

# **HOUSE BUILDING ADVANCE**

(Updated upto 03-07-2000)

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## **QUANTUM OF HOUSE BUILDING ADVANCE (HBA)**

(a) The amount of House Building Advance admissible is 200 times the monthly basic pay or Rs. 7.50 lakhs or actual cost of the flat/house whichever be lowest, for construction/acquisition of a house.

(b) In the case of enlargement of existing accommodation owned by the official, the maximum amount of advance admissible under the rule is 50 times the monthly basic pay or Rs. 1.80 lakhs whichever is less, subject to the condition that the amount of advance will be limited to repaying capacity of the employee or the actual cost of construction/acquisition of enlargement whichever be lower.

[Letter No. F(E)Spl.97/Adv./3/6 dated 29.12.97]

## RATES OF INTEREST

Existing rates of interest on House Building Advance is as under:—

Amount of Advance	Rate of interest
(a) Sanctioned advance upto Rs. 50,000/-	7.5%
(b) Sanctioned advance upto Rs. 1 –50 lakhs	9 %
(c) Sanctioned advance upto Rs. 5 lakhs	11%
(d) Sanctioned advance upto Rs. 12 lakhs	12%

## REPAYING CAPACITY ;

The repaying capacity of applicant Railway servant will be computed as under :—

Length of remaining service	Slab of repaying capacity
(a) Officials retiring after 20 years	35% of the basic pay
(b) Officials retiring after 10 years but not later than 20 years.	40% of the basic pay after adjustment of 65% of <b>DCRG</b>
(c) Officials retiring within 10 years	50% of basic pay after adjust-ment of 75% of <b>DCRG.</b>

The additional-interest of 2 1/2% above the prescribed rates of interest laid down will not be taken into account for the purpose of computing the repaying capacity.

# ELIGIBILITY

House building advance -may be granted to the following categories of railway servants :—

- (a) Permanent Central Govt. railway servants;
- (b) Temporary railway servants with 10 years continuous service, provided the sanctioning authority is satisfied that they are likely to continue in the service of the railway till the house is completely built and mortgaged to government and in addition happen to be in possession of a developed plot of land on which construction can immediately commence on receipt of the advance applied for; and they do not hold a permanent appointment under the State Government.
- (c) Officers who belong to All India Services of the category, viz. IAS, IPS, IBS etc. who are on deputation to the Railway continuously for 6 years.

note :— Post-military service of ex-servicemen may be counted for reckoning 10 years to become eligible for sanction House Building Advance provided they have not drawn the advance during military service and recovery of advance with interest is ensured during re-employed service.

[No. F(E) Spl. 87/Adv./3/6 dated 31-3-1987].

- (d) Railway servants covered under Payment of Wages Act provided the sanctioning authorities satisfies himself in consultation with the legal authorities that :
  - (i) the total amount of deduction (including house-building loan recovery) in terms of Section 7(2) of the Payment of Wages Act are not likely to exceed the limits stipulated in Section 7(3) of the Act; and
  - (ii) it is possible, in terms of Section 12(A) of the Act to effect recoveries of house building loan in the usual manner laid down in the House Building Advance Rules.
- (e) if both husband and wife are railway servants, advances is admissible to one of them. Where a house-site is owned jointly by husband and wife, amount will be sanctioned only if both agree to mortgage same to government.
- (f) if both husband and wife are employed in Central/State Govt./Semi government

or local bodies, the pay of both of them will be taken into consideration for calculating the ceiling;

(g) Railway servants under suspension may be granted the advance on furnishing collateral security in the shape of mortgage bonds from two permanent railway servants.

# CONDITIONS TO BE FULFILLED

- (a) Neither the applicant, nor the applicant's wife/husband/minor child must be the owner of a house. However, this condition may be relaxed by the Ministry of Works housing and Supply in exceptional circumstances; as for example, if the applicant or the applicant's wife/husband/minor child owns a house in a village, and the applicant desires to settle down in a town or where an applicant happens to own a use jointly with other relations, etc. and desires to build a separate house for bonafide residential purposes.
- (b) The floor area of the house to be construct-ed or purchased must not be less than 22 sq. meters. However, this minimum may not be insisted upon in case of flats/ tenements and houses the plan of which has been approved by the Municipality.  
[No.F(E)Spl.Adv.3/7 dated 10-8-1981].
- (c) advance for ready built house or flat is admissible for outright purchase only.
- (d) The Railway servant will have to fill up the promissory note prescribed in Board's letter No. F(E) Spl. 84/Adv. III/2 dated 17-12-1984 (Appendices....).
- (e) The applicant should not have availed of any loan or advance for the execution of the house from any other Government Department concerned e.g. the Department of Rehabilitation or Central or State Housing Scheme etc. provided, however where the loan or advance etc. already availed of by an applicant does not exceed the amount admissible in these rules, it would be open for him to apply for advance under these rules on the condition that he undertakes to repay the outstanding loan/advances etc. together with interest, if any, thereon forth-with in one lump sum to the Government. Where a Railway servant makes a final withdrawal from his provident \ fund in connection with construc-tion/acquisition of a house or residential plot in addition to availing an advance under these rules, the total amount of advance sanctioned and that withdrawn from provident fund should not exceed the /total amount under these rules.  
No. F(S)Spl. 75/Adv. III/5(ii) dt12-9-1975].
- (f) The Railway servant must ensure that the cost does not infringe the cost ceiling limit. The administrative Ministry is satisfied on the merits of the case may relax the cost ceiling upto a maximum 25% of the cost ceiling prescribed from time to time in individual cases.  
[No. F(E)Spl. 87/Adv. 3/12 dt. 9-7-1987].

## **(1) Purposes for which Advance may be granted**

An advance may be granted for: —

- (i) Acquiring a plot and constructing a house thereon;
- (ii) Constructing a new house on the plot already owned by the railway servant or jointly with his/her wife/husband;
- (iii) Getting a plot under co-operative schemes and constructing a house thereon where title will vest on the railway servant after the house is built;

Rule 3 of Min. of U.D. House Building Advance Rules.

- (iv) Enlarging living accommodation in an existing house owned by the railway servant in own name or jointly with spouse;
- (v) Outright purchase of new ready built house or flat from Government, semi government or local bodies. Housing Boards, development Authorities etc. and from private parties;
- (vi) Purchase of flat under "Self-financing housing-Schemes" and "Co-operative Group housing Societies". In respect of self-financing scheme the cost ceiling will be taken as inclusive of land and development charges;
- (vii) Repayment of a loan taken from government/private source for house construction, even if the construction of the house already commenced;
- (viii) The advance may be granted to eligible railway servant for the construction of only residential part of a building on a shop- cum-residential plot situated in a residential colony, subject, inter-alia, to the following conditions :—
  - (a) For the purposes of the ceiling of the overall cost of the house, the cost of the land and the cost of the superstructure(s) including the shop(s) and the proposed residential portion will be taken into account. Applicants should therefore submit the plans of the shop(s) and the proposed houses and the estimates for the shop(s) and the proposed houses, separately for scrutiny by the Government;

(b) The railway servant should mortgage the entire property, viz., the plot including the shop(s) and the proposed residential portion in favour of the President of India.

(c) The railway servant will have to insure the whole building, including the, shop(s), against fire, lightning and floods, as laid down in these Rules.

(ix) For purchase of house/flats from private lies provided—

(a) the flat/house is new and un-lived in;

(b) The flat/house shall have to be got evaluated by registered valuers and arrangement for this and fee for the same will be paid by the applicants.

Note:- The conditions of 'new and un-lived in' mentioned can be ascertained by the following :—

1. The number and date of the approval of the building plan issued by the 'Municipal authorities by seeing the original plan.
2. The date of commencement of the construction and the date of the plan of the house by scrutinizing the plan of certificate issued by Municipal authorities.
3. The bill and receipt issued by the Municipality; and
4. Enquiries with neighbour, if necessary.

[No. F(E)Spl. 78 Adv. 3/10 dated 28-7-1978].

# COST CEILING LIMIT

The existing cost ceiling limits will be readjusted as under:—	
Category	Cost ceiling
1. For employees whose 200 times of Basic pay comes to amount lower than 7.5 lakhs	Rs. 7.5 lakhs
2. For employees whose 200 times of Basic pay comes to amount maximum than 7.5 lakhs	Rs. 18 lakhs

[Letter No. F(E)Spl.97/Adv./3/6 dated 29.12.97]

Where GM or HODs of Zonal Railways is satisfied on of the merits of the case, they may relax the cost ceiling upto a maximum of 25% of the prescribed cost ceiling in individual cases.

Note: 1. In case of 'Self-financing scheme' the ceiling shall include the cost of land and development charges.

[No. F(E)Spl.83 Adv.3/2 dt. 27-5-1983].

2. For enlargement of house ceiling shall include the cost of existing house and proposed enlargement.

[No. F(E)Spl.81/Adv.3/2 dt. 7-12-1981].

3. In case of Development Authority flats, the cost ceiling limit will be the cost at the time of registration and not at the time of handing over of the flat.

[No. F(E)Spl.82/Adv.3/2 dt. 26-4-1982].



# DISBURSEMENT AND SECURITY

(a) An advance required partly for the purpose of land and partly for constructing a single storied new house or enlarging living accommodation in an existing house shall be paid as follows:—

(i) an amount not exceeding 40 per cent of the sanctioned advance will be payable to the applicant for purchasing a developed plot of land on which construction can commence immediately on receipt of the loan, on his executing an agreement in the prescribed form. In all cases in which part of the advance is given for the purchase of land, the land must be purchased and the sale deed in respect thereof produced for the inspection of the Head of the Department concerned within two months of the date on which the above amount of 20 per cent is drawn or within such further time as the Govt./ Head of the Department may allow in this behalf, failing which the applicant shall be liable to refund at once, the entire amount to Government, together 'with interest thereon.

(ii) An amount equal to 30 per cent of the balance of the advance will be payable to the applicant on his mortgaging in favour of the Government the land purchased by him along with the house to be built thereon where such mortgage is permitted by the terms of the sale of land. In cases where the terms of sale do not vest the title in the purchaser till a house is erected on the land, the applicant shall execute an agreement with the Government, in the prescribed form agreeing to mortgage the land, together with the house to be built thereon as soon as the house had been built and the title to the property is complete.

(iii) An amount equal to 30 per cent of the amount remaining after deducting from the sanctioned amount of the advance, the installment given for the purchase of land, will be payable when the construction of the house reaches plinth level.

(iv) The balance of the sanctioned advance will be payable when the construction of the house has reached roof level.

(2) An advance required only for constructing a new house on a plot of land already owned by the applicant or enlarging living accommodation in an existing house shall be paid in two installments as under:

(i) 50% of the sanctioned advance will be payable to the applicant on his mortgaging, in favour

of the Govt. the land purchased by him along with the house to be built thereon and on furnishing a personal bond. In cases where the terms of sale do not vest title in the purchaser till a house is erected on the land or otherwise the applicant shall execute an agreement with the government and shall furnish a surety bond in the prescribed form, agreeing to mortgage the land together with the house to be built thereon, as soon as the title to the property is completed, along with other prescribed documents.

(ii) Remaining 50% of the sanctioned advance will be payable when the house has reached plinth level.

(iii) Competent authority should satisfy themselves that the employee actually uses the advance for construction of house by arranging site inspections at appropriate intervals.

(iv) Other terms and conditions relating to grant/recovery of House Building Advance & completion of construction etc. will remain unchanged.

(3) An advance required partly for the purchase of land and partly for constructing a double-storeyed new house or enlarging living accommodation in an existing house shall be paid as follows :—

(i) An amount not exceeding 30 per cent of the sanctioned advance will be payable to the applicant for purchasing a developed plot of land on which construction can commence immediately on receipt of the loan on his executing an agreement in the prescribed form for the repayment of the advance. In all cases in which part of the advance is given for the purchase of land, the land must be purchased and the sale deed in respect thereof produced for the inspection the Head of the Department concerned within two months of the date on which the above amount of 15 per cent is drawn, or within such further time as the Government/Head of the Department may allow in this behalf, failing which the applicant shall be liable to refund, at once, the entire amount to Government, with interest thereon.

(ii) An amount equal to 30 per cent of the ice of the advance will be payable to the applicant on his mortgaging, in favour the Government, the land purchased by him along with the house to be built thereon, where such mortgage is permitted the terms of the sale of land. In cases where such mortgage is not permitted, the provision as contained in the last sentence of sub-Rule (9)(a), (1)(ii), will apply.

(iii) an amount equal to 40 per cent of the amount remaining after deducting from the

sanctioned amount of the advance, the in-stallment given, for the purchase of land, will be payable when the construction of the house has reached plinth level.

(iv) A further amount not exceeding 25 per cent of the amount remaining after deducting from the sanctioned amount of advance, the installment given for the purchase of land, will be payable when the roof of the ground floor has been laid.

(v) The balance of the sanctioned advance will be payable when the roof of the first floor has been laid.

(4) An advance required only for constructing a double-storeyed new house or enlarging living accommodation in an existing house shall be paid as follows: —

(i) First installment of House Building Advance equal to 50 per cent of the sanctioned advance will be payable to the applicant on his mortgaging, in favour of the Government, the land purchased by him along with the house to be built thereon.

(ii) A further amount not exceeding 50 per cent of the sanctioned advance will be payable when the house had reached plinth level.

[Amended by Rly. Bd's letter no. F(E)Spl.91/Adv.3/3 dated 06.03.91]

(5) An advance required for purchasing a ready-built house shall be paid as follows :—

The Head of the Department may sanction the payment of the entire amount required by, and admissible to, the applicant in one lump sum on the applicant's executing an agreement in the prescribed form for the repayment of the loan. The acquisition of the house must be completed and, the house mortgaged to Government within 3 months of the drawal, of the advance, failing which the advance, together with the interest thereon, shall be refunded to Government forthwith, unless an extension of this time limit is granted by the Head of the Department concerned.

(6) An advance required for purchase/construction of a new flat shall be paid as follows :

(a) The Head of the Department may sanction the payment of the amount required by and admissible to, on the applicant's executing an agreement in the prescribed form and comply with the provisions contained in sub-rule (9)(b)(2) for the

repayment of the loan. The amount may either be disbursed in one lump sum or in suitable installments at the discretion of the Head of the Department. The amount so drawn or the installment/s so drawn by the applicant shall be utilized for the purpose for which it was drawn within one month of the drawal of advance or the installment/s failing which the advance or part of the advance so disbursed together with interest thereon shall be refunded to Government forth-with, unless an extension of this time-limit is specifically granted by the Head of the Department.

(b) In addition to their executing the agreement/mortgage deed referred to in sub-para (a) above, the following three categories of applicants shall also be required to furnish the surety of an approved permanent Central Government servant in the prescribed form before the sanctioned advance or any part thereon is actually disbursed to them :—

(i) All applicants who are not permanent Railway servant;

(ii) All applicants who are due to retire from service within a period of 18 months following the date of application for the grant of an advance;

(iii) All applicants who are permanent Railway servants but not covered by sub-para (ii) above, if they require the advance for the purchase of a ready-built house.

(c) In addition to the compliance with the provisions contained in sub-para (a) and (b) (i), the applicant for constructing or purchase of ready-built flats should furnish adequate collateral security as laid down under Rule 274 of the Compilation of the General Financial Rules (Revised and Enlarged) 1963, to the satisfaction of the Head of the Department, where ever the land on which the flats stand is not mortgaged by the owner of land in favour of the 'President of India as a security towards repayment of the advance.

Notes : (i) The liability of the surety will continue till the house built/purchased is mort-gaged to Government or till the advance together with the interest due thereon is repaid to Government, whichever happens earlier.

(ii) Utilisation of the advance for a purpose other than that for which it is sanction-ed shall render the Government ser-vant liable to suitable disciplinary action under the C.C.S. (C.C.A.) Rules, 1965 or under any other rules of service applicable to the Government servant. He may also be called upon to refund forthwith to Government the entire advances drawn by him together with interest

accruing thereon in accordance with Rule 6 of these Rules.

(iii) The period for producing the sale deed in respect of the developed plot of land referred to in sub-rules (a) (1) (i) and (a) (3) (i) may be extended by the Head of the Department by a reasonable time after satisfying himself that the applicant has either already paid the cost of the land or is likely to pay it immediately; that the extension of time will enable him to acquire the title leasehold rights to the land and that he has every intention of building a house and will be in a position to complete the construction of the house by the 18th month after the date of the drawal of the first installment of the advance or in such period by which the time for the completion of the house is extended under Sub Rule (16) (a) (ii).

## *Repayment of the Advance*

(a) The advance granted to a railway servant under these paragraphs together with the interest thereon shall be repaid in full by Monthly installments within a period not exceeding 20 years. First recovery of the advance shall be made in not more than 180 monthly installments, and then interest shall be recovered in not more than 60 monthly installments.

Note- 1. The amount to be recovered monthly shall be fixed in whole rupees, except in the case of the last installment when the remaining balance including any fraction of a rupee shall be recovered.

2. Recovery of advance granted partly for purchase of land for constructing a new house or enlarging living accommodation in an existing house shall commence from the pay of the month following the completion of the house or the pay of 24th month after the date on which the first installment of the advance for purchase of land is paid to the railway servant, whichever is earlier.

