

**GOVERNMENT OF WEST BENGAL
FINANCE DEPARTMENT
BUDGET**

No. 1300-FB

Calcutta, the 31st May, 1999.

MEMORANDUM

Subject: Rules regulating the grant of loans to Government servants for house-building purposes - Revision / Liberalisation of.

In consideration of rising prices of land and building materials and with a view to offering encouragement to Government servants to construct/purchase their own residential houses/ flats, the undersigned is directed by order of the Governor to say that Governor is pleased to revise, in partial modification of Memo Nos. 3301-FB, dated 2.9.85, 308-FB, dated 19.2.87, 922-FB, dated 21.5.90, 1257-FB, dated 8.7.91 and the existing rules laid down in Rules 308 to 312 of the West Bengal Financial Rules, Volume-I, the terms and conditions of house-building loans as follows:

(THE QUANTUM OF LOAN)

(i) The maximum amount of the loan in connection with construction/acquisition of a house/flat will be equivalent to 50 months' basic pay or actual cost of construction/ acquisition, whichever is less, subject to a maximum of Rs. 5 lakhs.

(ii) In case of making additions and alterations to a house/flat, the amount of loan will be equivalent to 30 months' basic pay or actual cost of additions and alterations, whichever is less, subject to a maximum of Rs. 1 lakh.

(iii) The amount of loan for making repairs to a house/flat will be equivalent to 10 months' basic pay or actual cost of repairs, whichever is less, subject to a maximum of Rs. 50,000.

2) The Government servants, who have already drawn the maximum amount of the loans on the basis of their basic pay as per W.B.S. (R.O.P.A.) Rules, 1990 admissible for construction/ acquisition of houses/ flats in terms of the existing financial rules, will be eligible to the additional amount of loans representing their 50 months' present basic pay as per W.B.S. (R.O.P.A.) Rules, 1998 subject to a maximum of Rs. 5 lakhs or actual cost of construction/ acquisition of the houses/ flats less the amount of loan actually drawn previously but not earlier than 1.1.1996 provided construction/ acquisition of the houses/flats in question have not been completed as per previously approved plan/ agreement made with the vendor for drawal of the original loan.

(a) Such amount of loans for construction purpose will be released in two instalments viz. (1) first 50% of the loan in the first instalment after registration of the supplementary mortgage deed in the Registration Office and (2) the balance 50% of the loan in the second and last instalment after production of satisfactory evidence showing that 50% of the balance estimated work towards construction of the houses for which the money is now being made available has been completed. For acquisition of houses/flats, such amount of loans will be released in one lump after execution

of a fresh agreement between the loanee Government servant and the Government on behalf of the Governor of the State of West Bengal for acceptance by the Government or registration of the mortgage deed, as the case may be.

(b) Such amount of loans will not be admissible to the employees who have already drawn the loan for making additions and alterations to their houses/flats and who have also drawn the additional loans previously in terms of para 2 of Memo No. 922-FB, dated 21.5.90.

(c) Period and mode of recovery of the loan:

(i) In respect of loans for construction/acquisition of a house as well as for additions and alterations to a house/flat the maximum period of recovery of the amount of the loan and the interest accruing thereon will be 20 years i.e. 240 monthly instalments of which the first 180 instalments will represent recovery of principal and the balance 60 instalments interest accrued on the loans.

(ii) The maximum period of recovery of the amount of the loan and the interest accruing thereon in the case of repairs to a house/flat will be 6 years i.e. in 72 monthly instalments of which the first 60 instalments will represent recovery of principal and the balance 12 instalments interest accrued on the loan.

3) The Government servants, who have already drawn the maximum amount of loans on the basis of their basic pay as per W.B.S. (R.O.P.A.) Rules, 1990 admissible for making additions and alterations to their houses/flats in terms of the existing financial rules, will be entitled to get the additional amount of loans representing their 30 months' present basic pay as per W.B.S. (R.O.P.A.) Rules, 1998 subject to a maximum of Rs. 1 lakh or actual cost of the work less the loans actually drawn by them previously but not earlier than 1.1.1996 provided the work towards additions alterations have not been completed as per previously approved plan for drawal of the earlier loans.

(a) Such amount of loans will be released in one lump after registration of a Supplementary Mortgage Deed as security of the loans.

(b) Such amount of loans will not be admissible to the Government servants who have already drawn the additional loans in terms of para 3 of Memo No. 922-FB, dated 21.5.90.

(c) Mode of recovery of such loans will be the same as in para 2(c) of this order.

4) In case, loan for repairing of houses/flats have already been availed of earlier, further loan for repairing purposes will be available.

5) In case of loan for purchasing the plot of land with a view to constructing a residential house thereon, 40% of the admissible amount of loan i.e. 50 months' basic pay subject to a maximum of Rs. 5 lakhs or actual cost of the land as per agreement, whichever is less, will be admissible in one lump for purchasing the plot of land and remaining 60% of the admissible amount of loan will be released as usual in three instalments for construction of the residential house thereon as provided for under Rule 308 (III) of W.B.F.R., Vol.-I.

- 6) For recovery of any type of the loans for house-building purposes, amount of each instalment of principal loans will not be more than one-third of the basic pay of the concerned loanee Government servant at the time of sanctioning each category of loan as enumerated above. (Half of the basic pay may be recovered as per G. O. No. 2683-F, dt. 25.10.99).
- 7) The Government servant, who has not drawn the loan for construction/acquisition of house/flat from the Government in terms of Rule 308 or 309 of W.B.F.R., Vol.-I, will be entitled to get the loan for making additions and alterations to his/her residential house/flat subject to the fulfilment of all the terms and conditions as per rules and existing orders of the Government.
- 8) In case of husband and wife, where both of them in service under the State Government/one of them in service under State Government and the other in service under any Undertaking Body or Autonomous Body or Statutory Body of the State Government, only one of them will enjoy the benefit of House-Building Loans. A State Government employee will not be allowed to enjoy the benefit of House-Building Loans whose husband/wife is in Service under the Central Government/Life Insurance Corporation of India/Nationalised Banks/Undertaking Body or Autonomous Body or Statutory Body of the Central Government and has already drawn the H.B. Loans for residential purposes.
- 9) In cancellation of Government Order No. 33-FB, dated 4.1.91, it has been decided that the Government Servant will also be eligible to avail himself of House-Building Loans from Nationalised Banks/Government Financial Institutions in addition to House-Building Loans obtained from Government. A Government employee desirous of availing House- Building Loans from a Nationalised Bank or other Government Financial organisations in addition to the loan obtained from the State Government for construction/purchase of a residential house or a fiat will have to execute a bond mortgaging his property as "First Charge" in favour of the State Government.
- 10) The cost ceiling limit of construction/acquisition of the house/flat will be to the tune of Rs. 12 lakhs including all sources.
- 11) The existing terms and conditions regulating the grant of such loans except to the extent that they are now being amended herein will remain in force mutatis mutandis.
- 12) Necessary amendment for the relevant rules and orders will be made in due course.

Sd/- S. GUPTA

Jt. Secy. to the Govt. of West Bengal.