

**GOVERNMENT OF WEST BENGAL  
FINANCE DEPARTMENT  
AUDIT BRANCH**

No. 1847-FB.

Dated 16<sup>th</sup> January, 2007.

**MEMORANDUM**

***Subject: Housing Loan Scheme for the Employees of the Government of West Bengal in association with the West Bengal State Cooperative Bank Ltd.***

The undersigned is directed to say that in terms of the contents of G. O. No. 214-FB. dated 28.01. 2003, the State Government invited further offers for providing Housing Loans to State Government employees from different Nationalised Banks. The WBSCB Ltd. an autonomous body incorporated under the West Bengal Co-operative Societies Act 1983 (hereinafter refer to as WBSCB Ltd.), having Member Associates represented by Central Co-operative Bank in different Districts and Sub-Divisions of West Bengal, as per their internal arrangement duly made officially for the purpose of extending Housing Loan facility to the employees/officials of the Government of West Bengal, (hereinafter refer to as "Member Associate"), offered their willingness *suomoto* for implementation of such Housing Loan Scheme. The terms and conditions offered by the West Bengal State Co-operative Bank Ltd. were acceptable for implementation of the alternative scheme. Accordingly, similar type Housing Loan Scheme is drawn up in association with the West Bengal State Co-operative Bank Ltd.

**2) Purpose of loan :**

The loan will be granted for the following purpose :

a) For purchase of land and construction of residential house thereon ; For construction of a residential house on land in the name of the employee ; For purchase of ready built house/flat ; (old/new); For purchase of a flat under construction ;

b) For additions and alterations or repairs and renovation of existing own residential house ;

c) i) The West Bengal State Co-operative Bank Ltd. and its Member Associates will also extend loans to the employees who have got the first charge only with Government of West Bengal by creating a second charge and separate title search will not be insisted upon. In such cases State Government will certify that they are holding the first charge and they have no objection to place the property under equitable mortgage. It will be executed by an Tripartite agreement for obtaining of 2nd charge over the property provided the residual value of the property will cover adequately the Bank Loan Amount after meeting the liability on the first charge.

ii) Arrangement will be made for the Tripartite Agreement signed by the Competent Authority, where Loan is to be sanctioned against 2nd Charge.

iii) Quantum of loan is determined in such a way that, under no circumstances, total deduction from Gross salary to the applicant including EMI of the proposed loan exceeds 60% of the gross emoluments.

**3) Application Form :**

The Application Forms to obtain Housing loan will be available from all the branches of West Bengal State Co-operative Bank Ltd. and its Member Associates in West Bengal as per list (Annexure-A).

In case of Kolkata, the Directorate of Treasuries & Accounts will prepare a list of DDOs who may be linked to

different concerned WBSCB Ltd./ Member Associate of the WBSCB Ltd. The completed application form along with other requisite papers and declaration Form (Annexure-B) duly filled in and signed by the Applicant will be accepted in the concerned WBSCB purpose is shown in Annexure-AI.

#### **4) Modalities of processing at the end of the State Govt. Office :**

i) The WBSCB Ltd./Member Associate of the WBSCB Ltd. in turn being satisfied that the application is in order will forward the same to the respective Drawing and Disbursing Officer with full address declared by the applicant for verification and further necessary action.

a) In case of Constituted Cadres : The processed application will be sent to the Cadre controlling authority by the DDO concerned to verify the service records for determining the eligibility. The Cadre controlling Authority/Head of the Department or such office on behalf of them duly authorized will verify the bonafide status of the applicant-employee and recommend to WBSCB Ltd./Member Associate of the WBSCB Ltd. for the loan in a Certificate Form on the body of the application as per format in Annexure-C. The Controlling Officer of the Department where the applicant-employee is posted may also act accordingly on specific authorization.

b) In case of Other Service : The processed applications will be sent to the Head of the Office/ Controlling Officer by the concerned DDO to verify the service records for determination of the eligibility, who will verify the bonafide status of the applicant-employee and recommend to the concerned WBSCB Ltd./Member Associate of the WBSCB Ltd. for the loan in a Certificate Form as per format in Annexure-C.

(ii) On completion of the above formalities, the vetted application will be sent back to the originating Branch of WBSCB LTD ./Member Associate.