3. In the case of advances taken for purchasing a ready built house recovery shall commence from the pay of the month following that in which the advance is drawn. recovery of advance granted for construction of a new house or enlarging living accommodation in an existing house shall commence from the pay of the month following the completion of the house or the pay of the 18th month after the date on which the first installment of the advance is paid to the Railway servant whichever is earlier.

4. In order to avoid undue hardship to a railway servant who is due to retire within 20 years of the date of application for the grant of an advance and under the previous rules applicable to him is eligible for the grant of a gratuity or death-cum-retirement gratuity, government contribution or special contribution in the case of sub-scriber to S.R.P.F. (contributory), the head of the Department may permit him to repay the advance with interest in convenient monthly installments (the amount of which shall not be less than the month of monthly installments on the basis of repayment within a period of 20 years) during the remaining period of his service, provided he agrees to the incorporation a suitable clause in the prescribed agreement & Mortgage Deed form to the effect that the Railway Administration shall be entitled to recover the balance of the said advance with interest remaining unpaid at the time of his retirement or death proceeding retirement from the whole or any specified part of the

gratuity, government contribution and or special contribution in the case of subscriber to S.R.P.F. (Contributory) that may be sanctioned to him.

5. In case the railway servant does not re-pay the balance of the advance due to Government on or before the date of his retirement, it shall be open to Government to enforce the security of the mortgage at any time thereafter and recover the balance of the advance due together with interest and cost of recovery, by sale of the house or in such other manner as may be permissible under the Law.

6. The date of retirement for the purposes of this rule may normally be taken as 58 years in the case of all railway servants, other than those to whom special conditions are applicable in terms of para 2 of Board's letter No. PC-62/RT-1 dated 5-12-1962.

(b) Recovery of advance shall be effected through the monthly pay/leave salary/subsistence allowance bills of the railway servant concerned by the Head of the Office or the Accounts Officer concerned, as the case may be. The recoveries will not be held up or postponed except with the prior concurrence of the Railway Board. In the event of subsistence allowance payable being reduced on prolonged suspension of the railway servant the recoveries may be suitably reduced by the Head of the Department, if considered necessary, after obtaining the concurrence of the Railway Board.

(c) If a railway servant ceases to be in service for any reason other than normal retirement/superannuation, or if he/she dies before repayment of the advance in full, the entire outstanding amount of the advance shall become payable to Government forth-with. The Railway Board may, however, in deserving cases permit the railway servant concerned, or his successors in interest, as the case may be, or the sureties in cases where the applicants are temporary railway servants or due to retire within 18 months of the date of application, or permanent railway servants who require the advance for ready-built house, if the house has not been completed and/or mortgaged to Government by that time, to repay the outstanding amount together with interest thereon, in suitable installments. Failure on the part of the railway servant concerned or his successors (as the case may be) to repay the advance for any reason whatsoever will entitle the Government of India to enforce the mortgage and take such other action to effect recovery of the outstanding amount as may be permissible.

(d) The property mortgaged to Government shall be reconveyed to the railway servant concerned (or his successors in interest, as the case may be), after the advance together with the interest thereon has been repaid to Government in full.

(e) Railway servants who are granted advance for the construction of house (including acquisition of suitable land for the purpose) do not find themselves in a position to undertake the actual construction of the house after they have drawn the first installment of loan and purchased the plot of land for construction of houses, may be allowed to refund the loan amount due from them in more than one installment . All such cases should be dealt with as under :-

(i) As soon as it becomes known that due to circumstances beyond the control of the government servant concerned, it would not be possible for him to undertake construction of the house, he should be asked to refund the entire amount drawn by him together with interest in one lump-sum, as the rules do not contemplate the grant of loan assistance for the purchase of land only.

(ii) In cases where the Ministry or Head of the Department is satisfied that the individuals concerned are not in a position to pay back the loan amount due in one installment, they may permit at their own discretion the recovery of the amount and the accrued interest in suitable installments each of which should not be less than 33 per cent of the individuals basic pay. A further condition should be imposed to the effect that if the plot of land purchased by the individuals is sold out by him, the sale proceeds should first be utilised to clear off the amount due to Government on the date of sale in one lump-sum.

(f) The railway servant who dies before repaying the advance availed of by him under the house building advance Rules and in whose case a portion of the outstanding balance of the advance is to be set off against the death-cum-retirement gratuity admissible to his successor, no interest should be charged on the amount of advance thus adjusted against death-cum-retirement gratuity beyond the date of death of the railway servant.



## TIME LIMITS FOR UTILISATION OF THE ADVANCE.

(i) *In the case of purchase of land* : The land should be purchased and the mortgage deed produced by the railway servant to the sanctioning authority within 2 months of receipt of the amount, failing which the advance should be refunded in lump sum with interest.

(ii) *In the case of purchase of house* : Acquisition of the house with the advance sanctioned and mortgage of the same to the government should be completed within 3 months of receipt of the advance amount. However, extension of time limit may be granted by the sanctioning authority depending on the circumstances as explained by the loanee.

(iii) *In the case of purchase/construction, of new flat* : The railway servant should utilise the amount or the installment paid as advance within one month of receipt of the amount, unless extension of time is granted taking into account the circumstances explained by the loanee.

(10) *INTEREST* (i) The advance carry simple interest at the rate prescribed from time to time from the date of payment of the first installment or lump case may be and is calculated on the balance out standing on the last day of each month.

(ii) While issuing the sanction for grant of advance, sanction should invariably stipulate a higher rate of interest at 2.5 % above the prescribed rates with the stipulation that if condition attached to the sanction, including those relating to recovery of amounts, are fulfilled completely to the satisfaction of the competent authority, rebate to the extent of 2.5 % will be allowed. The competent authority to decide whether the payments have been made punctually will be the sanctioning authority, who will decide that the conditions attached to the sanction including those relating to the recovery of the amount are fulfilled completely to the satisfaction of the competent authority.

[No. F(E)Spl.87/Adv. 3/5 dated 27-4-1987].

## *Procedure for Dealing with Applications*

(a) Applications should be submitted by the rail-way servants to the Head of Department in prescribed Form through proper channel. The following documents should accompany the applications: —

- (i) a declaration in regard to house property, if any, owned by the applicant or the applicant's wife/husband/minor children at the time of applying.
- (ii) If the advance is required for enlarging living accommodation in an existing house, an attested copy of the sale-deed as well as of other documents, if any, establishing that the applicant possesses indisputable title to the property in question. A site plan should also be furnished.
- (iii) In cases where applicants happen to be in possession of land and desire to build a new house on it, a copy of the sale-deed or other proof of the applicant having a clear title to land on which the house is proposed to be built, along with a site plan. If the land happens to be lease-hold, an attested copy of the lease-deed should also be enclosed.
- (iv) In cases, where the applicant desires to purchase land, an attested copy of a letter from the seller of the plot to the effect that subject to the settlement and payment of the price, he is in a position to hand over the vacant possession of a clearly de-marcated developed plot of land to the applicant within a period of two months from the date of his letter may be forward-ed.
- (v) In cases where the applicant desires to purchase a flat, an attested copy of a letter from the seller of the flat to the effect that subject to settlement and payment of the price, he is in a position to hand over the vacant possession of a clearly dis-tinguishable flat to the applicant within a period of two months from the date of his letter, may be forwarded.

(b) The Head of Departments will scrutinise the application and satisfy themselves of the correctness of the facts, etc. stated therein. They will also examine the title deeds, etc. furnished in compliance with clauses (ii) and (iii) above (in consultation with their Law Officers and the Revenue and

Registration authorities , if necessary) to make sure that the applicant does, in fact, possess a clear title to the property in question. In cases where it is considered necessary to consult the Ministry of Law also in the matter, before referring such cases to the Ministry of Law, the Head of Departments should call upon the railway servants concerned to obtain certificates from the Government Pleader and failing that certificates from the Revenue Officer of the place' where property is located certifying after investigation from the records of the Sub-Registrar, Revenue Authorities and the Court and from the information gathered from the railway servant and others, that the property in the hands of the railway servant is absolute and not joint family property and is free from encumbrances and attachments and that the holder has a clear and marketable title to the property. The certificate may be in the following form:-

“ It is certified after investigation from the records of the Sub-Registrar ..... and the relevant revenue and court records and from the information gathered from the sworn declaration made by ..... and ..... that the plot No. ....measuring..... sq. yds. at ..... within the limits of .....is the absolute property of Shri ..... S/o Shri..... and not joint family property.

The said property is free from encumbrance and attachment and Shri .....has a clear and marketable title to the property.”

Note: The expenditure incurred by the Railway servants for obtaining certificates from the Government Pleaders or the Revenue Authorities in connection with the verification of the title to the property should be borne by the Railway servant applying for grant of a house building advance, as it is for him to satisfy his Head of the Department that he possess-es a clear title to the plot of land, etc.

(c) The Head of Deptt. will examine the applications with reference to the priorities, etc., if any laid down for dealing with them. Subject to funds being available, the applications will be returned to the Heads of Departments concerned indicating—

(i) the amount of advance that may be sanctioned by the Head of Departments where it happens to be required partly, for purchasing a plot of land for constructing a house [see also sub-paragraphs (d) (ii) and (e) below], or for purchasing a ready-built house;

(ii) the monetary limit upto which the grant of an advance could be considered in due course, in other cases (viz., for construct-ing a new house or for increasing living accommodation in an existing house).

(d) On the approval of the Government: —

(i) formal sanction to the grant of an advance in the cases covered by sub-paragraph (c)(i) above will be accorded. The Head of the Department shall also arrange to complete the prescribed formalities such as execution of the Agreement, Mortgage, Deed, Surety, Bond, etc. in the prescribed forms (in consultation with appropriate legal authorities, where necessary) and then authorities disbursement of an appro-priate amount out of the sanctioned advance to the applicant. Where land or a ready-built house is intended to be purchased with the help of the advance, the Head of the Department may, before authorising pay-ment of the advance, also require the railway servant concerned to certify that negotiations for the purchase have reached concluding stages, that the purchase price is not likely to be less than the amount of advance sanctioned, and that he has satis-fied himself that the transaction will enable him to acquire indisputable title to the land/house in question. .In such cases, the sale deeds, etc. should be examined by the Head of Department carefully (in consultation with legal and other authorities where necessary) to ensure .that the servant concerned has' actually acquired indisputable title to the .property in question. It should be verified that the market value of the land/house purchased is not less than the advance sanctioned.

(ii) The Heads of Department shall instruct applicants desirous of constructing a new house or enlarging living accommodation in an existing house, to furnish two copies of plans, as well as specifications and estimate in prescribed Forms. The plans must be got duly approved by the Municipality or other local body concerned before submitting them to Head of the Department.

(a) The Head of Department shall also attend to all formalities as explained in sub-paragraph (d) (i) above, and then authorise disbursement of the first installment of advance for construction purpose to the applicant. The payment of the remaining installments of advance may be authorised by the Head of the Departments direct on the basis of certificates to be furnished by the applicants as prescribed in sub paragraphs (8)(a) and such inspections as may be deemed necessary. It should also be

verified, before disbursing the last installment of the advance, that the development of the site has been completed

(f) The Head of the Department shall also ensure that the transaction /construction of the house completed within the period prescribed in the Rules, and that:-

(i) In cases of advances required partly for purchase of land and partly for constructing a single storeyed new house or enlarging living accommodation in an existing house (excepting cases involving enlargement of living accommodation in existing houses), the agreement in the prescribed form is duly executed by the Railway servant concerned before disbursement of the first installment of advance and that after purchasing the land the mortgage deed in the prescribed form is executed and duly registered in the Office of the Registrar of Assurances and the registered deed together with the original documents of title to land, is deposited with the Head of the Department before drawing the second installment of the advance;

(ii) in cases of advance required for construction of additional accommodation on first floor of the existing single-storeyed house or constructing a double-storeyed new house and in all cases involving enlargement of living accommodation in existing houses, the mortgage deed in the prescribed form is executed and registered in the office of the Registrar of Assurances and that the registered deed, together with the original documents of title to land/house, is deposited with the Head of the Department before drawing the first instalment of advance;

(iii) in cases of advances required for purchasing a ready-built house, and in cases where the terms of sale of land do not vest the title in the railway servant till a house is erected on the land, the agreement in the prescribed forms is executed and deposited with the Head of the Department before disbursement of the sanctioned advance or any portion thereof. Immediately on purchase of the house or immediately after vesting of the title in favour of the railway servant on erection of the house, the mortgage deed in the prescribed form shall be executed and registered in the office of the Registrar of Assurances. The registered deed, together with the original document of title to the land/house, shall be deposited with the Head of the Department within three months of the drawal of the advance in cases of purchase of ready-built house and in other cases where the terms of sale do not

vest the title in the railway servant till a house is erected on the land, within three months of the date of vesting of title in favour of the railway servant and the time required for the registration of the mortgage deed; ,

(iv) in cases where the applicant is required to furnish the surety of an approved permanent railway servant's surety, bonds in the prescribed form are furnished by approved permanent Railway servants before disbursement of the sanctioned advance or any portion thereof;

(v) In all the aforesaid cases, the railway servant establishes his marketable title to the property in accordance with procedure prescribed by the Government before execution of the mortgage deeds. In cases where the terms of sale do not vest the title to the land in favour of the railway servant till a house is erected on the land, it shall be ensured before execution of the agreement in the prescribed form that the railway servants will be in a position to acquire a clear and marketable title free from all encumbrances and attachments on erection of the house.

(vi) Mortgage deed (and reconveyance deed on release or reconveyance of property for mortgage) is duly registered within four months from the date of its execution as required by section 23 of the Indian Registration Act (16 of 1908) and all documents deposited by the railway servant, in pursuance of these provisions are kept in safe custody till the release or reconveyance of the property from mortgage. (Registration is not necessary in the case Surety Bonds and Agreements prescribed in these Rules);

(vii) the house is insured in the manner indicated in these rules immediately on its purchase/completion and that the premium receipts are regularly produced for inspection;

(viii) The house is maintained in good repair and that the necessary insurance premia and Municipal rates and taxes are paid regularly, and the requisite certificate furnished annually, until the advance has been repaid in full;

(ix) monthly recovery of installments of repayment of the advance commences from the due date and is made regularly from the

monthly pay/leave salary/subsistence allowance bills of the railway servant concerned thereafter;

(x) In the case of railway servants likely to retire within 18 months of the date of their application for the advance, the amount of their Gratuity will be adequate to cover the balance of the advance outstanding against them just before the date of their retirement and that in such cases any applications for advance/withdrawal from their Provident Fund subsequent to the grant of house-building advance under these para-graphs should not be ordinarily entertained;

(xi) any amount drawn in excess of the expenditure incurred is refunded by the railway servant concerned to Government forthwith together with the interest, if any, due thereon; and

(xii) The property mortgaged to Government is released or reconveyed immediately on the repayment of the advance and the interest thereon in full and the mortgage deed duly cancelled and returned together with the original documents of title of the land property to the railway servant concerned.

## **INSURANCE OF THE HOUSE /FLAT**

(i) Immediately on completion or purchase of house/flat, as the case may be, the railway servant to whom a house building advance has been granted, shall insure the house/flat at his own cost for a sum not less than the amount of advance, with any one of the following units of the life Insurance corporation:—

1. Western Zone comprising  
States of Maharashtra

and Gujrat & Union

Territories of Goa, Daman

& Diu, Dadra & Nagar Haveli.

1. New India Assurance Co. the  
Ltd., 87, Mahatma Gandhi

Rd., Fort, Bombay.

2. Eastern Zone comprising

the States of Assam, Bihar

Manipur, Meghalaya,

Nagaland, Orissa, Tripura

& West Bengal, the Union Territories of

Andaman, Nicobar Islands, Arunachal Pradesh

& Mizoram.

2. National Insurance Co. Ltd,

18, Rabindra Sarani,

Calcutta.

3. Northern & Central Zones

comprising the States of

Madhya Pradesh & Uttar

Pradesh and Union Terri-

itories of Delhi & Chandigarh

and States of Jammu & Kashmir ,

Haryana, Himachal Pradesh,

Punjab and Rajasthan.

3. Oriental Fire & Central

Insurance Co. Ltd., Oriental

Building, Mahatma Gandhi

Rd, Bombay - 40001 (Oriental

Building, 88, Janpath, New Delhi

4. Southern Zone comprising

the states of Andhra Pradesh

Kerala, Mysore and

Tamil Nadu and the Union

Territories of Minicoy & Amindiy Islands

& Pondicherry.

4. United India Fire & General,

Insurance Co. Ltd, Indian

Overseas Bank Bldg

151, Mount Road Madras-2

(ii) Insurance policies relating to the properties acquired by govt. servants with the help of house building advance shall be retained by the Heads of Department, both in the case of gazetted as well as non-gazetted Central Govt. servants. The Heads of Dept. shall furnish to



the Audit Officer/Accounts Officer, as the case may be, a certificate that the borrower has insured the house for an amount not less than the amount of advance taken for the purpose and the Insurance Company has been notified about the interest of Govt. in the Policy. In the case of Insurance affected on annual basis, this procedure shall be repeated every year until the advance together with the interest thereon has been fully repaid to Govt. The Insurance Policies shall be made available for verification to the Local audit inspection to the Audit Office/Accounts Officer.

