

Background on the Fresh Start Housing Scheme

The Fresh Start Housing Scheme was launched in 2016 to help second-timer families with young children, who are currently staying in public rental flats, own a HDB flat, so that they can start afresh in a new home. The key features of the scheme are as follows:

- a. Eligible¹ families can **buy a 2-room flat on a shorter lease of 45 to 65 years**, instead of the usual 99-year lease
- b. They can **take a mortgage loan from HDB**, subject to credit assessment
- c. Their **resale levy will be capped at \$30,000 (for a 99-year lease)**, and adjusted downwards based on the lease period chosen
- d. The family will **receive a Fresh Start Housing Grant of \$35,000²**
- e. Like other public rental families who apply to purchase an HDB flat, they will **benefit from priority allocation in HDB's sales exercises** under the Tenants' Priority Scheme.

2 To qualify for the Fresh Start Housing Scheme, one of the original criteria in 2016 was that the family must have stayed in a public rental flat for at least two years. In 2018,

¹ To qualify for Fresh Start, the family has to meet the following criteria:

- a) The applicant(s) must be at least age 35 and below age 55. At least one parent must be a Singapore Citizen (SC), and they must have at least one SC child aged 18 or younger.
- b) The applicant(s) must have occupied a public rental flat for at least one year, without accumulating three or more months of rental arrears at any point in the preceding 12 months.
- c) At least one applicant is employed at the point of flat application and has been in continuous employment for the preceding 12 months.

² Eligible households will receive an upfront Fresh Start Housing Grant of \$20,000 at key collection, and an additional \$15,000 disbursed in equal tranches over five years after key collection, subject to yearly social assessments by HDB. To ensure a stable home for the children, families who buy a flat under Fresh Start will need to fulfil a Minimum Occupation Period (MOP) of 20 years before they can sell or rent out their flat.

this requirement was reduced to one year, to help families who are ready for the Fresh Start Housing Scheme to qualify sooner.

3 In 2019, the Fresh Start Housing Scheme was further enhanced to benefit even more families, while also providing stronger support to help these families stay on track in their journey to home ownership. The enhancements were as follows:

- a. **Set up of Fresh Start Support Programme (FSSP)** to help Fresh Start families stay on track in their journey towards home ownership. The Support Programme is run by a social service agency appointed by the Government. Through closer and more regular contact with families, the FSSP allows challenges that families may face to be addressed early and ensure that support is provided in a timely manner.
- b. **Special consideration for selected families who applied but did not meet some of the criteria.** Some families may not qualify for the Fresh Start Housing Scheme but demonstrate good potential and motivation for it. Flexibility will be given to these families to join the Fresh Start Housing Scheme and book a BTO flat. They will also receive more intensive support through the FSSP.
- c. **The age limit for the youngest child was increased from 16 to age 18** to benefit more families. Families will need to have at least one child aged 18 or younger in order to qualify for the Fresh Start Housing Scheme.

4 This year, MND and HDB announced that the Fresh Start Housing Grant will be increased from \$35,000 to \$50,000, and that the Fresh Start Housing scheme will be expanded to enable families to purchase 3-room flats on shorter leases. The implementation details of these enhancements will be announced in due course.