#### **5) Modalities of processing at the end of the concerned Branch of W.B.S.C.B. LTDVMember Associates of the WBSCB Ltd. :**

The concerned WBSCB LTD./ Member Associate on receiving the application along with requisite assurance and declaration as per proforma in Application Form will process the loan. The WBSCB Ltd./ Member Associate after completion of the formalities will sanction and disburse the loan to the respective Government employee and inform immediately the respective D.D.O. about the amount of EMI and starting date of repayment to enable him to remit the EMI after deducting the same from the Salary of the State Government employee every month till full repayment of the loan to the concerned Branch is made.

#### **6) Eligibility criteria :**

State Government employees who have completed at least one year's continuous service in a regular post will be eligible to apply for the housing loans.

#### **7) Loan Amount :**

i) The maximum loan amount admissible for construction of House on a land purchased/to be purchased for construction of a residential house thereon/purchase of ready-built house (old or new) /flat (old or new) which is free from all encumbrances and free hold Deed/ Saleable property will be 65 (sixty five) times the Basic Pay plus Dearness Allowance, subject to a maximum of Rs. 12.00 lakh (maximum permissible amount of Government). The take home pay after excluding contribution of Provident Fund and EMI of the proposed Loan would be 40% of gross salary.

ii) In respect of Additions and Alterations/renovation the maximum amount will be 20 (twenty) times Basic Pay plus Dearness Allowance of the employee's salary to a maximum limit of Loan of Rs. 5.00 lakh. Take home pay,

excluding contribution but on P. F. and EMI of the proposed Loan would be 40% of gross salary.

iii) For repairs, the maximum amount shall be 15 (fifteen) times the Basic Pay plus Dearness Allowance of the employee subject to a maximum of Rs. 3.00 (three) lakh. Take home pay excluding contribution to P.F. and EMI of the proposed Loan would be 40% of Gross salary. Relaxation on the limitation will be considered by Board of respective WBSCB Ltd./Member Associate of the WBSCB Ltd. or their Investment Loan Committee.

#### **8) Loan Disbursement :**

i) Disbursement will be made to the employee concerned by cheque, credited to his Account in case of purchase of ready-built house/flat after contribution of booking amount as advance by the employee.

ii) In all other cases, disbursement will be made in phased manner correlated with the progress made in the construction and/or as per the disbursement schedule as the case may be, to the employee concerned by cheque credited to his Account.

iii) All subsequent installments shall be disbursed after receipts of request letter certifying the utilization of previous disbursement in full and enclosing the receipt from the Builder/Promoter, wherever applicable.

#### **9) Insurance :**

i) The loan outstanding will be covered by LIC Ltd. for the employee's (loanee) life. The one time premium will be given as loan along with amount of housing loan.

ii) Quantum of premium (one time) LIC Ltd. for the employee's (loanee) life will be intimated by the concerned WBSCB LTD./Member Associates of WBSCB Ltd. ; (premium rate Table-Annexure-E). This component of Insurance premium will be considered within overall Loan limit and will not be considered in the computation of Take Home Pay limitations.

iii) The property shall be insured by the employee against the risks of fire/ earthquake/ flood/ riot/ war etc., miscellaneous perils. The payment of premium for property insurance may be treated as Loan element. (Premium norms-Annexure-E).

#### **10) Mortgage/Security :**

i) The property being financed by the WBSCB LTD ./Member Associate of WBSCB Ltd. shall be placed under equitable mortgage by deposit of title deeds with the concerned WBSCB LTD./ Member Associate of the WBSCB Ltd. Agreement deed for purchase of flat under construction in original shall be deposited to the concerned WBSCB LTD./ Member Associate of WBSCB Ltd. before receiving loan.

ii) Second charge mortgage may be executed by a Tripartite Agreement for obtaining of 2nd charge over the property as per prescribed format (Annexure-D).

iii) Registered mortgage over the property may be made in all cases where considered necessary by the sanctioning authority in consultation with State Government (Head of the Department/ Controlling Officer), if necessary, with the concurrence of finance Department.

iv) The WBSCB LTD./Member Associate of WBSCB Ltd. will obtain a search report by an Advocate empanelled with the concerned WBSCB LTD./Member Associate to the effect that the title is clear and valid and that an equitable mortgage can be created. The panel Advocate shall examine the documents of the property and furnish the search

report. The charges will be borne by the employee concerned. No other processing fees will be payable by the employee.

v) Wherever creation of equitable mortgage is likely to be delayed, suitable third party guarantee or collaterals may be accepted by WBSCB LTD./ Member Associate Ltd. besides obtaining an agreement to create mortgage. The mortgage should subsequently be created at the earliest.