(iii) With a view to ensuring that all houses constructed/purchased with the help of house building advance granted by Govt. are properly secured by insurance, the Heads of Departments will obtain a certificate the prescribed form annually in the month of July before disbursement of the pay for the month of June from each and every Govt. servant concerned, who has been granted house building advance, to the effect that the insurance of the house/ flat has been got done/renewed. The Heads of Dept. shall also, while issuing the Last Pay certificate, make an entry regarding the insurance of the House/flat stating for what period it has been insured and when the insurance thereof should be renewed. Non furnishing or furnishing of a false certificate by Govt. servant concerned will render him liable to suitable disciplinary action under the Rules of service applicable to him and a serious view would be taken in such cases. Cases involving condonation of irregularity in not having insured for a period upto 3 months will be referred to the Ministry of the Urban Dev. for condonation. In dealing with the cases involving condonation of irregularity of insurance for a period upto three months, the Head of the Department shall satisfy themselves that the irregularity was not deliberate on the part of the Govt. servant concerned and was due to circumstances beyond his/her control.

**Recovery of Advance from railway servants permanently absorbed in Public Sector Under taking/Central autonomous/statutory bodies where pension scheme is in operation :**

(i) Since on the date of absorption of a railway servant in an autonomous body, the Government will discharge its pensionary liability etc. by paying in one lump sum, the amount of outstanding amount of House Building advance along with interest shall be deducted out of the total amount payable .by the Government to the concerned railway servant who is being absorbed in the autonomous body.

(ii) Thereafter, if any balance is outstanding against the employee, it will be recovered in installments by the autonomous body for which an under-taking will be given by the concerned organisation body saying that it will ensure the recovery of balance of the advance including interest thereon in monthly installments from the employee and remit it to the Accounts Officer concerned on the Railway who may watch its recoveries.

(Board's letter No. F(E) Spl. 80 Adv 3/11 dt 17-10-86).

**Procedure in case of railway servants death/cessation from service before repayment of the advance :**

(i) When a railway servant ceases to be in service or dies before repayment of the advance, the entire outstanding amount of the advance becomes repay-able to government forthwith. In the event of death, in deserving cases the successor in interest of, the de-ceased railway servant are allowed to repay the out-standing amount together with interest thereon in suitable installments on execution of a surety bond by the successor-in-interest binding a permanent rail-way servant to ensure repayment of the outstanding amount of the advance in the prescribed form.

(Board's letter No. F(E) Spl. 86/Adv.3/5 dt. 28-5-1986).

**In case of failure to repay the advance:**

If the railway servant fails to repay the balance of advance on or before the date of retirement, Government shall enforce recovery from the death-cam-retirement gratuity and by sale of the house or in any other manner as considered necessary.

## ***CONSTRUCTION, MAINTENANCES, ETC.***

(a) The construction of the house or additions to the living accommodation in an existing house, as the case may be, shall be—

(i) Carried out exactly in accordance with the approved plan and specifications on the basis of which the amount of the advance has been computed and sanctioned. The plan and specifications must not be departed from without the prior concurrence of the sanctioning authority. The railway servant shall certify, when applying for installments of advance admissible at the plinth/ roof level, that constructions being carried out strictly in accordance with the plan and estimate furnished by him to the Government of India, that the construction has actually reached plinth/roof level, and that the amount already drawn has actually been used on the construction of the house. The Head of Department may, if necessary, arrange to have inspections carried out to verify the correctness of the certificates.

(ii) Completed within 18 months of the date on which the first installment of the advance is paid to the railway servant concerned. Failure to do so will render the railway servant liable to refund the entire amount advanced to him (together with interest thereon) calculated as in sub-paragraph (10) above in one lump sum. In those cases where the work is delayed due to circumstances beyond his control an extension of the time-limit may be allowed upto one year by the Head of Department and for longer period by the Ministry of Urban Development. The date of completion must be reported to the Head of the Department concerned without delay.

(b) Immediately on completion or purchase of the house, as the case may be, the railway servant concerned shall insure the house, at his own cost, for a sum not less than the amount of the advance and shall keep it so insured, against damage by fire, flood and lightning, till the advance is fully repaid to Government. A certificate to the effect that the house has been insured shall be furnished to the sanctioning authority.

note—Heads of Departments are also required to obtain a certificate annually in the month of July before disbursement of pay for June, from each railway servant concerned to the effect that the insurance of house/ flat has been got done/renewed.

(c) The house must be maintained in good repair at his own cost by the railway servant concerned. He shall also keep it free from all encumbrances, and shall continue to pay all the Municipal and other local rates and taxes regularly until the advance with interest has been repaid to Government in full. The railway servant shall furnish an annual certificate to this

effect to the Head of Department.

note— Furnishing a false certificate will render the railway servant concerned liable to suitable disciplinary action under the rules. He may also be called upon to refund to Government forthwith, the entire advance drawn by him together with interest accruing thereon in accordance with para 1132(5).

(d) After the completion of the house, annual inspections may be carried out by any authorised officer under instructions from the Head of Department concerned, to ensure that it is maintained in good repair until the advance with interest has been repaid in full. The railway servant concerned shall afford necessary facility for these inspections to the officer (s) designated for the purpose.

# POLICY CIRCULARS ON HOUSE BUILDING ADVANCES

No.	Circular No. & Date	Subject
RBE No. 71/93	<a href="#">F(E)Spl.93/Adv3/4 dt: 25.5.1993</a>	Interest Bearing Advances
	<a href="#">No/F(E) Spl. 98/ADV 3/7. dt.29. 11.1999.</a>	House Building Advance - Request of Institute of Rolling Stock Engineers.
RBE No. 174/99	<a href="#">No/F(E)Spl.98/ADV/3/8 dt.14.07.99</a>	House Building Advance for acquiring House/ flats under Self-Financing Schemes & Outright purchases from Joint Venture of Authorities/Boards etc. and Registered Private Builders.
	<a href="#">F(E)Spl.98/ADV/3/5 dt. 5.10.1999</a>	Modification made by State Government of U P for Passing drawing for building house up to 300 Sq. Meter area.
	<a href="#">F(E)Spl.89/Adv3/3. dt. 19.04.1989</a>	Stamp-Duty on Mortgage Deed and Deed of Re-conveyance by Central Govt. employees under the scheme of HBA exemption of.
RBE No. 230/98	<a href="#">No. F(E.) Spl.98/ADV3/8 dt. 9/10/1998</a>	Extending the facility of House Building Advance to Central Government Employees for acquiring flats through Coop. Group Housing Society.
RBE No. 203/98	<a href="#">F(E) Spl.98/ADV.3/6 dt. 10.9.98</a>	House Building Advance Rules purchase of houses/ flats from private parties.
RBE No. 147/98	<a href="#">No. F(E) Spl.97/ADV.3/6 dt. 29-6-95</a>	House Building Advance to the Government/ Railway employees - Enhancement of.
RBE No. 92/98	<a href="#">No.F(E)Spl.97/ADV/3/6. dt. 5.5.1998.</a>	Liberalisation of House Building Advance
RBE No. 67/98	<a href="#">No.F(E)Spl.98/ADV 3/1 dt. 30..3.1998</a>	Liberalisation of House Building Advance Scheme for Central Government Employees - Disbursement of advance required partly for purchase of land
RBE No. 42/98	<a href="#">No. F(E) 5pl.97/ADV/3/6 dt. 20/2/1998</a>	HBA Scheme for Central Government/ Railway Employees- further clarification regarding

RBE No. 18/98	<a href="#">No.F(E)Spl.97/ADV/5/6 dt. 25.1.1998</a>	House Building Advance Scheme for Central Government/Railway Employee- Implementation of the recommendations of the Fifth Central pay Commission.
PC-V/ 27/97	<a href="#">No.F(E)Spl.97/ADV/3/6. Dated : 29.12.97</a>	House Building Advance for Central Government Railway employees –Implementation of the recommendations of the Vth CPC.
RBE No. 104/97	<a href="#">No.F(E)Spl. 97/ADV 3/4. dt. 31.7.1997.</a>	Insurance of flats/houses acquired through membership of Co-operative Housing Societies.
P. B. circular No. 88/95	<a href="#">No. F(E)Spl.95/Adv.3/5 dated 14thAugust, 1995</a>	Payment of instalments of house building advance for purchase of houses/flats under self-financing scheme
R.B.E. No. 142/93	<a href="#">No. F(E)Spl. 93/Adv. 3/12, dated 28.9.1993</a>	Period of completion when HBA sanctioned partly for purchase of land and partly for the construction of house
R.B.E. No. 60/93	<a href="#">No. F(E)III/90/PF1/24, dated 13.4.1993</a>	Grant of final withdrawal from P.F. for House Building Purpose
R.B.E. No. 45/93	<a href="#">No. F(E)Spl. 93/Adv. 3/2, dated 15.3.1993</a>	Advance of Central Government Servants for the purchase of ready-built flats under the self-financing Scheme of Allahabad Development Authority.
P. B. Circular No. 46/90	<a href="#">F(E)Spl. 89/Adv.3/3 of 19th April 1989</a>	Stamp duty on mortgage deed and deed of reconveyance executed by central government employees under the scheme Of house building advance — exemption of
	<a href="#">O.M. No. 1/17015/13/79-H. III, dated 1-9-1979 and 22-9- 1980</a>	Half per cent less interest to employees for promoting small family norm. (Copies of orders - Incentives for promoting small family norms)
	<a href="#">O.M. No. 1/17015/64/78-H. III, dated 26-6-1979 and 18- 2-1980</a>	Rules to regulate the grant of advances to Central Govern-ment servants for the building etc., of houses — production of non-encumbrance certificate.
P B. Circular No. 6/87	<a href="#">F(E)Spl. 84/ADV/3/2 dated 28th November 1986</a>	Liberalization of house building advance scheme for railway employees

P.B. Circular No. [P.B. Circular No. 260/86](#)  
260/86

Disbursement of house building advance sanctioned for construction of house and enlargement of accommodation—revised procedure-execution of personal bond—regarding

**GOVERNMENT OF INDIA/BHARAT SARKAR**  
**MINISTRY OF RAILWAYS/RAIL MANTRALAYA**  
**(RAILWAY BOARD)**

MC No. 50  
RBE No.71./93

No.F(E)Spl.93/Adv3/4  
New Delhi dt: 25.5.1993

To  
The General Managers,  
All Indian Railways, Production Units,  
Metro Railway, Calcutta and others.

Sub: Interest Bearing Advances

The instructions issued by the Railway Board, from time to time, on the subject of various Interest bearing Advances are contained in several letters. These instructions in respect of the following advances were consolidated and issued in the form of ' Master Circular No.39, in 1991:

- i) Advance for purchase of conveyance, i.e. cycle, scooter, motor cycle. Car.
- ii) Advance for purchase of Personal Computer,
- iii) Advance for purchase of table fan,
- iv) Advance for purchase of warm clothing.

Consolidated instructions in respect of House Building Advance, which is an interest bearing advance but which could not be included in Master circular No.39 of 1991, are contained herein.

2. House Building Advance

Grant of House Building Advance is regulated by the rules, laid down by the Ministry of Urban Development for Central Govt. employees in general. These instructions apply mutatis-mutandis to railway employees.

3. PURPOSES

The advance is admissible for the following purposes:

- i) \*Construction of a new house on a plot owned by the official or by the official jointly with his/her spouse. or
- ii) \*Purchasing a plot and constructing a house thereon, or
- iii) \*Purchasing and constructing or acquiring a house/flat through



Cooperative Housing Societies/Self-financing Schemes/Housing Boards/ Development Authorities, Other statutory or semi Govt bodies and outright purchase from private parties.

iv) \*Enlarging living accommodation in an existing house owned by the official or by the official jointly with his/her spouse, subject to cost ceilings laid down.

\*No.F(E)Spl.78/Adv3/1 dt. 19.4.1978

i) Repayment of loan or advance taken from non-Govt. sources to build the house, even if the construction has commenced.

F (E) 5pl. 69/Adv3/9 dt.31.5.89

vi) Constructing residential portion only of the building on a plot which is earmarked as a shop-cum-residential plot, in a residential colony, subject to cost ceilings.

#### NOTE

1. Advance is permissible for purchase of a house under the Self-Financing scheme of Indian Railway Welfare Organisation. F(E) Sol. 91 /Adv3/6 dt.24.4.91

2. In the case of a plot owned by the official jointly with his/ her spouse, both husband and wife should be willing to mortgage the land/house in favour of the President of India, as a security for repayment of the advance. The application in such a case should be accompanied by a letter from the husband/wife, as the case may be, that if the HBA applied for is sanctioned, the husband/wife will mortgage his/her share of the land/property jointly with his/her spouse, as security for repayment of advance.

3. HBA is not permissible for purchase of land only.

4 . HBA is not permissible for acquiring a house on hire purchase basis, but on conversion of hire-purchase of flats/houses into outright purchase this becomes permissible, provided the purchase is made from State Housing Boards or similar Govt. controlled bodies. F (E) Spl. 89/Adv3/T dt. 8.5.1989.

5. HBA is not admissible for payment of a earnest money or initial registration deposit, to be placed with Cooperative Societies/Self financing schemes.

4.

#### ELIGIBILITY

i) All permanent railway personnel

ii) All other officials with not less than 10 years service, provided they do not hold permanent aptt. under a State Govt.

iii) Members of All India Services deputed for service under the Central Govt/Company/ Association/Body of individuals, wholly or substantially owned or controlled by the Central Govt.

iv) Central Govt, servants on deputation to another Department or on Foreign Service.

v) I.E.S officers on deputation, and.

vi) Other officials made eligible in HBA rule, issued by the Ministry of Urban Development.

Note; 1. When both husband and wife are Central Govt. servant and both are eligible for grant of advance and its payment, .the advance will be admissible to only one of them Rly. Bd's letter N o, 7 8/Adv3/1 dt, 19-4-78 as amended from time to time.

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## 5. CONDITIONS FOR GRANT OF ADVANCE

i) Advance is admissible for constructing a house at the place of work or at a place where the applicant wants to settle down finally after retirement.

ii) Only one advance is admissible under these rules during entire service.

iii ) The cost of the house to be built/purchased (excl. the cost of land) and if it is proposed to enlarge living accommoda-tion in an existing house, the total cost of existing structuree, (excluding cost of land) with proposed additions/expansions should not exceed cost ceiling limits. In individual cases, the cost ceiling limits may be relaxed upto a maximum of 25%.

iv) The official should not have availed of any loan or advance from other Govt. sources for the ppurpose. However, if he undertakes to repay the outstanding Loan/advance with interest in one installment, he may apply for advancee under HBA rules.

v) The total amount of withdrawal from SRPF/GPF and the advance under these rules should not exceed the cost ceiling limits laid down.

vi) The official or his/her spouse/minor child should not already own a house in the town/ urban agglomeration where the house is proposed to be constructsd or acquired with the

advance from Govt. If however the official is a member of HUF which owns a house at the same place, he may be granted advance under these rules but the amount will be restricted to 60% of the normal entitlements.

F(E)Spl.84/Adv3/2 Dt.12.4.84

F(E)Spl.84/Adv3/2 Dt.25.2.85

vii) The applicant must possess clear title of the land. The land may be owned by the official or his/her spouse jointly with the official. It should be free From encumbrances and attachments.

viii) If the advancee is for purchase of ready built house/flat from private parties, the house/flat should be new and un-lived in. The applicant should get it valued at his own cost by registered valuers.

Rly.Bd's letter No, F(E.) Spl.78/Adv3/10 dt.28.7.78

## 6. COMPETENT AUTHORITIES

Sanction of HBA to nongazetted staff may be accorded by HODs concerned /DRMs

F(E)Spl..74/Adv3/10 Dt.8.2.77

Sanction of HBA to Gazetted officers (except HODs), may be accorded by the Addl. GM.

GMs will accord sanction of HBA to HODs, including SDGM and Addl.GMs.

F(E)Spl..74/Adv3/10 Dt.2.9.80

For sanction of HBA to the GMs/officers of equivalent rank/ DG, RDSO, approval of Board should be obtained and sanction letter should be issued under the signature of Secretary, Railway Board. (F (E) Spl.82/Adv3/1 dt. 24. 3. 82)

## 7. AMOUNT OF ADVANCE

The maximum amount of advance shall be

a) 50 times the basic pay p.m. at the time of sanction  
Rly. Bd's letter No. F (E) Spl. 87/Adv3/12 dt. 9.7.1987.

or b) estimated cost of the land-cum-house/flat, or

c) amount calculated as per the repaying capacity of the official, or

d) Rupees 2.5 lakhs,

which ever is the least

Note: The maximum amount admissible for enlarging living accommodation in an existing house is Rs.60, 000/-

In rural areas, the amount of advance shall be restricted to 80% of the true cost of land and construction of house or cost of enlarging living accommodation in an existing house. This can be relaxed to 100% if HOD certifies that the concerned rural area falls within the periphery of a town /or city

## 8. COST CEILINGS

Cost ceilings for the purpose of HBA have now been revised to make it. 150 times the basic pay of the railway servant concerned subject to a maximum of Rs.2.5 lakhs and a maximum of Rs.6 lakhs. These orders take effect from 1.11.1991. In deserving cases, the above cost ceilings may be relaxed upto a maximum of 25 %, based on merit by GMs/ HODs of zonal Railways /HODs empowered to sanction HBA (F(E)Spl..91/Adv3/15 Dt.13.12.91)

Note : Pay of both husband and wife who are employed in Central/state Govt. public undertakings, semi Govt. institutions or local bodies will be taken into consideration for the purpose of computation of cost ceiling limits

## 9. REPAYING CAPACITY

For the purpose of calculating the eligibility of advance, the repaying capacity will be calculated as below :

Officials retiring after 20 yrs	35% of basic pay
Officials retiring after 10 yrs but not more than 20. yrs	40% of basic pay; 60% of DCRG may be adjusted
Officials retiring within 10 yrs	Upto 50% of basic pay; 70% of DCRG may be adjusted.

