

Housing and Development (Mortgage to Lender) Rules

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HOUSING AND DEVELOPMENT ACT
(CHAPTER 129, SECTION 65(1))

HOUSING AND DEVELOPMENT (MORTGAGE TO LENDER) RULES

R 10

G.N. No. S 650/2002

REVISED EDITION 2004

(29th February 2004)

[1st January 2003]

Citation

1. These Rules may be cited as the Housing and Development (Mortgage to Lender) Rules.

Definitions

2. In these Rules, unless the context otherwise requires —

“flat” means any flat, house or other building sold under Part IV of the Act which has been acquired by the present owner thereof whether directly from the Board or otherwise;

“lender” means any —

(a) bank that holds a licence under section 7 or 79 of the Banking Act (Cap. 19);

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(b) finance company licensed under the Finance Companies Act (Cap. 108);

(c) direct insurer registered under the Insurance Act (Cap. 142); or

(d) merchant bank that holds a merchant bank licence, or is treated as having been granted a merchant bank licence, under the Banking Act;

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“mortgage” includes any charge on any flat for securing the repayment of any money lent to any person.

Terms and conditions applicable to mortgages

3. Subject to rule 5, where a flat is mortgaged to a lender as security for a loan which is disbursed on or after 1st January 2003, the Board shall, for the purposes of section 50 of the Act, be deemed to have granted its prior written consent to the mortgage subject to the following terms and conditions:

(a) the mortgage shall be security solely for the repayment of a housing loan granted to the mortgagor to finance or re-finance the purchase of the mortgaged flat;

(b) the mortgagee shall hold the mortgaged flat subject to the rights and powers of the Board under the Act (including these Rules and all other subsidiary legislation made under the Act) and the agreement for lease or lease entered into between the Board and the mortgagor, and shall comply with the policies of the Board that may from time to time be imposed;

(c) the mortgagee shall not exercise its power of sale under the mortgage unless it has first granted an option to the Board or the Board’s nominee to purchase the mortgaged flat at an official sale price determined by the