### **11) Interest :**

i)

Upto 5 years	7.75% p.a.
Above 5 years to 10 years	8.00%p.a.
Above 10 years to 15 years	8.50%p.a.
Above 15 years to 20 years	8.75%p.a.

The interest shall be applicable only at fixed rate under this arrangement. The actual rate to be applied shall remain valid for two years with effect from the date of issue of this G.O. WBSCB LTD. shall inform the rates of interest to Govt. of West Bengal after the expiry of two years from the date of introduction of the Housing Loan Scheme.

ii) The interest shall be calculated as per usual WBSCB Ltd. norms as per schedule to be provided by W.B.S.C.B. LTD.

iii) The rates shall be applicable to all loans sanctioned during the year and fixed throughout the repayment period of such loans.

### **12) Recovery of Housing Loan from State Govt. Employee :**

i) The principal and interest will be recovered in Equated Monthly Instalments (EMI) as per repayment schedule to be furnished by the concerned WBSCB LTD./Member Associate of WBSCD Ltd. for recovery from Monthly Salary Bill of the incumbent concerned. The Drawing & Disbursing Officer of the concerned employee shall recover the EMI from the salary of the employee and remit the amount every month to the concerned WBSCB LTD./Member Associate of WBSCD Ltd. to be specified separately as per declaration of the incumbent concerned with the Application Form. The Form of assent of employee about deduction of EMI is to be furnished by the employee on the body of the Application Form as per format (Annexure-B). DDO of the employee's (Loanee's) office will send the total amount recovered for the cases of that office monthly by the 15th working day of the month to the concerned WBSCB LTD./Member Associate of WBSCB Ltd. with a statement showing the position of recovery for all cases case-wise.

ii) The EMI will be so fixed so that the Loan will be fully repaid within a maximum period of 240 months or the remaining period of service of the State Govt. employee whichever is earlier. Repayment of the Housing loan shall commence from the next month by way of deducting from Salary bill after the month of receiving of first instalment of Housing loan by the loanee employee.

In case of Deputation in Foreign Service, modalities of the recovery will be incorporated into the terms of deputation.

iii) In the event of transfer of the employee, the amount to be recovered and the WBSCB LTD./Member Associate of WBSCB Ltd. where the EMI is to be remitted being one of the designated WBSCB LTD./Member Associate of WBSCB Ltd. tagged to the D.D.O. concerned will have to be incorporated in the employee's Last Pay Certificate (LPC).

iv) If for any reason the employee does not get monthly salary or there is a shortfall in his monthly salary for

recovery of EMI in any month, the payment of usual EMI shall be decided in consultation with the Finance Department of the State Govt. and WBSCB LTD./ Member Associate of WBSCB Ltd. concerned in due course.

v) In case the employee commits breach of any of conditions under which the loan is sanctioned, the entire amount to loan with interest shall become payable in lumpsum and shall be recoverable under the provisions of the Public Demand Recovery Act./ West Bengal Co-operative Societies Act., 1983.

vi) Balance amount, if any outstanding at the time of retirement, may be adjusted from the Superannuation benefits. An undertaking to that effect will be obtained from employee concerned by the WBSCB LTD./ Member Associate processing the loan (Annexure-B).

### **13) Nominal Membership :**

Every applicant employee eligible to avail of such Loan is required to be admitted as on Nominal Member by paying Rs. 100.00 one time as per the West Bengal Co-operative Societies Atc, 1983, which may be adjusted within the Sanctioned loan amount.