While calculating repaying capacity, maximum no. of installments for recovery of the Principal may be taken as 180 and for recovery of the interest as 60 in the case of officials

retiring after 20 yrs. The approximate interest amount should be calculated on the basis of the rates of interest prevailing on the date of sanction. The additional interest of 2.1/2% above the prescribed rates of interest will not be taken into account for the purpose of computing the repaying capacity. Subsequent upward revision of DCRG limits will not entitle the railway servant to any enhancement of HBA, in case the same has already been released by the time of revision of DCRG limits. (F(E)Spl.87/Adv3/12. dt.9.7.871)

## 10 . INTREST

The advance carries simple interest from the date of payment of first installment.

Interest is calculated on the balance outstanding on the last day of each month.

No interest will be charged beyond the date of superannation or the date.

A higher rate of interest at 2.1/2% above the prescribed rate will be shown in the sanction, with a stipulation that rebate of 2.1/2% will be allowed in the interest for prompt repayment and observance of all other conditions attached to the sanction including these relating to the recovery of the amount

F (E) Spl. 80/Adv3 /4 dt. 8.7.80

## 11. RATES OF INTREST

For advances sanctioned from 1.6.71 to 31.3.74 6%

For advances sanctioned from 1.4.74 to 5.8.75 6.1/2%

For advances sanctioned on or after 6.8.75, following differential rates will be charged.

	6.8.75 to 31.05.81	1.6.81 to 31.03.84	1.4.84 to 31.5.81	31.3.84 to 24.11.85
For the first 25000	6. ½ %	7%	7%	
For the next 25000	8%	8. ½ %	8.½ %	
For the next 25000	10%	10. ½ %	10. ½ %	
For the next 50000			12%	

From 25.11.85 onwards, the basis for recovery of interest has been changed. It is leviable on the total amount of loan sanctioned, as given below:

<u>Amount of Loan sanctioned</u>	<u>25.11.85 to 23.6.87</u>	<u>24.6.87 to 25.7.90</u>	<u>26.7.90 onwards</u>
Upto Rs. 25000	7%	7%	7.1/2%
25001-50000	7.1/2%	7%	7.1/2%
50001-75000	8%	8%	9%
75001-100000	8.1/2%	8%	9%
100001-125000	9%	9%	10%
125001-150000	--	9%	10%
150001-2000000	--	10%	11%
200001-225000	--	10.1/2%	11.1/2%
225001-250000	--	11%	12%
Ref :		F(E)5pl.87/ Adv.3/12 dt. 9.7.87	F(E)5pl.90/ Adv.3/12 dt.16.8.90

In the process of recovery, the portion of loan carrying higher rate of interest will be treated as having been refunded first.

#### Concessional rate for promoting small family norms:

The rate of interest will be half- percent less for an employee who himself or his spouse undergoes sterilisation and satisfies the conditions prescribed in Min. of Railway's letter No. F(E) Spl.90/Adv3/11 dt.10.8.90. This is applicable only in case of officials who underwent sterilisation on or after 1.9.79, even after the release of first installment at HBA. The rebate however will be admissible from the date of sterilisation. Persons who have had twins after the birth of their first own children are also eligible for receiving the incentive, although they have children. Rebate of 1.1/2% is also admissible if sterilisation is had after one child. Rebate shall not be admissible if operation is undergone after drawal of final installment of HBA.

## 12. Disbursement

Advance for purchase of ready built house will be paid in one lump sum, as soon as the applicant executes an agreement in the prescribed form. The official should ensure that the house is purchased and mortgaged to the Government within 3 months of drawal of the advance.

Advance for purchase/construction of new flat may be paid either in one lump sum or in convenient instalments at the discretion of the Head of Department. The official should execute the agreement in prescribed form before the advance/first instalment of advance is paid to him. The amount drawn by the official should be utilised for the purchase/construction of the flat within one month.

(F(E)Spl.E6/Adv3/7 dt.4.6.86 & F(E) Spl. 86/Adv3/2 dt.17.3.86)

Advance for construction/enlarging living accommodation, etc. shall be payable in two instalments of 50% each. The first instalment will be paid after the plot and proposed house/existing house is mortgaged and the balance on the construction reaching plinth level. (No. F (E ) Spl. 91/Adv3/3 dt.6.3.91)

In the case of advance for purchase of plot and construction of house, the advance will be disbursed as below:

Single storyed houses :- After the agreement in prescribed form is executed and production of surety bond, 20% of the advance or the actual cost will be disbursed for purchase of plot. The balance amount will be disbursed in two equal instalments, the first after the mortgage is executed and the second on the construction reaching plinth level.

Double storyed house :- 15% of the advance or the cost of plot will be disbursed on executing the agreement. The balance amount will be disbursed in two equal instalments, the first on executing the mortgage deed and the second on the construction reaching plinth level.

In the case of purchase of ready built flats under the self financing schemes of statutory bodies, semi Govt. bodies etc. including IRWO, the amount of HBA permissible will be sanctioned on receipt of an assurance from the authority that on completion of the flat, its possession will be handed over to the Govt. servant concerned but payment thereof as and when made will be endorsed to the authority directly on the applicant executing an agreement to the authority directly on application executing an agreement to repay the loan and interest thereon. He will also produce two sureties from permanent Govt. employees of comparable status who are not likely to retire in the near future. The payment will be released to the authority in instalments, on pro-rata basis, calculated with reference to the total cost of construction (excluding the earnest money or the initial reqn deposit) and the amount of HBA sanctioned, as and when demanded by them, consistent with the progress of construction. The demand notice from the authority for release of each installment of HBA should be accompanied by a certificate from the Engineer of appropriate status as may be determined by that organisation, certifying completion of that much percentage of total work for which the demand has been made. On completion of the flat, the Govt. servant concerned will mortgage the flat to the President of India. The cost of the flat, over and above the ceiling limit of advance, will be borne by the Govt. servant concerned. If the Govt. servant wants to withdraw from the scheme or is unable to meet the balance amount representing the difference between the HBA sanctioned by the Govt. and the actual cost of the house, the amount of house building advance will be refunded forthwith to the Govt. by

the Authority. With a view to safeguarding the interests of the Govt., the authority will enter into a tripartite agreement in the prescribed form. The authority will maintain a separate account for each Govt. servant and adjust the payment of advance against the cost of construction of the particular category of flat applied for by the Govt. servant concerned.

### 13. Creation of second charge

To meet the balance cost of house/flat, Govt. servants may create a second charge on the property subject to the following conditions: (No.F(ESpl.82/Adv3/6dt.1.1.83 & F(E)Spl.B2/Adv3/6 dated 8.6.63 ):

1. Prior permission of the Head of the Department should be obtained for the second year.  
2. The second Charge can be created only in respect of loans to be granted for meeting the balance cost of house/flat.

3. The loan to be granted should be by recognised financial institutions such as:

a) Banking institutions, including Coop Banks.

b) Financial corporations set up by the State Govts. which provide loans for house construction.

c) Apex co-operative housing finance institutions such as Delhi Coop Housing Finance Society.

d) Public companies formed and registered in India with the main object of carrying on the business of providing long term Finance for constructing or purchase of houses in India for residential purposes like the Housing Development Finance Corporation Ltd.

The total amount of the HBA granted by the Govt. and the loan raised from these institutions taken together should not exceed the prescribed cost ceiling limit applicable to the Govt. servant concerned.

### 14. Repayment of the advance :

Repayment of the advance with interest thereon shall be repaid in full by monthly installments within a period not exceeding 20 yrs, i.e. the maximum No. of instalments is 240.

The amount to be recovered shall be fixed in whole rupees. If there is any fraction of a rupee it shall be recovered in the last installment.

The recovery should commence as follows;

i) in the case of advances for purchase of land and construction of house, from the pay of the



month following the completion of the house or from the pay of 24 month after the date on which the advance for purchase of plot was sanctioned, whichever is earlier. (No. F(E) Spl.75/Adv 3/8 dt. 16.2 .76 )

ii) In this case of advance for construction of house, from his pay of the month following the completion of the house or from the pay of 18th month after the date of disbursement of first installment of the advance, whichever is earlier.

iii) In this case of purchase of ready built house/flat from the pay of the month following that in which the advancee is drawn.

The advance may be repaid in a shorter period also if the official so desires.

The entire advance shall be recovered in full, with interest thereon before the retirement of the official.

Recovery shall not be held up or postponed without the prior concurrence of the Govt.

If a Govt. servant ceases to be in service for any reason other than normal retirement/ superannuation or if he dies before repayment of the advance in full, the entire outstanding amount will become payable forthwith. If however the house has not been completed and mortgaged by that time, the Govt., may, in deserving cases, permit repayment of the outstanding amount with interest in suitable installments.

Failure to repay the advance for any reason whatsoever either by the Govt, servant or his successors, as the case may be will entitle the Govt. to enforce the mortgage and take action to recover the outstanding amount.

## 15. Reconveyance

After the advance together with interest thereon is repaid in full, the property mortgaged to the Govt. will be reconveyed to the official in the prescribed format. The reconveyance deed shall be executed by this Head of department who generally accepts the mortgage deed on behalf of the President. Registration of reconveyance deed is compulsory. The Expenses in connection with the execution and registration of the reconveyance deed shall be borne by the official concerned. After the reconveyance deed has been executed and registered, it shall be made over to the concerned along with the mortgage deed, sale deed and other documents deposited by the official. In case of Govt. servant dies interest and the advance is recovered from gratuity or otherwise, reconveyance may be made to the heir. If there are more than one legal heir reconveyance can be done in favour of one them,

after obtaining no objection affidavit from others.

## 16. Duties of Head of Department.

1. He should scrutinise the application and satisfy himself about the facts stated therein.

2. He should ensure from the title deeds that the applicant possesses a clear title to the property in question.

3. He should see that the property is free from encumbrance

4. In the case of purchase of land and construction of house, the HOD should get (1) the agreement in the prescribed form executed by the official, and (2) surety bond from a permanent Central Govt. servant of status not lower than that of the applicant before the disbursement of first installment. The mortgage deed should be got executed and registered before the second installment is paid.

In the case of advance for construction of houses, mortgage deed in the prescribed form should be got executed and registered before payment of the first installment. Further, the proposed construction is in accordance with approved plan & specifications.

In the case of advance for purchase of ready built house/flats, agreement and surety bond should be got executed before payment of the advances and mortgage deed shall be got executed and registered within 3 months of disbursement of the advance.

In the case of advances to acquire houses through membership of Coop Group Housing Societies, personal bond, an agreement to mortgage the house/flat followed by deposit of title deeds (as and when available) and a promissory note in respect of the amount of principal plus interest at the specified rates should be obtained before payment of the HBA.

In all cases, sale deeds and other original documents should be obtained along with the mortgage deed and kept in deposit with the HOD.

In addition to the agreement/mortgage deed, surety from an approved permanent Govt. servant should be obtained in the following cases:

a) all applicants who are not permanent Central Govt. servants.

b) all applicants who are due to retire within a period of 18 months from the date of

application.

c) all applicants who are permanent Central Govt. servants who require the advance for the purchase of a ready built house.

In the case of advance for constructing/ purchase ready built house/flat the HOD should obtain adequate collateral security where ever the land on which the flats stand is not mortgaged in favour of the President of India.

In all cases HOD should satisfy himself that the Govt., servant establishes his marketable title to the property in accordance with the procedure prescribed by the Govt. before execution of the mortgage deed.

If the terms of sale do not vest title to the land in favour of the Govt. servant till a house is erected on the land it should be ensured before execution of the agreement that the Govt. servant will be in a position to acquire a clear and marketable title free from all encumbrances on erection of the house.

He should see that the mortgage deed and the reconveyance deed on release of the mortgage are duly registered within 4 months from the date of their execution. Registration is not necessary in the case of surety bonds and agreements under HBA rules.

He should see that the house is insured as per the rules immediately on purchase/ completion and that the premium receipts are regularly obtained for inspection.

He should, ensure that the house is maintained in good repair and the necessary municipal rates and taxes are paid regularly and the requisite certificate furnished annually until the advance has been repaid in full.

He should ensure that the monthly recovery of installments towards repayment of the advance commences from the due date and is made regularly from the monthly pay/leave salary/subsistence allowance bills of the official.

He should ensure that the amount if any drawn by the official in excess of the expenditure incurred is returned by the official forthwith together with interest if any due.

## 17. INSURANCE

Immediately on completion of construction/purchase of house/flat, the Govt. servant shall insure the house with the recognised units of LIC, for not less than the amount of advance

and shall keep it so insured against damage by fire, floods, and lightning till the advance together with interest thereon is repaid in full and deposit the policy with the HOD, Renewal of insurance will be done every year and premium receipts produced for inspection of HOD regularly.

(F (E)Spl.79/Adv3/11 dt.31.7.79).

### Condonation of non-insurance

Heads of Departments/Authorities empowered to grant HBA are competent to condone the period of non-insurance upto one year and only cases of non-insurance in excess of that period are required to be referred to Min. of Urban Development. It has to be insured that the irregularity is not deliberate on the part of the Govt. servant but due to circumstances beyond his control.

(F(E)Spl.85/Adv3/15 dt.23.2.95)

## 18. RESIDUAL POWERS

All cases involving relaxation of rules/orders and cases in which doubts persist are required to be referred to Ministry of Urban development, through administrative Ministry. Ministry of Urban Development is the nodal Ministry for grant of HBA, and residual powers vest with them.

19. While referring to this Master Circular, the original circulars mentioned here in and the provisions of the Code/ Establishment Manual should be read for a proper appreciation. This circular is only a consolidation of existing instructions, and should not be treated as a substitute of the original circulars. In case of doubt, the original circulars should be relied upon as authority.

20. If any circular having a bearing on the subject which has not been superseded, has been lost sight of in the preparation of this Circular, the said circular which has been missed through oversight should not be ignored, but should be treated as valid and operative.

21. The letters and other references on the basis of which this circular has been prepared are indicated in the annexure.

Encl. Annexure.

(K.Biswal)  
Dy. Director/Finance(Estt. )  
Railway Board.

## ANNEXURE

### Important reference relied upon

1. F(E) Spl.78/Adv3/1 dt.19.4.78
2. F(E)Spl.78/Adv3/10 dt.28.7.78
3. F(E)Spl.80/Adv3/4 dt.8.7.80
4. F(E) Spl.74/Adv3/10 dt-2.9.80
5. F(E)Spl.82/Adv3/1 dt.24.3.82
6. F(E)Spl.82/Adv3/6 dt.1.1.83
7. F(E)Spl.82/Adv3/6 dt.8.6.83
8. F(E)Spl.83/Adv3/15 dt.23.2.85
9. F(E)Spl.84/Adv3/2 dt.25.2.85
10. F(E)Spl.85/Adv3/15 dt.23.9.85
11. F(E) Spl.86/Adv3/2 dt.17.3.86
12. F(E )Spl.86/Adv3/7 dt.4.8.86
13. F(E) Spl.87/Adv3/12 dt.9.7.87
14. F(E)Spl.87/Adv3/7 dt.8.5.89
15. F(E) Spl.89/Adv3/9 dt.31.5.89
16. F(E)Spl.90/Adv3/11 dt.10.8.90
17. F(E)Spl.90/Adv3/12 dt.16.8.90
18. F(E)Spl.91/Adv3/3 dt.6.3.91
19. F(E)Spl.91/Adv3/5 dt.10.4.91
20. F(E)Spl.91/Adv3/7 dt.23.4.91
21. F(E)Spl.91/Adv3/6 dt.24.4.91
22. F(E)Spl.91/Adv3/15 dt. 13.12.91
23. F(E)Spl.95/Adv3/5 dt. 14.8.95
24. F(E)Spl.95/Adv3/4 dt. 11.9.95
25. F(E)Spl.94/Adv3/7 dt. 13.10.95

Government of India (Bharat Sarkar)  
Ministry of Railways (Rail Mantralaya)  
(RAILWAY BOARD)

No/F(E) Spl. 98/ADV 3/7.  
New Delhi, dt.29.11.1999.

The General Managers,  
All Indian Railways & Production Units.

Sub: House Building Advance - Request of Institute of Rolling Stock Engineers.

The Institute of Rolling Stock Engineers (IRSE), with a view to undertaking house building activity for its members have formed a Welfare Housing Organization named as IRSEWHO and a plot of land has been allotted to them by HUDA at Gurgaon (Haryana). They had approached Ministry of Urban Development that members of IRSEWHO should also be allowed the facility of house building advance as is admissible in respect of IRWO members.

Ministry of Urban Development have not acceded to the demand made by IRSE to allow grant of HBA to members of IRSEWHO.

