



ABSTRACT

Loans and Advances – House Building Advance – Enhancement of ceiling of House Building Advance from Rs.25.00 lakhs to Rs.40.00 lakhs for All India Service Officers and from Rs.15.00 lakhs to Rs.25.00 lakhs for State Government Employees – Orders – Issued.

HOUSING AND URBAN DEVELOPMENT (HBA) DEPARTMENT

G.O.(Ms).No.135

Dated.20.06.2012

Read: -

G.O.(Ms).No.96, Housing and Urban Development Department, dated 17.6.2009.

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ORDER: -

In the Government order read above, the Government had enhanced the ceiling of House Building Advance to All India Service Officers from Rs.7,50,000/- to Rs.25,00,000/- and to State Government Employees from Rs.6,00,000/- to Rs.15,00,000/- respectively for the following: -

- (i) Partly for purchase of land and partly for construction of a house thereon, (or)
- (ii) for the construction of a house, (or)
- (iii) for purchase of a Ready Built House / Flat.

2. The ceiling on House Building Advance to the Government Servants was lastly revised in the year 2009. At this distance of time, considering the escalation in the cost of land and building materiel, the Hon'ble Minister for Finance, in the Budget Speech for the year 2012-2013, has announced enhancement of the present House Building Advance ceiling from Rs.15 lakhs to Rs.25 lakhs to Government Employees. Further, the Government have also considered enhancement of House Building Advance ceiling from Rs.25 lakhs to Rs.40 lakhs to All India Service Officers. The Government after careful examination have decided to enhance the existing maximum ceiling of House Building Advance as above.

3. The Government accordingly direct that the existing ceiling of the House Building Advance to All India Service Officers

... p.t.o.

and State Government Servants be enhanced as follows:-

- (1) Partly for purchase of land and partly for construction of a house thereon, or for construction of a house or for purchase of Ready Built House / Flat from Rs.25,00,000/- to Rs.40,00,000/- (Rupees Forty lakh only) to All India Service Officers;
- (2) Partly for purchase of land and partly for construction of a house thereon, or for construction of a house or for purchase of Ready Built House / Flat from Rs.15,00,000/- to Rs.25,00,000/- (Rupees Twenty five lakh only) to Government Servants.

4. The enhanced ceiling of House Building Advance will come into force with effect from 1.4.2012.

5. It is further clarified that,

- (i) Those who have been sanctioned House Building Advance at the old rate but not yet drawn any instalment of the advance may also be sanctioned loan as per the new ceiling either for constructions / purchase of house / flat, if eligible, by issuing an amendment to the order already issued subject to eligibility.
- (ii) All pending application for sanction of House Building Advance which have not yet been sanctioned for want of funds may be sanctioned as per the new ceiling limit now come into force.
- (iii) Those who availed House Building Advance at the old rate and not completed the construction of the house may avail the difference amount in the enhanced ceiling for construction / ready built house / flat on production of revised estimate subject to eligibility.
- (iv) In respect of Government Servants, for enlargement / improvement of existing living accommodation, the ceiling shall be 50% of the overall ceiling limit of Rs.25,00,000/-
- (v) As far as the All India Service Officers are concerned, the instructions already issued in G.O.Ms.No.419, Housing and Urban Development Department, dated 26.9.1996 shall also be followed.
- (vi) In the case of applicants seeking the maximum House Building Advance ceiling and having a service of 20 years and above, for repayment of the advance, the rates of

recovery of principal instalment amount shall be fixed not less than the rate of recovery on interest instalment amount.

For example: If an applicant insists for recovering the maximum ceiling on House Building Advance in 180 maximum monthly instalments as contemplated under Rule 8(a) of the Tamil Nadu House Building Advance Rules, then its corresponding interest component that would accrue on completion of 180th instalment if calculated at the present rate of interest, will be between 72 to 86% of the sanctioned amount of advance. Then the rate of recovery of instalment amount of interest would be 117 to 158% more than the rate of recovery of principal instalments, which would be difficult to recover from him, since the applicant may not have sufficient carry home salary to recover the instalment amount of interest after completion of recovery of principal instalments and it may end up in non recovery of loan dues within his service period itself and would result in loss of receipts to the Government. Hence, in such cases of requests, the sanctioning authorities / department's must ensure in fixing up the rate of recovery of instalment amount of principal at the rate not less than the rate of instalment amount of interest subject to a maximum of 180 monthly instalments in the case of advance and 60 monthly instalments in the case of recovery of interest.

6. All other conditions / orders in force shall be followed for sanction of the House Building Advance.

7. Separate orders have been issued by the Government in the Finance Department regarding the rate of interest applicable for House Building Advance for 2012-2013.

8. This order issues with the concurrence of Finance Department vide its U.O.No.311/Sec.Expr/2012, dated 19.6.2012.

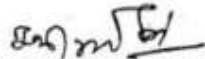
(By order of the Governor)

K. PHANINDRA REDDY,
SECRETARY TO GOVERNMENT.

To
The Secretaries to Government,
Secretariat, Chennai-600 009.
All District Collectors.
All Heads of Departments.
All Departments of Secretariat, Chennai-600 009.
The Registrar General, High Court of Madras, Chennai-600 104.

The Accountant General-I, Chennai-600 018.
 The Accountant General-I, Chennai-600 018. (By name)
 The Accountant General (A&E), Chennai-600 035.
 The Accountant General (A&E), Chennai-600 035. (By name)
 The Accountant General (CAS), Chennai-600 009.
 The Secretary to Chief Minister, O/o the Chief Minister,
 Chennai-600 009.
 Personal Assistant to Minister (Finance/Hg&UD), Chennai-600 009.
 Private Secretary to Chief Secretary, Secretariat, Chennai-600 009.
 Private Secretary to Principal Secretary to Government,
 Finance Department, Chennai-600 009.
 Private Secretary to Secretary to Government,
 Housing and Urban Development Department, Chennai-600 009.
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 The Pay and Accounts Officer (North), Chennai-600 001.
 The Pay and Accounts Officer (South), Chennai-600 035.
 The Pay and Accounts Officer (East), Chennai-600 008.
 The Pay and Accounts Officer (Secretariat), Chennai-600 009.
 The Public Sector Undertakings / Boards.
 The Finance (Housing / LA cell / Salaries) Department,
 Chennai-600 009.
 The Secretary,
 Tamil Nadu Public Service Commission, Chennai-600 002.
 The Legislative Assembly Secretariat, Chennai-600 009.
 All sections in Housing and Urban Development Department,
 Chennai-600 009.
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 Housing and Urban Development Department's website)
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// FORWARDED / BY ORDER //


 SECTION OFFICER.

Dutt
 20/06/2012