### **14) Remittance to W.B.S.C.B. LTD/Member Associate :**

i) The DDO concerned will arrange to deduct the EMI from the Monthly Salary Bill of concerned employee as per repayment schedule given by WBSCB LTD/Member Associate of WBSCB Ltd. and as authorized by the employee concerned and prefer the bill to the respective Pay and Accounts Officer/Treasury/Sub-Treasury/Post Audit Cheque Drawing Officer. A copy of the repayment Broadsheet is to be prepared separately as per specimen appended herewith (Annexure-G). The Broadsheet will indicate the name of the loanee employee with Designation and name of the Office where he is posted at the time of deduction, employee's code number in respect of loanee employee. The Employee's code number will be the same as the General Provident Fund Account Number of respective employee. WBSCB LTD/Member Associate of WBSCB Ltd. may also use the same with the Housing Loan Account of respective Govt. employee to locate the identification of such State Govt. employee.

ii) After giving effect of deduction of EMI of Housing Loan, a consolidated cheque will be drawn in favour of Branch manager of concerned WBSCB LTD/Member Associate of WBSCB Ltd. as will be indicated in the repayment schedule, covering all loanee employees containing in such Acquittance Rolls. Cheque Drawing authorities as indicated under (i) above will issue two separate cheques. One will be cover salary components (net) and other the EMI of Housing Loan of the employee. The concerned DDO will send the cheque along with repayment broadsheet mentioned at 13(i) to the concerned WBSCB LTD/Member Associate of WBSCB Ltd to whom it has been drawn for remittance to each loanee employee's loan account towards recovery of EMI on housing loan by 15th working day of the subsequent month.

iii) In the event of transfer of the loanee employee, the WBSCB LTD./Member Associate of WBSCB Ltd. after receipt of the proceeds of EMI of the concerned employee from the DDO of the new office to which the employee is presently attached on his transfer will send the amount of EMI by the internal arrangement between the WBSCB LTD./ Member Associate of WBSCB Ltd. from where the employee has originally taken his housing loan and where record is maintained there under in the same Home Loan Account. The WBSCB LTD./Member associate of WBSCB Ltd. on receipt of the said EMI will immediately credit the amount to the Home Loan Account of the concerned employee. Home Loan Account number will remain same till the full repayment of loan and interest is made through the Loanee employee is transferred elsewhere in different districts.

After the same time, DDOs should invariably mention the 'Home Loan Account' number and concerned WBSCB LTD./Member Associate of WBSCB Ltd. together with other particulars in the concerned employee's Last Pay Certificate. They may also keep the concerned WBSCB LTD./Member Associate of WBSCB Ltd. apprised of the employee's transfer to the new station. This will enable the two branches (both transferer and transferee) to

arrange for smooth transfer/acceptance and credit of the EMI in the loanee employee's Home Loan Account.

**15) Return of Mortgage Deeds/Agreement :**

After full repayment of the Housing loan along with interest accrued thereon, W.B.S.C.B. LTD. will issue a complete recovery certificate. The WBSCB Ltd. will ultimately be sole responsible to arrange to issue complete Loan Recovery Certificate i.e. clearance certificate in favour of the Loanee Government employee. W.B.S.C.B. LTD. will arrange to return all requisite papers and Deeds/Agreement fully mortgaged and deposited with them against Housing Loan to the loanee State Govt. employee immediately along with complete loan recovery certificate. Concerned WBSCB LTD./Member Associate of WBSCB Ltd. where from loan will be sanctioned and equitable mortgage would be created, will issue the certificate showing complete repayment of Housing loan along with interest and discharge the mortgaged deed after all the EMIs are paid to the loanee employee concerned direct on the basis of authority given by the DDO concerned.

**16) Validity :**

The Housing Loan Scheme involved herein will normally be valid for 5 years from the date of the MOU where after it may be reviewed. However, it may be codified as necessary at any time with mutual consent between WBSCB Ltd. and the State Government.

**17) E.M.I. Table (Annexure-F).**

18) Application form, Declaration form (Annexure-A). Form of Certificate (Annexure-C) and Specimen of Tripartite Agreement (Annexure-D) will be available from the W.B.S.C.B. LTD. and its Member Associates.

**19) Form of Declaration (Annexure-B)**

Existing order 90-F.B. dated 13.01.2005 Finance Department Budget Branch will remain valid until further orders along with present order.

*Sd/- D. Chattopadhyay*

O.S.D. &-Officio Joint Secretary to the  
Government of West Bengal.