In the above context it is desirable to ensure that no HBA be sanctioned to any member of IRSEWHO for acquiring a house through this Organization viz. IRSEWHO.

The above notwithstanding, in case any IRSEWHO member submits application for HBA for acquiring a house under their Scheme at Gurgaon, that may be referred to this Ministry for onward transmission to Urban Development Ministry for consideration on a case to case basis.

Please acknowledge receipt.

Dy. Director, Finance (Estt.)I,

(R.P.SINGH)

Railway Board.

Copy for information to: Chief Rolling Stock Engineer/Chg.,

Northern Railway, Baroda House, New Delhi.

GOVERNMENT OF INDIA(BHARAT SARKAR)  
MINISTRY OF RAILWAYS (RAIL MANTRALAYA)  
(RAILWAY BOARD)

RBE No. 174/99

No/F(E)Spl.98/ADV/3/8.  
New Delhi, dt.14.07.99

The General Managers and FA&CAO's  
(As per Standard List 'I')

All Officers, Training Institutes, RRT  
(As per Standard list 'II')

All Railway Public Sector Undertakings/ Corporations  
(As per Standard List 'VI')

Subject: House Building Advance for acquiring House/flats under  
Self-Financing Schemes & Outright Purchases from Joint Venture  
of Authorities/Boards etc. and Registered Private Builders.

\*\*\*\*\*

A copy of Ministry of Urban Affairs & Employment's O.M. No.I/17015/1/91-H.III. dated 4/5/99 on the above subject is sent herewith for information and guidance. Instructions contained therein would apply to Railway servants' mutatis-mutandis. A format of the Tripartite Agreement prescribed in this respect is enclosed herewith at Annexure 'A'.

Hindi version is enclosed.

(R.P.SINGH)  
Dy. Director, Finance (Estt.)  
Railway Board

DA: As above.

Copy to: The Ministry of Urban Affairs & Employment, Government of India, Nirman Bhavan  
New Delhi, with reference to their O.M.No.I/17015/1/91-H.III dated 4/5/99.

Copy to: DAI (Railways), New Delhi (with 100 spares)

(R.P.SINGH)  
Dy. Director, Finance (Estt.)  
Railway Board.



No.1/17015/1/91-H.III

COPY

Govt. Of India

Ministry of Urban Affairs & Employment

(Shahari Karya Aur Rozgar Mantralaya)

Nirman Bhavan, New Delhi.

Dated:- 04-05-1999

**OFFICE MEMORANDUM**

Subject: House Building Advance for acquiring house/flats under Self-Financing schemes & Outright Purchase from Joint Venture of Authorities/Boards etc. and Registered Private Builders.

\* \* \*

The question of extending the facility of grant of House Building Advance to Central Govt. employees for acquiring house/flat under self-financing scheme & outright purchase from joint ventures of Authorities/Boards etc. approved under House Building Advance Rules and Registered Private Builders, has been under consideration on the receipt of several representations from various Ministries/Depts. for some time past.

2. It has now been decided in consultation with Ministry of Law and Justice that House Building Advance may be admissible to Central Govt. employees to acquire a House/flat under self-financing scheme or outright purchase from a joint venture of Authorities/Boards approved under House Building Advance Rules and Registered Private Builders subject to the standard terms and conditions laid down for self financing schemes under House Building Advance Rules and a Tripartite Agreement between joint-venture, buyer and the Govt. as per the standard terms & conditions laid down for self financing schemes under House Building Advance Rules, including the terms & conditions stated in this Ministry's O.M. of even No. dated 4/9/91. The grant of advance in such cases shall be further subject to the condition that the License Deed for the joint venture should be duly registered and the following clauses ought to be in – corporated in the Tripartite Agreement.

(i) If for any reasons whatsoever, within or beyond the control of the builder, the whole or the part of the project is abandoned, the money shall be refunded in full by the joint venture.

(ii) If the booking of the flat is cancelled and earnest money is forfeited due to default by flat buyer, the balance amount paid by the flat buyer shall be refunded by the joint-venture.

(iii) In the event of (i) & (ii) above, the money paid directly to the joint venture by the Govt. on behalf of flat buyer shall be directly refunded back to the Govt. and the balance, forfeited amount, if any, and the interest not paid by the joint venture, shall be deemed to be due and payable by flat owner / applicant on House building Advance as per House Building Advance Rules.

(iv) The terms & conditions, present and future, if any, in the flat buyer's agreement are reasonable and do not prejudice the interest of the Govt.

3. In so far as the persons serving in the Indian Audit and Accounts Department are concerned, this issue with the concurrence of Comptroller & Auditor General of India.

4. Hindi Version will follow.

(D.C. BHATT)  
Under Secretary to the Govt. of India  
Tel: 3018691

#### ANNEXURE - A

Form of Tripartite agreement to be executed at the time of drawing an advance for acquiring house/flats under Self-Financing Schemes & Outright Purchase from Joint Venture of Authorities/Boards etc. and Registered Private Builders viz.\_\_\_\_\_.

THIS AGREEMENT made this\_\_\_\_\_ day of\_\_\_\_\_ (Mention date, Month and Year) between Shri \_\_\_\_\_ S/o Shri \_\_\_\_\_ resident of \_\_\_\_\_ at present serving as\_\_\_\_\_ Hereinafter called 'Borrower' (Which expression shall unless excluded by or repugnant to the context be deemed to include his/her heirs, executors, administrators and legal representatives of the first part, the Joint Venture of\_\_\_\_\_ a body corporate constituted under Sec.\_\_\_\_\_ and Registered Private Builder hereinafter called the Joint Venture of the second part and the\_\_\_\_\_.

\_\_\_\_\_ (Which expression unless repugnant to the context shall include its successors and assigns) of the third part.

Whereas the borrower desired to acquire house/flat from Joint Venture under its self-financing scheme (hereinafter referred to as 'The said scheme') which envisages allotment of house/flat

after a period of \_\_\_\_\_ years and payment of the cost of construction in installments as mentioned in the brochure of the Scheme or Outright purchase from the Joint Venture,

AND WHEREAS THE BORROWER has under the provisions of the rules framed by the Central Government to regulate the grant of advance to the employees of Central Government for building houses, etc. (hereinafter referred to as the said rules including any modifications thereof) applied to the Government \_\_\_\_\_ has sanctioned an advance of Rs. \_\_\_\_\_ to purchase a house/flat under the scheme and the Government \_\_\_\_\_ has sanctioned an advance of Rs. \_\_\_\_\_ to the borrower vide the \_\_\_\_\_ letter No. \_\_\_\_\_ dated \_\_\_\_\_ a copy of which is annexed to these presents for the purchase aforesaid on the terms and conditions set forth therein.

In consideration of the sum of Rs \_\_\_\_\_ Rupees \_\_\_\_\_) already deposited by the borrower as initial amount of registration deposit with the Joint Venture under the scheme for acquiring/purchasing house/flat and the Sum of Rs. \_\_\_\_\_ (Rupees \_\_\_\_\_) (Insert the amount of advance sanctioned) to be paid by the Government \_\_\_\_\_ directly to the Joint Venture on behalf of then borrower, it is hereby agreed to by and between the parties hereto as follows:-

1., On the receipt of an assurance from the Joint Venture that house will be allotted to the borrower herein, the amount of house building advance permissible will be sanctioned to the borrower but , the actual payment will be made to the Joint Venture as and when demanded by then on pro-rata basis, calculated as under, consistent with the progress of construction :

-:2:-

Amount of each- installment of house Building Advance.	=	<u>Amount demanded</u> Total cost of the flat (excluding the amount of initial deposit of Earnest Money)	X	The Amount of House Building Advance Sanctioned
--	---	---	---	---

The amount in excess of the amount of house Building Advance permissible and sanctioned to the borrower will be paid by the borrower to the Joint Venture directly, so as to make the payment to the \_\_\_\_\_ in the manner as mentioned, here in before.

In case there is any delay in payment of' the installment by Government or the Borrower or any other default, in either case it will be treated as default on the part of the borrower and consequence of such default will be borne by the borrower whose sole responsibility it shall be to

make all the payment.

2. The Joint Venture will maintain a separate account for the borrower and adjust the payment of advance received by it from Government against the cost of construction of particular category of house/flat applied for by him.

3. On completion of the house/flat and subject to the fulfillment of all relevant terms and conditions including those specified in para\_\_\_\_\_ of the terms and conditions given in the brochure, which is annexed to these presents, its possession will be handed over to the borrower forthwith along with the title thereto on lease/free hold right to \_\_\_\_\_ as security for the purpose registration.

4. The cost of the house/flat, if in excess of the amount of House building advance sanctioned, will be borne and paid by the borrower.

5. The borrower is to repay to the Government \_\_\_\_\_ the said amount of Rs. \_\_\_\_\_ (insert full amount sanctioned with paragraph 11 mentioned below) by \_\_\_\_\_ (number of installments to be filled in) monthly installments of Rs. \_\_\_\_\_. From his pay commencing from the month of \_\_\_\_\_ (date, month and year ) or from the month following obtaining of the authorities the Government \_\_\_\_\_ to make such deductions from his monthly pay, leave salary and subsistence allowance bills.

6. If the borrower wants to withdraw from the. scheme or fails . to pay the balance amount representing the difference between the , House building advance sanctioned by the Government and the actual cost of flat, or quits the service of the Government or dies, the amount of the house building advance will be refunded forthwith to the Government. The amount of initial deposit of \_\_\_\_\_ will be refunded to the borrower or his legal heirs, as the case may be, by the Joint Venture after deducting such amounts as may be payable by him as communicated in the brochure, Provided however , in the event the borrower quits the service of the Government 'or" / dies, the Joint Venture nay, in its absolute discretion, allow the ; r, borrower or his legal heirs, if they choose so, as the case may be, to deposit the amount refunded to the Government as mentioned herein above on an undertaking by the borrower or his legal heirs, as the ease may be. to pay such further sum or sums as may have been payable by him under these presents to the Joint Venture, .further, that in the event the borrower quits the service . Government or-dies, as the case may be, the terms of this as applicable to the Joint Venture and the borrower shall be deemed to continue and shall always be deemed to have been irrespective of the fact that in relation to the Government this agreement has come to an end.

7. If for any reasons whatsoever, within or beyond the control of the Builder, the whole or the

part of the project is abandoned the money shall be refunded in full by the Joint Venture.

8. If the booking of the flat is cancelled and earnest money is forfeited due to default by flat buyer, the balance amount paid by the flat buyer shall be refunded by the Joint Venture.

In the event of (7) & (8) above, the money paid directly to the Joint Venture by the Government on behalf of flat buyer shall be directly refunded back to the Government and the balance, amount, if any, and the interest not paid by the Joint Venture shall be deemed to be due and payable by flat buyer/ applicant on House Building Advance as per House Building Advance Rules.

10. The terms & conditions, presents and future, if any, in the fiat buyer's agreement are reasonable and do not prejudice the interest of the Government,

11. The rates .,of interest on house building advance will be in accordance with orders of the Government of India issued in that regard from time to time.

12. The stamp duty payable on these presents shall be borne by the Government servants,

IN WITNESS WHEREOF THE BORROWER HAS hereunto set his hand and  
Shri \_\_\_\_\_, of the authority has hereunto set his hand and  
Shri. \_\_\_\_\_ of the Registered Private Builder has hereunto set his hand and  
Shri \_\_\_\_\_ Secretary \_\_\_\_\_ for and on behalf of the  
President of India has hereunto set his hand.

(SIGNATURE OF THE BORROWER)

1st Witness :

Address :

Occupation :

2nd Witness :

Address :

Occupation :

In respect of the Joint Venture:

Signed by Shri. \_\_\_\_\_ of the \_\_\_\_\_

in the presence of WITNESS 1. \_\_\_\_\_ (Authority)

2.

AND

Signed by Shri \_\_\_\_\_ of the \_\_\_\_\_  
in the presence of WITNESS 1. \_\_\_\_\_ (Registered private Builder)

2.

Signed by Shri \_\_\_\_\_ in the Ministry/ Office of  
\_\_\_\_\_ for and on behalf of the President of India.

SCHEDULE OF THE PROPERTY.

All that House/Flat No. \_\_\_\_\_ etc.

GOVERNMENT OF INDIA  
(BHARAT SARKAR)  
MINISTRY OF RAILWAYS (RAIL MANTRALAYA)  
(RAILWAY BOARD)

F(E)Spl.98/ADV/3/5.  
New Delhi, dt. 5.10.1999.

D.G.R.D.S.O, Lucknow,  
G.M, Central Rly. Mumbai,  
G.M., North Central Railway,  
G.M., Northern Railway, New Delhi &  
G.M., Eastern Railway, Calcutta.

Sub : Modification made by State Government of U P for Passing drawing for building house up to 300 Sq. Meter area.

\*\*\*\*\*

State Government of Uttar Pradesh, vide their notification NO. 1614/9-A-3-97-38/Misc/97\_dated 1.5.97 have dispensed with the requirement of permission for approved plan for building/renovating houses within the area of 100 Sq. Meter. Similarly, maps/drawings of plan submitted for building houses on area more than 100 Sq. meter but only up to 300 Sq. Meter will automatically be treated as passed provided a certification by Architect is given on the map that the proposed plan is according to by-laws.

2. In view of the above, while the local authorities of the State Govt. would not issue any approved plan in respect of areas within above mentioned limits, the concerned offices would also not be in a position to sanction HBA in the absence of approved plan, this being one of the conditions for sanction of HBA.

3. The matter has been examined in consultation with Ministry of Urban Development who have consulted Ministry of Law also.

4. Based of the clarification received from Ministry of Urban Development it is advised that the administrative order of Govt. of U.P. is a case of deemed approval. Therefore, the applications of employees may be processed in accordance with the HBA Rules without insisting on approved map plan within the parameters of administrative orders of Govt. of U.P.

(This disposes of RDSO's letter No.Estt-5/HBA/Misc. dated 7.8.98 and C.Rly's letter No.

HPB/105-R/HBA dated 22.6.98.)

(R.P.SINGH)  
Dy. Director, Finance (Estt.)  
Railway Board.



GOVERNMENT OF INDIA (BHIARAT SARKAR)  
MINISTRY OF RAILWAYS (RAIL MANTRALAYA)  
(RAILWAY BOARD)

\*\*\*\*\*

F(E)Spl.89/Adv3/3.  
New Delhi, dt. 19.04.1989

Sub: Stamp-Duty on Mortgage Deed and Deed of Re-conveyance by Central Govt. employees under the scheme of HBA exemption of.

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Ref: Board's letter No.

- (i) F(E)Spl.7P/Adv3/7 dt.9.8.78
- (ii) F(E)Spl.79/Adv3/10 dt-28.6.79
- (iii) F(E)5pl.78/Adv3/7 dt.27.7.79

A copy of the clarification issued by Ministry of Urban Development, vide their O.M. No. 1/1701/3/4/39/H.III dt. 20.2.89 is enclosed. The instructions contained therein shall apply, mutatis-mutandis, to railway employees. This may be brought to the notice of all concerned.

(R.P. Sachdev)  
Dy. Director/Finance (Estt.)  
Railway Board

DA; As above

Copy of Ministry of Urban Development's O.M. No.1/701/4/69/ H. I dated 28.2.89.

Sub: Stamp-Duty on Mortgage Deed and Deed of Reconveyance executed  
by Central Government Scheme of House Building advance-exemption of.

The undersigned is directed to say that the existing position with regard to payment of stamp-duty by the Central Government employees on the registration of Mortgage deed and Reconveyance Deed relating to house building advance and its reimbursement by the Government was indicated in this Ministry' O.M.No.I/17014/7e/H.III dt.31.5.78, 7.3.79. 30.4.79 and 25.5.79.

2. A number of references are being received in this Ministry enquiring whether the loanee Central Government servants are exempted from payment of stamp duty charged on the registration of the aforesaid documents relating to house building advance as position indicated in the Office Memoranda referred to above has undergone change, in some States. Since stamp-duty State subject, the Central Government employees are to be governed by the rules formulated by the concerned State Govts. in this regard. It is therefore, clarified that the stamp duty on the

aforesaid documents, where-ever charged, has to be borne by the loanee. Govt. servants reimbursement thereof is not admissible.

3. Ministry of Agriculture etc. are requested to bring the contents of this O.M. to the notice of all concerned.

Sd/-  
(S. Balakrishnan)  
Under Secretary to the Govt. of India.

The Schedule above referred to :

All the plot of land bearing No. .... having an area of .....sq. mt.(.....) with all basements, appurtenances, rights of way, passage situated..... and bounded as below :-

North:

South:

East:

West:

In witness whereof the Mortagor has hereunto set his hand and Shri..... for and on behalf of the President of India has set his hand

(Sd).....  
Mortgager

In the present of:

1st Witness

Address :

Occupation :

2nd Witness :

Address:

Occupation :

Signed by Shri..... in the Ministry/Office of the .....for and behalf of  
President of India.

1st witness :

Address :

Occupation :

2nd witness :

Address :

Occupation :

(No. P(B)23/P/Vol. IX dated 7th January 1987)

GOVERNMENT OF INDIA (BHARAT SARKAR)  
MINISTRY OF RAILWAYS (RAIL MANTRALAYA)  
(RAILWAY BOARD)

RBE No.. 230/98

No. F(E.) Spl.98/ADV3/8  
New Delhi , dt. 9/10/1998

The general Managers and FA & CAO's;  
(As per Standard list 'I')

All Officers, Training Institutes,  
RRT (as per Standard list ' II' )

All Railway Public Sector Undertakings/  
Corporations ( As per Standard list 'VI')

Subject: Extending the facility of House Building Advance to Central  
Government Employees for acquiring flats through Coop. Group  
Housing Society.

