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## NEWS RELEASE

### **UOB launches new property loan calculator online to help homebuyers check their TDSR for mortgage loans**

**Singapore, 18 December 2014** – United Overseas Bank (UOB) today launched a new property loan calculator online to make it easier for potential home owners to determine their total debt servicing ratio<sup>1</sup> (TDSR) for mortgage loan applications.

Under the Monetary Authority of Singapore's (MAS) TDSR framework, financial institutions can only offer loans to customers with a total debt servicing ratio of 60 per cent or lower. When surveyed by UOB<sup>2</sup>, one in three homebuyers said that they were unaware or did not understand the TDSR criteria for property loans.

UOB's TDSR calculator covers loans to purchase and to re-finance properties across all property types, including private residences, Housing Development Board (HDB) flats, international properties and commercial properties.<sup>3</sup> The service is free and can be found on UOB's website under the Bank's Mortgage Resource Centre.

Ms Chia Siew Cheng, Head of Secured Loans, UOB Group said, "Our aim is to make it easier for our customers to understand their personal financial situation and for them to be able to make informed decisions about purchasing or refinancing a property. Our calculator serves as a convenient self-help solution and provides users with a clear indication of their loan commitments before they decide to purchase a property."

UOB's TDSR calculator also suits the one in two survey respondents who prefers to use online calculators to find out how much they can borrow before they send their applications to a mortgage banker. It can evaluate the TDSR or mortgage servicing ratio (MSR)<sup>4</sup> for up to four borrowers. It also offers the option for customers to pledge financial assets such as unit trusts, shares and bonds, and structured deposits as additional income streams for detailed mortgage analysis.

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<sup>1</sup> The MAS introduced the total debt servicing ratio (TDSR) framework in June 2013 which requires financial institutions to review the borrowers' outstanding debt obligations before granting property loans. The TDSR should not exceed 60 per cent.

<sup>2</sup> In March 2014, UOB surveyed 210 Singaporeans and Permanent Residents aged 21 to 65 who had bought a property in the past nine months or were looking to purchase a property within the next two years.

<sup>3</sup> The calculator uses 3.5 per cent interest rate for residential properties and 4.5 per cent for non-residential properties such as commercial properties, located in Singapore and overseas, according to MAS regulatory requirements.

<sup>4</sup> The MSR is the proportion of monthly gross income spent on mortgage repayments. The MAS stipulates that MSR applies to HDB flats and Executive Condominiums directly from developers only and must not exceed 30 per cent.

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Results from the UOB TDSR calculator are displayed onscreen without requiring consumers to leave their contact details on the website. Once the check is completed, customers have three options:

- “Apply Now” to sign up for new loans or click an alternative link to enquire about existing ones<sup>5</sup>;
- “Let’s Chat” for a call-back by a UOB mortgage banker to obtain more information; or
- “Recalculate” to input new figures.

Ms Chia said, “Buying a property is a long-term commitment. When someone decides to buy a property, they should be clear about the costs and terms of their home loans. They should also set aside sufficient funds to manage potential rising interest rates and other unforeseen circumstances. We encourage potential homebuyers to approach mortgage bankers for advice as they can guide them through these considerations.”

UOB’s TDSR calculator is available at: [www.uob.com.sg/TDSR](http://www.uob.com.sg/TDSR)

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### About United Overseas Bank

United Overseas Bank Limited (UOB) is a leading bank in Asia with a global network of more than 500 offices in 19 countries and territories in Asia Pacific, Western Europe and North America. Since its incorporation in 1935, UOB has grown organically and through a series of strategic acquisitions. In Asia it operates through its branches and representative offices as well as banking subsidiaries in China, Indonesia, Malaysia, the Philippines, Singapore and Thailand.

UOB plays an active role in the community, focusing on the arts, education and children. It has, over more than three decades, held the longest-running art competition in Singapore, the UOB Painting of the Year. In recognition of its contributions to the arts, UOB was conferred the National Arts Council’s Distinguished Patron of the Arts Award for the tenth consecutive year in 2014. UOB also encourages its employees across the region to be involved in its regular volunteer activities. This includes the annual UOB Heartbeat Run which is held in Singapore, Malaysia, Indonesia, Thailand and mainland China.

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<sup>5</sup> All loan applications shall be subjected to the Bank’s approval and prevailing regulatory guidelines and requirements. Customers have to ensure that they meet all eligibility criteria under HDB rules for HDB and Executive Condominiums.