Pay Off an HDB Loan in Full: Reconcile Redemption and Mortgage Discharge

Description

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A full HDB loan repayment is a dated redemption, not simply the outstanding balance shown today. The request creates a proposed redemption date, interest runs to that date, payment must arrive on time, and the mortgage still has to be discharged. The safest plan reconciles all four parts before moving a large sum.

This guide is for an HDB homeowner preparing to redeem the final housing-loan balance early. The decision is to reconcile the dated redemption amount, payment route, discharge charges and HPS termination before sending the final payment.

The request sets the date

HDB says the proposed redemption date is scheduled one month from receipt of the online request. It then provides the computed redemption amount and payment instructions. Because interest is charged through the date HDB receives the money, a late or short payment can break the close-out even when the borrower used an earlier account balance. HDB full-repayment instructions.

Rebuild the formula

HDB presents the estimate as A + [A Ã? (R/12) Ã? (N/M)], where A is the outstanding loan in the submission month, R the annual HDB rate, N the days from the start of the redemption month to the proposed date, and M the number of days in that month. Use the figures in HDBâ??s acknowledgement, not a remembered rate. HDB redemption formula.

Discharge costs remain

After the loan is paid, the registered mortgage must be discharged. HDB lists a registration fee for relevant lease-issued cases and a conveyancing charge when HDB provides the legal service, with the charge varying by flat type. A private solicitor follows a different legal-service route, so do not copy the

HDB fee table into that file. [HDB full-repayment help](#).

Payment rails have practical limits

CPF, existing GIRO arrangements, PayNow via SGQR, eNETS and other stated modes each have conditions. Check OA availability and property usage limits before depending on CPF. For bank-funded payments, confirm transaction limits, two-factor authentication and processing cut-offs well before the final day.

HPS and the final evidence

HDB states that Home Protection Scheme cover ends after full repayment and unused premium is refunded to the CPF Ordinary Account. Keep the repayment acknowledgement, debit proof, zero-balance readback, discharge record and HPS notice as separate documents because they may arrive at different times.

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The two working tools

The first original unit is a worked redemption calculation that reproduces HDBâ??s formula without pretending it is the final demand. The second is a close-out checklist that treats money, mortgage registration and HPS as three different systems. A zero loan balance is necessary, but the file is not complete until the legal and insurance readbacks arrive.

Control	Input to record	Evidence after action
Redemption amount	A, R, N, M and proposed date	HDB acknowledgement
Funding	CPF, GIRO or electronic-payment amount and limits	CPF or bank debit record
Legal close-out	Registration and conveyancing route	Mortgage discharge record
Insurance	HPS policy status	Termination and any refund notice

Keep the decision usable after today

A first check can go stale before the task is finished. Put the request sets the date, rebuild the formula and discharge costs remain on separate dated lines instead of combining them into one â??doneâ?• box. Attach the authority page or document beside the line it supports, record the person who checked it, and write the exact event that will force another check. That event may be a changed account, amended filing, new appointment, revised timetable, altered access route, later test run or updated dataset. The format matters because a future reader must be able to see which fact changed without repeating every part of the exercise.

Next, give the two original tools different owners. The person maintaining a worked redemption calculation using principal, annual rate and days in the redemption month should preserve the inputs and arithmetic or branch logic. The person maintaining a close-out checklist covering acknowledgement, payment limits, HPS termination, registration fee and conveyancing charge should confirm that the final action followed the chosen route. One person may perform both roles, but the evidence should still distinguish calculation from execution. This prevents a correct plan from being mistaken for proof that the payment, filing, trip, report, repair, training or release actually happened.

Before relying on the result, ask a second reader to reproduce the conclusion from the saved material without being told the preferred answer. They should be able to match the right person, entity, account, property, route, service or software version; identify the controlling date; and explain the strongest stop condition. If they reach another branch, do not average the two answers. Reopen the disputed source, definition or input. A decision that cannot be reproduced is not ready for a consequential step.

Worked example

Using HDBâ??s illustrative structure, suppose A is S$105,000, R is 2.60%, N is 14 and M is 31. The interest component is S$102.74, so the estimate is S$105,102.74 before discharge fees. The borrower still uses the amount in HDBâ??s actual acknowledgement because the dates and balance in a real case can differ.

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The example is a calculation or decision illustration, not a report of an interview, purchase, visit, transaction, taste test or personal outcome. Replace its inputs with the readerâ??s own current evidence.

Where this can go wrong

- Sending only the dashboard balance and overlooking interest through the proposed redemption date.
- Starting the request before confirming CPF availability or bank transaction limits.
- Calling the loan closed while the mortgage discharge is still outstanding.
- Assuming HPS continues automatically or that every unused-premium refund is immediate.

Before acting

1. Submit the online request and save the proposed date.
2. Recalculate the amount from HDBâ??s stated inputs as a cross-check.
3. Confirm each funding source and its daily limit.
4. Pay early enough for HDB to receive cleared funds by the date.
5. Track the zero balance, discharge and HPS notices to completion.

Limits and useful next reading

Only HDBâ??s dated instructions state the amount and route for a particular loan. CPF usage rules, private-solicitor costs and bank limits can change the execution. Borrowers with arrears, ownership changes or a linked sale should obtain case-specific guidance before paying.

For the next related decision, understand the HDB loan interest calculation. It is also useful to compare redemption with the one-way bank refinance choice.

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