A copy of Ministry of Urban Affairs & Employment' s O.M. No.1/17015/4/96/H. III dated  
14/06/1996 on the above subject is sent herewith for information and guidance. Instructions  
contained therein would apply to Railway servants mutatis-mutandis.

Hindi version is enclosed.

(R.P.SINGH)  
for Financial Commissioner, Rlys,

DA: as above,

Copy to : The Ministry of Urban Affairs & Employment, Government of India, Nirman Bhavan,  
New Delhi, with ref. to their O.M. No 1/17015/4/96/H.III dated 14/06/1996.

Copy to : DA I( Railways ). New Delhi ( with 100 spares)

No. 1/1701 5/4/96 /H.III  
Government of India

Ministry of Urban Affairs &. Employment  
(Housing-III Section)

New Delhi, dated the 14th June 96.

**OFFICE MEMORANDUM**

Subject: Extending the facility of house building advance to Central Government Employees for acquiring flats through Coop. Group Housing Society.

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The eligibility for grant of house building advance was extended to the Central Govt. Employees who acquired flats through Coop. Group Housing Societies vide this Ministry's O.M. No.1/17011/11/80/H.III dated 5.3.83. Of late, it has been represented that 20% of the admissible amount of house building advance should be released to the Govt. employees for making payment towards the cost of land required to be paid by the society to the land allotting agency. The matter has been considered in consultation with Ministry of Finance and it has been decided that 20% of house building advance may be released for meeting the cost of the land on receiving the demand from Goop. Group Housing Society, provided the payment is to be made to a statutory Development Authority/State Housing Board or State Govt. for allotment of land. The balance 80% of house building advance will be released on pro-rata basis consistent with the demands of the Society. However, if the Govt. servant withdraws from the scheme of the Society, the entire amount of house building advance along with interest thereon will have to be refunded to the Govt. by him within 15 days from the date of such withdrawal and he will not be entitled to another house building advance during his service.

2. For releasing 20% of the amount of house building advance, for making payment towards the cost of the land, the Head of Deptts. will obtain a letter from the Coop. Group Housing Society indicating the total cost of the land to be paid to the statutory Development Authority State Housing Board or State Govt. and the notional share of each member thereof. The letter should be accompanied by the copy of the allotment letter of the land from allotting agency. The society should also certify that they have no objection to the mortgaging of the fiat to be constructed thereon along with proportionate share in the land. The other conditions stimulated in this Ministry's O.M.No. I/17011/11/80/H.III dated 5.3.83 remained unchanged.

3. Hindi version will follow.

Sd/-  
(I. L. Bansal)  
Under Secretary (H .III )  
Tel. No. 3018691



Government of India/Bharat Sarkar  
Ministry of Railways/Rail Mantralaya  
(Railway Board)

RBE NO. 203/98.

F(E) Spl.98/ADV.3/6  
Delhi, dt. 10.9.98

The General Managers and FA & CAOs (As per standard list 'I').  
All Officers, Training Institutes, RRT (As per standard list 'II' )  
Ail Railway Public Sector Undertakings/ Corporations (As per standard list 'VI')

Sub :- House Building Advance Rules purchase of houses/ flats from  
private parties.

Ref : Board's letter No. F(E) Spl. 79/ADV. 3/1 0 dt.28.7.78.

Attention is invited to the M/o Works & Housing's O.M. No. 1/17Q11/23/71-H-III dt. 3.7.78 on the above subject, cir-culated vide Board's letter referred to above under which- admissibility of house building advance to Central Govt./Railway employees for purchase of houses/flats from "Pvt. Parties" were made permissible.

M/o Urban Development vide their U.M. Mo. I/17011/23/ 71/n-III dt. 25.7.94 have clarified regarding the scope of the term "Private Parties". A copy of their O.M. is forwarded herewith for information and guidance.

The instructions contained in the M/o Urban Development's O.M. dated 25.7.94 referred to above, would apply mutatis-mutandis to Railway servants.

( R. P. SINGH )  
Dy. Director, Financial (Estt.)  
Railway Board.

DA : As above.

Government of India  
Ministry of Urban Development.

No.I/17011/23/71/H.III

New Delhi, dt. 25.July,94.

OFFICE MEMORANDUM

Subject; House Building Advance Rules purchase of houses from private parties.

The undersigned is directed to invite a reference to erstwhile Ministry of Works & Housing (now Ministry of Urban Development)' s O..M . of even number dated 3,7.78, under which facility of house building advance for purchase of houses/ flats from private parties was extended to the Central Government employees and to say that a point has been raised whether "private parties" referred to in the aforesaid C.M, include individual house builders.

2. The matter has since been examined in this Ministry and it is clarified that the "private parties" include registered builders, architects, house building societies, etc. but not the private individuals. Therefore, house building advance is not admissible to Government servants, for purchasing a house/flat from a private individual, irrespective of its being in urban or rural areas.

Sd/"

(I.L. Bansal)

Under Secretary to the Govt. of India,

Tel. No. 301 8691



GOVERNMENT OF INDIA (BHAHAT SARKAR)  
MINISTRY OF RAILWAYS (RAIL MANTRALAYA )  
(RAILWAY BOARD)

S. No. PC-V-92-/98

RBE No.147/98

No. F(E) Spl.97/ADV.3/6  
New Delhi, dt. 29-6-95

The GMs/ OSDs/ CAOs etc.  
All Indian Railway a &. Production Units  
(As per Mailing List)

Sub:- House Building Advance to the Government/ Railway employees -  
Enhancement of.

Ref:- Board's letter of a even No.dt.23.1.98 & 5.5.1998

.....

The facility of grant of House Building Advance for repayment of loans was extended to Government/Railway employees in terms of M/0 Urban Development's O.M. No. I/11701t/ 3/86/ H III dt. 17.4.89 circulated vide Board<sup>1</sup>a letter No. F(E)5pl.89/ADV.3/9 dt.31.5.89.

References are being received from various quarters seeking clarification as to whether enhancement of HBA already sanctioned is also admissible for the purpose of repayment of loans raised by the employees from non-Govt. source s.

The matter has been considered in consultation with IM/0 Urban Affairs and Employment, who have clarified that enhancement of HBA is not admissible for the purpose of repayment of loans raised from non-Govt. sources/recognised financial Institutions.

Hindi version is enclosed.

( R.P.SINGH )  
Deputy Director Finance (Estt.)I  
Railway Board.

GOVERNMENT OF INDIA(BHARAT SARKAR)  
MINISTRY OF RAILWAYS. RAIL MANTRALAYA)  
(RAILWAY BOARD)

S.NO.PC-V.71/98.  
RBE No. 92/98

No.F(E)Spl.97/ADV/3/6.  
New Delhi, dt. 5.5.1998.

The GMs/OSDa/CAOs etc.  
All Indian Railways & Production  
Units (As per Mailing List).

Sub: Liberalisation of House Building Advance.

Attention is invited to the Board's letter of even number dated 23.1.98 under which the benefits of enhancement of HBA were agreed to in past cases subject to certain conditions? laid down therein.

2. One of the conditions laid down in para 1(c) of the Board's letter dated 23.1.98, was that only the original cost, taken into account at the time of sanctioning the original house building advance, would form the basis for release of additional amount.

3. The matter has been further examined and Government have decided that the request for additional amount from loanee applicants, who have already drawn house building advance, should be considered on the basis of the revised cost of the original plan. In other words, the loanee cannot change the original plan of construction/ flat but will be entitled to have the revised cost of the original plan being considered to determine the quantum of the additional release of house building advance, subject to a maximum of 100% of the house building advance previously sanctioned. In any case, not more than one enhancement is admissible to a Government/Railway servant.

4. Para 1(c) of the Board's letter dated 23.1.98 may be deemed to have been modified to this extent.

5. In view of the above modification, it has also been decided that applications for enhancement of house building advance may be entertained for a further period of six months from 23.3.1998, i.e. the date of issue of Ministry of Urban Affairs Office Memorandum.

Hindi version is enclosed.

Deputy Director, Finance (Estt, )I,  
Railway Board.

Government of India/Bharat Sarkar  
Ministry of Railways/Rail Mantralaya  
(Railway Board)

RBE No.67/98

No.F(E)Spl.98/ADV 3/1.  
New Delhi, dt. 30.3.1998.

The General Managers and FA & CAOs  
(As per Standard list 'I').  
All Officers, Training Institutes, RRT  
(as per Standard list 'II')  
All Railway Public Sector Undertakings/  
Corporations (As per standard list 'VI')

Sub: Liberalisation of House Building Advance Scheme for Central  
Government Employees -Disbursement of advance required partly for purchase  
of land and partly for construction of new house.

• • •

A copy of Ministry of Urban Affairs & Employment's O.M.No.I/17015/7/94/H.III dated 11.3.98  
on the above subject is sent herewith for information and guidance. Instructions contained therein  
would apply to Railway servants mutatis-mutandis.  
Hindi version is enclosed.

DA: As above.

(R. P. SINGH )  
Dy. Director, Finance (Estt, ),  
Railway Board.

Copy to the Ministry of Urban Affairs & Employment, Government of India, Nirman Bhavan,  
New Delhi, with ref. to their O.M.No. I/I 7015/7/94/H.III dated 11.3.98.  
Copy to: DAI(Railways), New Delhi(with 100 spares)

(R.P. SINGH)  
Dy.Director, Finance (Estt.),  
Railway Board.

Copy of Ministry of Urban Affairs and Employment's  
O..M. No.I/17015/7/94/H.III dated 11.3.9B

\*\*\*\*\*

Sub: Liberalisation of House Building Advance Scheme for Central  
Government employees - Disbursement of advance required partly for  
Purchase of land and partly for construction of new house.

At present, an amount not exceeding 20% of the sanctioned advance (15% in the case of double-storeyed new house) is payable to a Government servant for purchasing a developed plot of land on which construction can commence immediately on receipt of the loan on hie executing an agreement in the prescribed form etc. In view of the phenomenal rise in the cost of land vis-a-vis the cost of construction over the years» the question of enhancement of the above percentage has been considered in this Ministry in consultation with the Ministry of Finance and it has been decided to liberalise the aforesaid disbursement limits as under :-

	<u>Existing limit</u>	<u>Revised limit</u>
a)Advance required partly for purchase of land and partly for construction of a new single storeyed house.	20%	40%
b)Advance required partly for purchase of land and partly for construction of a new double storeyed house.	15%	30%

2. All other conditions remain unchanged.

3. This issues with the approval of C&.AG of India in so far as persons working in the Indian Audit and Accounts Department.

4. Hindi version is enclosed,

Sd/-  
(I.L. BANSAL)  
Under Secretary to the Govt, of India.  
Tel. No.3018691

GOVERNMENT OF INDIA  
(BHARAT SARKAR)  
MINISTRY OF RAILWAY(RAIL MAMTRALAYA)  
(RAILWAY BOARD)

No..PC-V/47/98  
RBE No. 42/98

No. F(E) 5pl.97/ADV/3/6  
New Delhi, dt. 20/2/1998

The GMs/OSDs/CAOs etc.  
All Indian Railways &. Production Units  
(as per Mailing List)

Subjects; HBA Scheme for Central Government/Railway Employees- further clarification  
regarding

References Board's letter No. F(E)Spl.97/ADV.3/6 dated 23/1/98

\*\*\*\*\*

In continuation of Board's letter referred to above, this is to clarify that even if one of the conditions as stipulated in Para 1(a) of the said letter is fulfilled, HBA already sanctioned can be enhanced, if applied for by the concerned employees, subject to other conditions as stipulated in sub-para (b) to (f) of the said letter dated 23/1/98 being also fulfilled.

2. It is also further clarified that there is no objection to the HBA sanctioned even prior to 1/1/96 being enhanced, provided all the necessary conditions as stipulated in Board's letter dated 23/1/98 are fully met.
3. This disposes off Central Railway's letter Np.AC/ENG/ Supp/Policy dated 12/1/98 and HPB/PC-V/R dated 20/1/98.
4. Hindi version is enclosed.

(R.P.SINGH)  
Dy. Director, Finance ( Estt.) I  
Railway Board.



Government of India (Bharat Sarkar)  
Ministry of Railways (Rail Mantralaya)  
(Railway Board)

S.No.PC-V/37/98

RBE No. 18/98

No.F(E)Spl.97/ADV/5/6  
New Delhi, dt. 25.1.1998.

The GMs/OSDs/CAOs etc. :  
All Indian Railways & Production Units  
(As per Mailing List)

Subject: House Building Advance Scheme for Central Government/Railway  
Employee-Implementation of the recommendations of the Fifth Central pay  
Commission.

Reference is invited to the Ministry of Urban Affairs and Employment O.M.No.I/17015/5/97/H.  
III dated 16/12/97 circulated under this Ministry's letter of even No. dated 29/12/97 on the above  
subject. The question of enhancement of House Building Advance in past cases i.e. sanctioned  
prior to 16/12/97 has been considered and it has been decided that enhancement of House Building-  
Advance by an amount not exceeding the amount of House Building Advance already sanctioned  
i.e. not more than 100% of the House Building Advance previously sanctioned, may be allowed  
to Government/Railway servants if applied for, subject to the following conditions:-

- (a) The Government/Railway servant should not have drawn the entire amount of House Building Advance sanctioned under earlier orders and/or where construction is not completed/full cost towards acquisition of house/flat is yet to be paid.
- (b) There will be no deviation from the approved plan of construction on the basis of which the original sanction of House Building Advance was accorded,
- (c) The original cost taken into account at the time of sanctioning the original House Building Advance would only form the base.
- (d) Supplementary Mortgage deed. Personal Bond and Sureties should be drawn and executed at the expense of the loanee.
- (e) The actual entitlement will be restricted to the repaying capacity computed on the basis of the following formula laid down in the Ministry of Urban Affairs & Employment O.M. No. I/17011/3/86/H.III dated 24/6/87 circulated under Board's letter No. F(E)Spl/87/ADV.3/12 dated 9/7/1987 and further modified partially vide that Ministry's O.M.No.



I/17015/ 16/92-H.III dated 30/4/93.

-  
-  
**Length of remaining Service**

- (i) Officials retiring after 20 years,  
(ii) Officials retiring after 10 years but not later than 20 years.  
(iii) Officials retiring within 10 years.

**Revised slab of repaying capacity**

- 35% of basic pay  
40% of the basic pay after adjustment of 65% of DCRG  
50% of the basic pay after adjustment of 75% of DCRG

It should be ensured that the entire amount of advance with interest is recovered before retirement of the Government/ Railway servant.

(f) Rate of Interest : The old rate of interest should be levied for the old sanction and the revised rate of Interest should be levied on the enhanced house building advance amount, However the revised rate of interest as applicable on the enhanced house building advance will be as per the slab applicable to the total sanctioned house building advance amount (i.e. amount already sanctioned plus enhanced sanctioned).

2. Hindi version is enclosed.

( R.P.SINGH )  
Dy. Director, finance(Estt.)1  
Railway Board.

Government of India(Bharat Sarkar)  
Ministry of Railways (Rail Mantralaya)

S.No.PC-V/27/97.

No.F(E)Spl.97/ADV/3/6.  
New Delhi, Dated : 29.12.97.

The General Managers  
Central Railway & Others.

Sub: House Building Advance for Central Government Railway  
employees –Implementation of the recommendations of the Vth CPC.

After considering the recommendation of the Vth Central Pay Commission and other relevant factors, the President is pleased to liberalise further the existing Scheme House Building advance as per revised scales of pay, as under :-

I. Cost Ceiling limit

The existing cost ceiling limit as prescribed in the M/o Urban Affair and Employment's OM.No. I/17015/17/91/ H. III dated 1.1.96 forwarded under this Ministry's letter No.F(E)Spl.96/ADV/3/2 dated 23.2.1996 is revised to 200 times the basic pay subject to a maximum of Rs.18 lakhs. In cases where 200 times of the basic pay comes to 'an amount lower than Rs.7.5 lakhs. cost ceiling upto Rs.7.5 lakhs may be permitted.

In individual cases, the GMs or, HODs of Zonal Railways, if satisfied on the merits of the case, may relax the cost ceiling upto a maximum of 25% of the cost-ceiling limit mentioned above , under their powers delegated as per Board's letter No.F(E.)Spl.91/ADV/3/5 dated 10.4.91.

II. Quantum of House Building Advance (HBA)

(a) The existing maximum limit at House Building advance. viz. 50 months basic pay subject to a maximum of Rs.2.5 lakhs is revised to 50 months basic pay subject to a maximum of Rs, 7.5 lakhs or cost of the house or repaying capacity whichever is the least for new construction/ purchase of new house/flat.

(b) The existing limit of 50 months basic pay subject to a maximum of Rs. 60,000/- is. revised to 50 months basic pay or Rs. 1.80 lakhs whichever is loss for enlargement of existing house, or cost of the enlargement or repayment capacity whichever is the least.

