenses leaves S$128,000 for a stated S$180,000 CPF refund. The S$52,000 difference is a planning shortfall, not a demand to pay CPF in cash.

Check whether the sale is at market value

CPF treatment can depend on whether the property is sold at market value and on the transaction date and type. Do not infer the outcome from a private calculator alone.

A sale with little or no cash proceeds can disrupt the next purchase, rental deposit and moving plan. Stress-test the householdâ??s cash needs after the completion account.

Related: prepare for the completion-day payment sequence

Date Created
11/08/2026
Author
rachelng