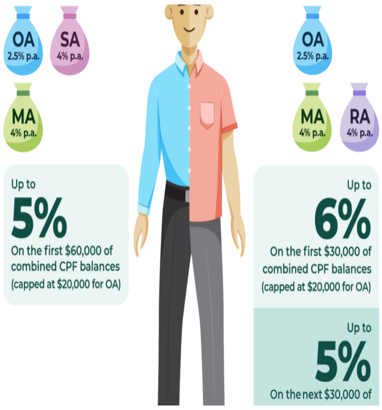

HDB Loan Interest: Work Out the Monthly Charge in 2026

Description

For 1 July to 30 September 2026, the HDB concessionary loan rate is 2.60% a year. A useful monthly estimate multiplies the opening loan balance by 2.60% and divides by 12; the remainder of the instalment reduces principal. This guide is for an hdb borrower who wants to understand how the 2.60% rate affects a monthly instalment and resolves one task: estimate the monthly interest component and distinguish it from principal repayment. The material claims were checked against HDB housing loan interest-rate page and CPF Board quarterly rate release.

Choose the route that matches your case

Situation	What to do
Existing concessionary HDB loan	Use the current published HDB rate
Comparing with a bank package	Compare total cost and repricing risk, not only todayâ??s rate
Making a partial capital repayment	Recalculate from the lower balance after posting
Instalment differs from a simple estimate	Use HDBâ??s statement because timing and daily balances can differ

Read the quarter correctly

HDB publishes the concessionary rate by quarter. The 2.60% rate applies from 1 July to 30 September 2026 and is reviewed for the next quarter. According to HDB housing loan interest-rate page, the controlling detail for this branch is the specific rule or service condition cited here.

Do not label the rate permanently fixed or infer a future quarter before HDB publishes it.

Translate the annual rate into a monthly estimate

Dividing 2.60% by 12 gives roughly 0.2167% per month. Multiplying that by the opening balance gives a planning estimate of the interest charged for that month. According to CPF Board quarterly rate release, the controlling detail for this branch is the specific rule or service condition cited here.

This is a model, not a replacement for the HDB loan statement, because exact posting dates and balance changes matter.

Separate interest and principal

The instalment first needs to cover the periodâ??s interest. What remains reduces the outstanding principal, so the interest component generally falls as the balance falls. According to HDB housing loan interest-rate page, the controlling detail for this branch is the specific rule or service condition cited here.

A flat instalment does not mean the same amount of interest is paid every month.

Model a capital repayment

A partial repayment reduces the balance on which future interest is computed once the payment is posted. Compare the interest path before and after the payment and retain an emergency fund. According to CPF Board quarterly rate release, the controlling detail for this branch is the specific rule or service condition cited here.

Do not assume every dollar saved in future interest is immediately available as cash.

Understand the CPF link

The HDB concessionary rate is pegged 0.1 percentage point above the CPF Ordinary Account rate. CPF explains that the OA rate uses a bank-rate formula subject to a 2.5% floor. According to HDB housing loan interest-rate page, the controlling detail for this branch is the specific rule or service condition cited here.

The current 2.60% therefore reflects the OA floor plus the 0.1-point peg, not a promotional home-loan quote.

Use the statement for the binding figure

A rough spreadsheet is excellent for spotting trends, but the account statement is the source for an actual charged amount and remaining term. According to CPF Board quarterly rate release, the controlling detail for this branch is the specific rule or service condition cited here.

Escalate a discrepancy with the exact statement period, opening balance, payment dates and transactions.

Run the numbers or sequence

On an opening balance of S$300,000, the LBRD monthly estimate is S$300,000 x 2.60% / 12 = S$650 interest. If the instalment is S$1,500, about S$850 reduces principal before any timing adjustments.

The calculation or sequence above is an LBRD working example. Replace every example input with the amount, date, access condition or document from your own case. Keep the official rate or threshold beside the working so another person can reproduce the answer.

Build a verification note another person can check

Before acting, create a one-page case note headed with the task, the date checked and the person responsible. Copy only the facts that affect your decision, then attach the statement, booking, application, receipt, map record or screenshot that supplies your own input. This separates a published rule from a personal assumption. If the official page changes, keep the earlier dated record but rework the decision with the live version.

Controlling source	What to verify	What to retain
HDB housing loan interest-rate page	The July to September 2026 rate of 2.60%, the 0.1-point CPF OA peg, monthly-interest formula and quarterly review.	Record the page date, the exact rule used and the case input it governs.
CPF Board quarterly rate release	The 2.5% OA floor and corresponding 2.6% HDB concessionary rate for July to September 2026.	Record the page date, the exact rule used and the case input it governs.

Read the source in context, including definitions, exceptions and effective dates. A relevant page is not proof by itself: the cited passage must contain the particular rate, deadline, eligibility condition, access rule or warning used here. Where two official channels appear inconsistent, pause and ask the authority about the exact case rather than choosing the more convenient answer.

Use the guide with its limits

Property decisions have several parallel tracks: contract, finance, title, tax and physical condition. A correct answer on one track does not clear the others. Keep each responsibility and deadline on its own row, then ask the conveyancing lawyer or authority only the narrow question their record can answer.

No interview, personal use, fresh field visit, survey result or price check is claimed unless explicitly stated. Availability, fees and procedures can change. Reopen the linked authority page immediately before payment, travel, filing or emergency use.

Before you act

1. Confirm the current quarterâ??s rate
2. Record the opening balance

3. Convert the annual rate to monthly
4. Calculate estimated interest
5. Subtract it from the instalment
6. Model any capital repayment
7. Reconcile against the HDB statement

Mistakes that change the outcome

- Calling 2.60% permanent
- Using the original loan instead of current balance
- Treating the whole instalment as interest
- Ignoring payment dates
- Comparing only headline rates

Continue with the relevant LBRD guide

Next, build a complete home-loan budget. You can also understand the CPF interest-rate framework.

Questions readers ask

Why is the HDB rate 2.60%?

It is 0.1 percentage point above the CPF OA rate, which is currently held at its floor.

Will the interest charge stay the same?

Usually not; it changes with the outstanding balance and any rate change.

Is the simple formula exact?

It is a planning estimate. Use HDBâ??s account record for the charged figure.

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