(c) For the rural areas, the existing conditions of the House Building Advance being further restricted to 30% of the cost of construction/enlargement will remain unchanged.

### III. Rates of interest

Existing rates of interest on House Building Advance as notified vide this Ministry's letter No.F (E)Spl.90/ADV/ 3/12 dated 16.8.1990 is modified as under :-

<b>Amount of Advance</b>	<b>Rate of interest</b>
a) Sanctioned advance upto Rs. 50,000/-	7.5%
b) Sanctioned advance upto Rs. 1.5 lakhs	9%
c) Sanctioned advance upto Rs. 5.90 lakhs	11%
d) Sanctioned advance upto Rs.7.5 lakhs	12%

2. All other provisions like eligibility repaying capacity, recovery etc. will remain unchanged.

3. These orders will be effective from 16th December,1997 i.e. the date of issue of Ministry at Urban Affairs and Employment Office Memorandum.

4. Requirement of additional funds necessitated due to the above may be projected in the Revised Estimate 97- 93/- Budget Estimates 98-99 already due in the Board's Office.

5. Hindi version is enclosed.

Sd/-  
(R.P.SINGH)  
DY .DIRECTOR .FINANCE (ESTT)  
RAILWAY BOARD.

GOVERNMENT OF INDIA(BHARAT SARKAR)  
MINISTRY OF RAILWAYS(RAIL MANTRALAYA)  
(RAILWAY BOARD)

\* \* \*

RBE. No.104/97

No.F(E)Spl. 97/ADV 3/4.  
New Delhi, dt. 31,7.1997.

The General Managers and FA&CAOs  
(as per standard list 'I')  
All Officers Training Institutes, RRT  
(As per standard list 'II')  
All Railway Public Sector Undertakings/  
Corporations (as per standard list 'VI')

Sub:- Insurance of flats/houses acquired through membership of Co-operative Housing Societies.

A copy of Ministry of Urban Affairs & Employment's O.M.No.I/17011/1/89/H.III dated 8.4.97 on the above subject is sent herewith for information and guidance. Instructions contained therein would apply to Railway servants mutatis-mutandis. Copy of M/o Urban Affairs & Employment (previously known as M/o Urban Development) earlier O.M. of 30.5.90 was circulated under this Ministry's letter No. F(E ) Spl. 90/ADV.3/10 dated 23.7.90. Hindi version is enclosed.

(R. P. SINGH)

DA: as above

Dy.

Director/Finance (Estt. ), Rly. Board.

Copy to the M/o Urban Affairs & Employment, Govt. of India, Nirman Bhavan, New Delhi, w.r.t. their O.M. No.1/17011/1/89/H.III dt.8.4.97.

Copy to ADAI(Railways),New Delhi with 40 spares.

Copy to Federations and Staff Associations with 35 spares to NFIR and AIRF and 90 spares to the National Council/ Departmental Council (as per standard List 'III').

Copy of Ministry of Urban Affairs & Employment's O.M.No. I/17011/1/89//H-III Dated. 8.4.97

Sub: Insurance of. flats/houses acquired through membership of Cooperative Housing Societies.

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The undersigned is directed to refer to this Ministry's O.M. of even no. dated 30.5.90 on the above subject and to say that certain references have been received in this Ministry for a review of the decision in regard to insurance of flat against damage by fire, flood & lightning etc. by the Govt. servant concerned individually. It has been mentioned in this regard that the concerned society themselves insure the entire housing complex including the flat/ house in respect of which house building advance has been availed by their Govt. .servant members. Such Govt. servants have therefore, to incur extra expenditure for obtaining insurance policy in respect of their respective flats

individually as well. Therefore, in such cases, the Govt. servants concerned should be exempted from separate insurance.

2. The matter has been considered in consultation with the Ministry of Law and it has been decided that in case of insurance by the cooperative Group Housing society, separate insurance by the loanee Govt. servant may not be insisted. It should, however, be ensured that if the Housing Society takes fire, flood, lightning etc., insurance on the entire housing complex, the policy should be extended to cover the rights and interests of the President of India in respect of the flats/houses where the allottee owners have obtained loans i.e. House building Advance from the Govt. of India to purchase the concerned flats. In this event, a copy of the policy with the extension of the interest of the President of India with the specific mention of such flats and names of the allottees/ owners should be lodged with the concerned Head of the Deptt. in the month of July every year.

3. Para 2 of this Ministry's O.M. of even No. dated 30.5.90 stands modified to the above extent, with effect from the date of issue of this O.M.

4. In so far as officials working in Indian Audit & Accounts Deptts. are concerned, this issues in consultation with C&AG of India.

4. Hindi version will follow. Sd/-

(I.LBANSAL)  
Under Secretary (H-III)  
Tel. No. 3018691 .

# **PAYMENT OF INSTALMENTS OF HOUSE BUILDING ADVANCE FOR PURCHASE OF HOUSES/FLATS UNDER SELF-FINANCING SCHEME**

P. B. Circular No. 88/95

Copy of Board's letter No. F(E)Spl.95/Adv.3/5 dated 14th August, 1995 from Dy. Director, Finance (Estt.), Railway Board, New Delhi addressed to General Managers and F. A. & C. A. Os., and others.

A copy of Ministry of Urban Development's O.M. No. 1/17015/13/94/H.III dated 24th October 1994 on the above subject is appended for information and guidance. Instructions contained therein would apply to Railway servants mutatis-mutandis.

## **I**

Copy of Ministry of Urban Development's O. M. No. 1/17015/13/94/ dated 24th Oct. 1995.

As the Heads of the Departments are aware payment of installment in the case of sanction of house building advance for acquisition/purchase of house under the Self-Financing Scheme (SFS) of the various Development Authorities/ Housing Boards etc. is to be made on pro-rata basis. Representations have been received in this Ministry mentioning that generally a portion of cost of house/flat has to be arranged from other sources as well, namely, by creating second charge over the property in favour of the financial institutions etc. at higher rate of interest and it will help them if the installment of house building advance are paid at the earliest.

2. The matter has been considered in consultation with the Ministry of Finance (Deptt. of Expenditure) and it has been decided that house building advance sanctioned to the Government servant for purchasing/acquiring a house/Flat under the Self-Financing Scheme (SFS) of Development Authority etc. may be released in three installments in the 40: 40: 20 direct to the Board/Authority. It should however be ensured that the installment of house building advance is not more than the amount demanded by the Board/Authority etc. in respect of the first two installments. The balance third and final installment of 20 per cent should be released at the time of making final payment to the Authority only when the Govt. servant concerned is asked to make full and final payment of the cost of the house.

3. Other- conditions of Tripartite Agreement will remain unchanged.

3. In so far as the officers working in the Indian-Audit & Accounts Department is concerned, this issues with the concurrence of C. & A. G. of India.

(No. P(B)23/HBA/Vol. XI dated 8th September 1995).

**R.B.E. No. 142/93**

Subject: - Period of completion when HBA sanctioned partly for purchase of land and partly for the construction of house.

No. F(E)Spl. 93/Adv. 3/12, dated 28.9.1993

A copy of Ministry of Urban Development's O.M. No. I/17015/10/93-H.III Dated 27.7.1993 on the above mentioned subject is sent herewith for information and guidance. Instructions contained therein would apply to Railway servants' mutatis-mutandis.

ENCLOSURE\_\_

Copy of Ministry of Urban Development's  
O.M.No.I/17015/10/93/H.III dated 27.7.1993

Subject: House Building Advance-period of completion when sanctioned partly for purchase of land and partly for construction of house.

According to Rule 8(ii) of the house building advance rules, recovery of advance sanctioned partly for purchase of land and partly for construction of house should commence from the pay of the month following the completion of the house or the pay of the 24th month after the date on which the installment for purchase of land is paid to the Government servant, whichever is earlier. A question has been raised as to how this period is to be reckoned separately for the two stages, namely, for purchase of land and construction of house thereupon.

2. In this connection, it is clarified that in cases in which house building advance is sanctioned partly for purchase of land and partly for construction of house, the construction of house including purchase of land, shall be completed within 24 months of the date on which installment towards purchase of land is paid to the Government servant concerned.

Sd/-  
I.L. Bansal  
Under Secretary to the Govt. of India  
Tel: 3018691

**R.B.E. No. 60/93**

Subject :- Grant of final withdrawal from P.F. for House Building Purpose.

Reference: Railway Board's letter of even no. dated 22.5.1992.

No. F(E)III/90/PF1/24, dated 13.4.1993

Please substitute words “F(E)III/91/PF1/9 dated 1.7.1991” in place of the words "F(E)III/90/PF1/24 dated 23.4.1991" appearing in the fifth sentence of Board's letter of even number dated 22.5.1992 [Bahiri 's R.B.O. 1992-I, 63 (RBE 81/92)] and the last line of Advance Correction Slip No. 26 circulated vide Board's letter under reference.



**R.B.E. No. 45/93**

Subject : Advance of Central Government Servants for the purchase of ready-built flats under the self-financing Scheme of Allahabad Development Authority.

No. F(E)Spl. 93/Adv. 3/2, dated 15.3.1993

A copy of Ministry of Urban Development's O.M. No. I/17015/8/92/H.III dated 19.1.1993 on the above subject is sent herewith for information and guidance. Instructions contained therein would apply to Railway servants' mutatis-mutandis.

Copy of Ministry of Urban Development's  
O.M. No. I/17015/8/92/H.III, dated 19.1.1993

Subject:- Advance of Central Government servants for the purchase of ready-built Flats under the Self-financing Scheme of Allahabad Development Authority.

The question for grant of house building advance to Central Government employees for purchase of flats from Allahabad Development Authority (hereafter referred to as the Authority) under its 'Self-financing Scheme' has been under consideration of this Ministry for some time.

2. It has now been decided that house building advance to Central Government employees may be sanctioned for purchase of ready-built flats under the self-financing scheme of the aforesaid Authority on the following terms & conditions:

- (a) House building advance will not be granted for the initial payment of earnest money to be deposited with the Board. It has to be borne by the applicant himself.
- (b) On receipt of an assurance from the Authority that the Flat will be allotted to the Government servant, the amount of house building advance permissible will be sanctioned to the Government servant but payment thereof as and when made will be endorsed to the Authority directly on his executing an agreement to repay the loan and interest thereon. He will also produce two sureties from permanent Government servants of comparable status who are not likely to retire in the near future.
- (c) The payment will be released to the Board of installments, on pro-rata basis, calculated with reference to the total cost of construction (excluding the earnest money or the initial registration deposit) and the amount of house building advance sanctioned as and when demanded by them consistent with the progress of construction, as indicated below:

$$\begin{array}{rcccl} \text{Amount of each installment of} & & \text{Amount demanded} & & \text{The Amount of House} \\ \text{HBA} & & \text{Total cost of the} & & \text{Building Advance} \\ & = & \text{flat (excluding the} & \times & \text{Sanctioned} \\ & & \text{amount of initial} & & \\ & & \text{deposit of Earnest} & & \\ & & \text{Money)} & & \end{array}$$

The demand notice from the Authority for release of each installment of house building advance should be accompanied by a certificate from an engineer of appropriate status as may be determined by that organisation certifying completion of that much percentage of total work for which the demand has been made—

- (d) The Authority will maintain a separate account for each Government; servant and adjust the payment of advance against the cost of construction on the particular category of the flat applied for by him.
- (e) The Authority will send periodical progress reports regarding construction of the built up house/flats to the Head of the Deptt. of the Central Government employee, who has taken house building Advance and is likely to be allotted one of such houses/flats.
- (a) On completion of flat, its possession will be handed over to the Government servant who will mortgage the flat to the President of India.
- (b) The amount of advance will be limited to the present ceiling of 50 months basic pay or Rs. 2.50 lakhs or the cost of the flat or the repaying capacity of the applicant, whichever is the least.
- (c) The cost of the flat over and above the ceiling limit of advance will be borne by the Government servant.
- (d) If the Government servant wants to withdraw from the scheme or is unable to meet the balance amount representing the difference between the house building advance sanctioned by the Government and the actual cost of the house, the amount of house building advance will be refunded forthwith to the Government by the Authority.
- (e) With a view to safeguarding the interest of the Government the Authority will enter into a Tripartite Agreement in the Form in Annexure-1 to this O.M.

(f) The mode of repayment of house building advance and interest thereon will be as under the normal rules. The recovery shall start after 18 months of the release of the first installment or possession of the flat whichever is earlier.

3. The above conditions, in addition to the conditions already in force, may be stipulated in the sanction for house building advance. The sanctioning authority should also ensure, before issue of sanction for house building advance that the cost of the flat (including cost of land) is within the cost-ceiling limit applicable to the applicant.

4. As the powers to sanction house building advance for purchase of flats and construction have been delegated to the various Ministries/Depts., the advance under this scheme will also be sanctioned by the Ministries/Depts. themselves and the applications will not be forwarded to this Ministry. The Agreement Form No. 5 in such cases will be modified as in the Annexure-II to this O.M.

5. This issues in consultation with the Comptroller & Auditor General, in so far as the persons working in the Indian Audit and Accounts Deptt. are concerned.

#### ANNEXURE - I

Form of TRIPARTITE AGREEMENT TO BE EXECUTED at the time of drawing an advance by Employee of \_\_\_\_\_ for purchase of house under the Housing Scheme of the \_\_\_\_\_. THIS AGREEMENT made this \_\_\_\_\_ day of \_\_\_\_\_ (Mention date, Month and Year) between Shri \_\_\_\_\_ S/o Shri \_\_\_\_\_ resident of \_\_\_\_\_ at present serving as \_\_\_\_\_ Hereinafter called 'Borrower' (Which expression shall unless excluded by or repugnant to the context be deemed to include his/her heirs, executors, administrators and legal representatives) of the first part \_\_\_\_\_ a body corporate constituted under Sec. \_\_\_\_\_ hereinafter called the Board of the second part and the \_\_\_\_\_ (Which expression unless repugnant to the context shall include its successors and assigns) of the third part.

Whereas the borrower desired to purchase ready- built house/flat from Authority under its self-financing scheme (hereinafter referred to as 'The said scheme') which envisages allotment of ready- built house/flat after a period of years and payment of the cost of construction in installments as mentioned in the brochure of the Scheme.

AND WHEREAS THE BORROWER has under the provisions of the rules framed by the Central Government to regulate the grant of advance to the employees of Central Government, for

building houses, etc. (hereinafter referred to as the said rules including any modifications thereof) applied to the Government \_\_\_\_\_ for an advance of Rs. \_\_\_\_\_ to purchase a house/flat under the scheme and the Government \_\_\_\_\_ has sanctioned an advance of Rs. \_\_\_\_\_ to the borrower vide the \_\_\_\_\_ letter No. \_\_\_\_\_ dated \_\_\_\_\_ a copy of which is annexed to these presents for the purpose aforesaid on the terms and conditions set forth therein.

In consideration of the sum of Rs \_\_\_\_\_ (Rupees \_\_\_\_\_) already deposited by the borrower as initial amount of registration deposit with the Authority under the scheme for purchase of a ready built house/flat and the Sum of Rs. \_\_\_\_\_ (Rupees \_\_\_\_\_) (Insert the amount of advance sanctioned) to be paid by the Government \_\_\_\_\_ directly to the authority on behalf of then borrower, it is hereby agreed to by and between the parties hereto as follows:-

1., On the receipt of an assurance from the authority that the house will be allotted to the borrower herein, the amount of house building advance permissible will be sanctioned to the borrower but , the actual payment will be made to the authority as and when demanded by then on pro-rata basis, calculated as under, consistent with the progress of construction :

Amount of each installment of HBA	=	<u>Amount demanded</u> Total cost of the flat (excluding the amount of initial deposit of Earnest Money)	X	The Amount of House Building Advance Sanctioned
--------------------------------------	---	---	---	---

The amount in excess of the amount of house Building Advance permissible and sanctioned to the borrower will be paid by the borrower to the authority directly, so as to make the payment to the \_\_\_\_\_ in the manner as mentioned, here in before.

In case there is any delay in payment of the installment by Government \_\_\_\_\_ or the Borrower or any other default, in either case it will be treated as default on the part of the borrower and consequence of such default will be borne by the borrower whose sole responsibility it shall be to make all the payment.

2. The Board will maintain a separate account for the borrower and adjust the payment of advance received by it from Government against the cost of construction of particular category of house/flat applied for by him.

3. On completion of the house/flat and subject to the fulfillment of all relevant terms and conditions including those specified in para\_\_\_\_\_ of the terms and conditions given in the brochure, which is annexed to these presents, its possession will be handed over to the borrower forthwith along with the title thereto on lease/free hold right basis who will mortgage the house/flat within\_\_\_\_\_ days to\_\_\_\_\_ as security for the said advance. We should also furnish all the necessary certificates for the purpose of registration.
4. The cost of the house/flat, if in excess of the amount of House building advance sanctioned, will be borne and paid by the borrower.
5. The borrower is to repay to the Government \_\_\_\_\_ the said amount of Rs.\_\_\_\_\_  
\_\_\_\_\_ (insert full amount sanctioned with paragraph 7 mentioned below) by \_\_\_\_\_  
(number of installments to be filled in) monthly installments of Rs. \_\_\_\_\_ from his  
pay commencing from the month of \_\_\_\_\_ Two thousand or from the month following  
obtaining of the possession of the house whichever is earlier and the Borrower hereby authorizes  
the Government \_\_\_\_\_ to make such deductions from his monthly pay, leave salary  
and subsistence allowance bills.
6. If the borrower wants to withdraw from the. scheme or fails to pay the balance amount  
representing the difference between the House building advance sanctioned by the Government  
and the actual cost of house/flat, or quits the service of the Government or dies, the amount of the  
house building advance will be refunded forthwith to the Government. The amount of initial  
deposit of \_\_\_\_\_ will be refunded to the borrower or his legal heirs, as the case  
may be, by the Authority after deducting such amounts as may be payable by him as  
communicated in the brochure. Provided, however, in the event the borrower quits the service of  
the Government, or dies, the Authority may, in its absolute discretion, allow the borrower or his  
legal heirs, if they choose so, as the case may be, to deposit the amount refunded to the  
Government as mentioned herein above on an undertaking by the borrower or his legal heirs, as  
the case may be, to pay such further sum or sums as may have been payable by him under these  
presents to the Board. Provided further that in the event the borrower quits the service of the  
Government, or dies, as the case may be, the terms of this agreement as applicable to the  
Authority and the Borrower shall be deemed to continue and shall always be deemed to have  
been continued irrespective of the fact that in relation to the Government this agreement has  
come to an end.
7. The rates of interest on house building advance will be in with orders of the Government of  
India issues in that regard from time to time.
8. The stamp duty payable on these presents shall be borne by the Government servants.

IN WITNESS OF THE BORROWER has hereinto set his hand and Sri \_\_\_\_\_ of the Authority has hereinto set his hand and Sri \_\_\_\_\_ Secretary \_\_\_\_\_ for and on behalf of the President of India has hereinto set his hand.

.....  
(Signature of the borrower)

1st Witness :  
Address :  
Occupation :

2nd Witness :  
Address :  
Occupation :

Signed by Shri. \_\_\_\_\_ of the \_\_\_\_\_

in the presence of  
WITNESS 1.  
2.

Signed by Shri \_\_\_\_\_ of the Ministry/Office of \_\_\_\_\_ for and on behalf of the President of India.....

the presence of WITNESS 1  
2.

SCHEDULE OF THE PROPERTY.

All that House/Flat No. \_\_\_\_\_ etc.

ANNEXURE-II

**Form No. 5 (Agreement Form)**

Add item (iv) in para 1 (I) (b) after item (iii)

(i) Within three months of taking possession of the ready-built flat under Self-financing Scheme House Registration Scheme of the \_\_\_\_\_ mortgage it to the Government of India failing which the borrower shall refund forthwith to the Government, the entire amount received by him together with interest thereon unless as extension of time is granted by the competent Authority.

COPIES OF ORDERS  
E. INCENTIVES FOR PROMOTING  
SMALL FAMILY NORMS

(O.M. No. 1/17015/13/79-H. III, dated 1-9-1979 and 22-9-1980)

Subject—Half per cent less interest to employees for promoting small family norm.

The Government of India has been considering for some time past to provide for further incentive to promote the small family norm among the Government servants, in order to achieve this, it has been decided that the rate of interest on House Building Advance to such Government servants as volunteer for sterilisation will be half per cent less than the normal rate of interest. This concession will be subject to the following conditions: —

(i) The Central Government employees must be within the re-productive age group. In the case of a male Central Government employee, this would mean that he should not be over 50 years and his wife should be between 20 to 45 years of age. In the case of a female Government employee, she must not be above 45 years and her husband must not be over 50 years of age.

(ii) The Central Government employee should have two or three living children.

(iii) The sterilisation operation should be conducted in and the sterilisation certificate issued by a Central Government Hospital/C.G.H.S./State Government Hospital/Clinics, where this may not be possible such certificate from a Voluntary Institution getting grants from the Government of India/State Governments for conducting sterilisation operations or any other institution approved/recognised by the Central Government for the purpose, will also be acceptable. A list of such Voluntary Organisations/Institutions receiving grants from the Government of India/State Governments for conducting sterilisation operations is being compiled by the Ministry of Health and Family Welfare and will be circulated to all Ministries/Departments, etc. Until the list is circulated, certificates issued by the Voluntary Organisations/Institutions duly countersigned by a Civil Surgeon or District Medical Officer would be acceptable for availing the benefits in question.

(iv) The sterilisation operation, can be undergone either by the Central Government employee or his/her spouse provided the conditions at Sl. No.(i) to (iii) above are fulfilled.

(v) The concession will be admissible only to the Central Government servants who undergo



the sterilisation operation on after the date of issue of this order.

[O.M. No. 1/17015/13/79-H. III (Pt), dated 18-2-1980 ]

Subject:—Clarifications regarding lower rate of interest to employees for promoting small family norms.

In continuation of this Ministry's O.M. No. 1/17015/13/79-H.III, dated 1-9-1979, it is clarified that the incentive of half percent in the rate of interest is admissible to those Government servants —

- (i) (a) who have undergone the sterilisation operation on or after 1-9-1979; and
- (b) in respect of whom the House Building Advance is released in full after 1-9-1979, though the formal sanctions may have been issued earlier.

(ii) The incentive should not be granted to Central Government employees who undergo the operation after having only child as this is against the policy of the Government of India.

(O.M. No. 1/17015/13/79-H. III dated 31-3-1981)

Subject:—Further clarifications regarding lower rate of interest employees for promoting small family norms.

In order to promote small family norms among the Government servants, it was decided that the rate of interest on H.B.A. to such employees who themselves or their spouses undergo voluntary sterilisation will be 1/2% less than the normal rate of interest. Orders in this regard were issued vide this Ministry's O.M. No. 1/17015/18/79-H.III, dated 1-9-1979

2. With regard to the references received from various Ministries/ Departments in connection with certain clarification/comments, the Ministry of Health and Family Welfare, Department of Family Welfare,

(O.M. No. 1/17015/64/78-H.III, dated 26-6-1979 and 18-2-1980)

Subject: Rules to regulate the grant of advances to Central Government servants for the building etc., of houses — production of non-encumbrance certificate.

Under the provisions of the House Building Advance Rules, the house to be built with the help of House Building Advance, has to be mortgaged to the President of India and the applicant has to prove his title to the property to be mortgaged by producing a non-encumbrance certificate issued by the Government Counsel in the prescribed form.

Certain instances have been reported to this Ministry citing difficulties in producing the non-encumbrance certificate in the prescribed form. To mitigate the hardship involved, this question has been examined in consultation with the Ministry of Law, Justice and Company Affairs, Department of Legal Affairs, and it has been decided that—

- (a) in respect of purchase of land/house from Statutory Bodies like the Delhi Development Authority, State Housing Boards, etc., it is not necessary to produce the non-encumbrance certificate from a Government Pleader. A certificate of non-encumbrance should, however, be produced from such statutory bodies to the effect that they hold clear title to the land/house free from all encumbrances which they proposed to sell/have sold to the applicant and that they have no objection to mortgage the property to the President of India.
- (b) in respect of purchase of land/house from private parties or non-statutory bodies, the non-encumbrance certificate from the Government Pleader should be produced but instead of the certificate being in the existing prescribed form, it would suffice if the certificate contains the following certification:—
  - (i) the land is free from encumbrances.
  - (ii) the land is free from any pending litigation.
  - (iii) the land belongs absolutely to the applicant and not to a joint family.
  - (iv) the land is not affected by the Urban Land (Ceiling and Regulation) Act, 1976.
  - (v) the land was purchased by the applicant from a person who had a valid title to the property.
  - (vi) the original sale deed has been inspected by him (the Government Counsel).

LIBERALIZATION OF HOUSE BUILDING ADVANCE SCHEME  
FOR RAILWAY EMPLOYEES  
P B. Circular No. 6/87

Further to this office letter cited above a copy of letter No. F(E)Spl. 84/ADV/3/2 dated 28th November 1986 together with format of " Supplementary Mortgage Deed " is appended for information and guidance.

Copy of letter No. F(E)Spl.84/ADV/3/2 dated 28th November 1986 from Dy. Director, Finance (Estt.) I, Railway Board, New Delhi.

Reference item II-(a) of the enclosure to this Ministry's letter of even number dated 12th April 1984 on the subject mentioned above. The format of Supplementary Mortgage Deed mentioned therein is appended for information and necessary action.

SUPPLEMENTARY MORTGAGE DEED

This indenture made this..... day of..... one thousand nine hundred and eighty..... between Shri..... son of Shri..... resident of..... now residing at..... and employed as .....in the Ministry/ Office of the..... (hereinafter called the " Mortgagor ", which ex-expression shall unless excluded by or repugnant to the subject or context, includes his heirs, executors, admini-strators, legal representatives and assigns) of the one part and the President of India (hereinafter called the Mortgagee, which expression shall unless excluded by or repugnant to the subject or context includes his successors in office and assigns) of the other part, is supplemental to the Deed of Mortgage, dated..... day of..... .one thousand nine hundred and.....executed by the said Shri..... in favour of the President of India (hereinafter referred to as the said original Indenture of Mortgage).

Whereas: —

(i) The Mortgager applied under the rules to regulate the grant of advance to Central Government servants for building etc., of Houses issued by the Government of India in the late Ministry of Works and Housing and Supply with their O. M. No. H-II-27(5)/54, dated 12th April 1956, hereinafter referred to "as the said rules", to the Mortgagee for an advance of Rs..... (Rupees..... only) for the purpose of enabling the Mortgagor to \*construct a house/\* enlarge living accommodation/\* purchase a ready-built house.

(ii) The Mortgagee agreed to advance to the Mortgagor the said sum of Rs..... (Rupees.....only) hereinafter referred to as the original loan on the

terms and conditions as detailed in the said Original Indenture of Mortgage and the Mortgager agreed to repay to the Mortgagee the original loan in.....equal monthly installments of Rs. .... each commencing from the month of.....

(iii) In consideration of the original loan the Mortgagor mortgaged the property mentioned in the schedule to the said original indenture of Mortgage and also in the schedule hereunder written on the terms and conditions mentioned in the said original indenture of Mortgage to the President of India by way of security for payment of the said original loan together with the interest.

(iv) The Mortgagor has already drawn \* full original loan/..... installments of Rs. ...., Rs. ...., Rs. .... and Rs. .... respectively out of the original loan.

(v) The Mortgagor has already repaid towards the original loan. ....equal monthly installments of Rs..... each amounting to Rs.....

(vi) In pursuance of the Government of India in the late Ministry of Works and Housing and Rehabilitation (Deptt. of Works and Housing) O.M. No. 10-11/62-H. III, dated the 16th January 1961, Mortgagor applied to the Mortgagee for an additional loan of Rs..... for the purpose of enabling the Mortgagor to complete the \* Construction/\* enlargement/\* purchase of the house on the premises described in the schedule hereunder written.

(vii) The Mortgagee is agreeable to advance to the Mortgagor the said additional sum of Rs..... hereinafter referred to as ' the additional loan ' on the terms and conditions hereinafter appearing.

(viii) In pursuance of the Government of India, in the late Ministry of Works and Housing and Rehabilitation (Deptt. of Works and Housing) O. M. No. 10-1/60 H. III, dated 4th May 1963 the Mortgagor is desirous of repaying the original loan/ unpaid portion of the original loan and the additional loan in..... installments instead of monthly installments agreed in the original indenture of Mortgage.

\* Delete in cases where no additional loan has been applied for.

\*\* In cases where repayment of the original loan has not commenced, this should not be later than the 18th month of the date of drawl of the first installment in case of construction or enlargement and not later than the month following the date of drawl of the advance for purchase of a ready-built house. In other cases, this should not be later than the month following the

execution of supplementary deed. Recital (v) to be deleted in case where no repayment of any part of the original loan has been made.

Recital (vi) and (vii) Clause (ii) to be deleted in case where no additional loans has been applied for.

**On this Indenture witnesseth as follows:**

(i) In pursuance of the said rules and in consideration of the premises and the additional loan now sanctioned to the Mortgagor pursuant to the provision contained in the said rules and Mortgage both hereby covenant with the Mortgagee that the Mortgagor shall always duly observe and perform all the terms and conditions of the said rules and shall repay to the Mortgagee the sum of Rs..... due under the said original indenture of Mortgage (and the sum of Rs.....the additional loan aggregating to Rs.....)\* in..... equal monthly installment of Rs..... each and shall after paying the said (aggregate)\* sum of .....also pay interest in.....equal monthly installments in the manner and at the rate specified in the said rules. The remaining amount, if any, of the said (aggregate)\* sum of Rs..... and/or interest accrue will be recovered from the amount of gratuity /death-cum-retirement gratuity due to the Mortgagor on the date of his superannuation /death/retirement. The recovery of the said (aggregate)\* sum of Rs..... will commence from the pay of Mortgagor from the month of \*\*..... 198.. and the Mortgagor hereby authorized the Mortgagee to make deductions from his monthly pay/leave, salary of the amount of such installments.

(ii) The mortgagor oath hereby declare that the property comprised in the said original Mortgaged and also described in the schedule hereunder written shall also be security for and be charged with payment of the additional loan now sanctioned as if the additional loan had formed a part of principal sum secured by the said original Mortgage deed.

(iii) And it is hereby agreed and declared that all covenants, powers and provisions contained in the said Original Indenture of Mortgage shall apply to the (said additional loan)\* installments payable under these presents and except as varied hereby all the terms and conditions of the said original indenture or Mortgage shall remain in full force and effect.

Recital (viii) to be deleted in case no variation in the mode of repayment is intended.

**DISBURSEMENT OF HOUSE BUILDING ADVANCE SANCTIONED FOR  
CONSTRUCTION OF HOUSE AND ENLARGEMENT OF ACCOMMODATION—REVISED  
PROCEDURE-EXECUTION OF PERSONAL BOND—REGARDING**

P.B. Circular No. 260/86

[Ref: This Office Circular No. P/B/23/P/Vol.IX dated 26th August 1986 (P. B. Circular No. 160)]

Further to Headquarters P. B.'s letter cited above, the format of Personal Bond. is appended for information and guidance.

Format of Personal Bond

**PERSONAL BOND**

Know All Men by these Presents, that I,..... son of.....  
(hereinafter referred to as "THE BOUNDEN", am held and firmly bound into the PRESIDENT OF INDIA exercising executive power of the Government of India, (hereinafter referred to as "THE GOVERNMENT", in the sum of Rs..... (Rupees..... only), to be paid to the Government, for which payment well and truly to be made, I bind myself, my heirs, executors, administrators and legal representatives by these presents:

Signed the.....day of..... 198....

WHEREAS the Bounden applied to the Government for a loan of Rs..... (Rupees ..... only), (hereinafter referred to as " THE SAID LOAN ", for the purpose of.....  
Constructing new house at ..... enlargement of living accommodation  
at..... purchasing a ready built Flat/House at ..... and more  
particularly described in the Schedule hereunder written, which has been duly sanctioned by the Government on the terms and conditions inter-alia that "the Bounden do execute in favour of the Government, a Bond in the manner hereinafter contained. "

**NOW THIS BOND IS CONDITIONED TO BE AVOID.—If the Bounder.-**

(a) duly pays to the Government the said sum of Rs..... (Rupees..... only), within a period of.....years and..... months from the first day of.....198 by equal monthly installments of Rs..... (Rupees.....only), each payable in the first week of each calendar month, the first of such installments to be paid in the first week of..... .and the subsequent installments to be paid in the first week of each and every succeeding calendar month thereafter, and after Bounden had paid the Principal amount of the said loan in regular installments, as hereinbefore provided, the Bounden duly pays to the Government, within a further period of.....years and.....months, thereafter the

amount of Interest on the diminishing balance of the said loan until payment at the rate of..... per cent per annum, such interest to be paid by equal.....monthly installments of Rs..... . (Rupees..... only) till the date of his superannuation and balance of Interest then remaining outstanding on his superannuation on the amount advanced from the date of advance to the date of repayment from his S. C. to P. F./Gratuity/Death-cum-retirement Gratuity, that the entire loan and interest thereon shall be repaid within a period of.....years and.....month from the first day of.....19.... provided however that if the Boundan fails to pay any installments of principal or Interest on its due date, then and in any of such cases the amount of such installments of principal or the interest so in arrears, shall bear such higher rate of interest at the rate of..... per cent per annum, and the amount of each of the said installments of interest shall be proportionately increased, PROVIDED FURTHER that nothing herein contained shall be construed as a relaxation of the Boundan's obligation, to duly and punctually pay the said installments of Principal and interest on their respective due date or otherwise prejudice any right or remedy of the Government ;

(b) within one month from the date of these presents utilises the first installment loan amount of the said loan in the construction of the residential house at/enlargement of living accommodation in the house at/purchase of ready built flat-house/at .....and more particularly described in the Schedule hereunder written, and produces to the Government all the requisite documents of title, concerning the construction of the house and mortgages the land in favour of the President of India ;

(b) (i) ( on transfer being executed in favour of the Bounden of the House/Flat), the Bounden would mortgage the land to the Government of India , as a security for the loan obtained from the Government of India ;

(c) does not transfer, assign, underlet the said house or any interest thereon or part with the possession thereof, without the previous consent in writing of the Government; and

(d) if the actual cost of the house to be constructed/flat-house to be purchased—As aforesaid is less than the amount of the said loan, repays the excess to the Government forthwith.