

APPLICATION FORM FOR THE GRANT OF ADVANCES TO GOVT. SERVANTS FOR BUILDING

1	(a)	Name (in block letters)			
	(b)	Designation			
	(c)	Scale of Pay			
	(d)	Present Pay including D.A but excluding other allowances			
2	(a)	Department and office in which employed			
	(b)	Administrative Department of Secretariat			
	(c)	Station where posted			
	(d)	Present Residential Address (This Column has been inserted vide Lr. Ms.No.174, H&UD, dated 20.5.98)			
	(e)	Community (Whether the applicant belongs to BC/MBC or Denotified Community/SC/ST or OC may be indicated) (This Column has been inserted vide Lr.Ms.No.124, H&UD, dt 10.5.2006)			
3	Please State -				
	Whether you are a permanent/non-permanent State Govt. Servant and the length of service rendered under the Government of Tamil Nadu	Your Permanent Post, if any, and the name of Office and Department concerned	Date of birth and age next birth day	Date on which you will attain the age of 58 years	Is your wife/husband a State Govt. Servant? If so, give her/his name designation etc.
	(1)	(2)	(3)	(4)	(5)
4	Do You or does your wife/husband/minor child already own a house [See Rule 2(b)]				If so,
	Station where it is situated with exact address	Floor area (in square metres)	Its approximate valuation Rs.	Reasons for desiring to own another house	
	(1)	(2)	(3)	(4)	

5	(a)	Do you require the advance for building a new house or for purchasing a plot and constructing a building thereon. If so, please indicate -			
Approximate floor area of the house proposed to be constructed (in square metres)	Estimated Cost			Amount of advance required Rs.	Number of years in which the advance with interest is proposed to be repaid
	Cost of land Rs.	Cost of building Rs.	Total Rs.		
(1)	(2)	(3)	(4)	(5)	(6)
5	(b)	Whether you are already in possession of the land. If so, Please state -			
Name of the city or town where it is located		Whether you wish to settle there, after retirement	Area of the plot in square metres	Name of the Municipal or any other local authority (if any) in whose jurisdiction it is located	
5	(c)	If no plot of land is already in your possession, how and when do you propose to acquire one? State the approximate plot area (in square metres) proposed to be acquired.			
6	Do you require the advance for enlarging/improving living accommodation in an existing house? If so, please state -				
	1.	Number of rooms in the house (excluding lavatory, bathroom and kitchen)			
	2.	Total floor area of the rooms (in square feet)			
	3.	If an additional story is proposed to be added is the foundation strong enough?			
	4.	Particulars of additions desired			
		(i) Number of rooms			
		(ii) Floor area (in square feet)			
		(iii) Estimated cost			
		(iv) Amount of advance desired			
		(v) Number of years in which the advance with interest is proposed to be repaid			

7	(a)	Do you require the advance for purchasing a readymade house?						
(i) If so, and in case you already have a house in view please state:-								
Exact location of the house	Floor area of the house (in square metres)	Plinth area of the house (in square metres)	Approximate age of the house	Municipal valuation of the house	Name and address of the owner	Approximate price expected to be paid	Amount of advance required	Number of years in which the advance with interest is proposed to be repaid
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	(a)	(ii) Have you satisfied yourself that the transaction would result in your acquiring an undisputable title to the house?						
Note: A plan of the house should accompany the application								
	(b)	If you do not already have a house in view, how, when and where do you propose to acquire one?						
The approximate amount upto which you will be prepared to buy a house			The approximate amount of advance required			Number of years in which the advance with interest as proposed to be repaid		
(1)			(2)			(3)		
Note: Details specified against item 7(a) above should be furnished in this case also as soon as possible and in any case before the full amount of the advance can be drawn.								
8	Is the land on which the house stands or is proposed to be constructed free hold or leasehold? If lease hold state -							
The term of the lease		How much of the term has already expired		Whether conditions of the lease permit the land being mortgaged to Government		Premium paid for the plot		Annual rental of the plot
(1)		(2)		(3)		(4)		(5)
Note : A copy of the lease/sale deed should accompany the application								

9	(a)	Is your title to land/house undisputed and free from encumbrance?	
	(b)	Can you produce if required original documents (sale or lease deed) in support of your title? If not, state reason therefore indicating what other documents of proof, if any can you furnish in support of your title (see items 5(b) and 6 above)	
	(c)	Does the locality in which the plot of land/house is situated possess essential services like roads, water supply, drainage, sewerage, street lighting etc? Please furnish a site plan with complete address.	
	(d)	Whether previous sanction of the prescribed authority has been obtained or has been applied for in respect of the proposed construction of house/purchase of house/plot. If such prior sanction is necessary under the Tamil Nadu Government Servants' Conduct Rules.	
10		If the advance applied for is required for the purchase of a ready built house or partly for the purchase of plot and partly for the construction of a house thereon, is there any relationship between you and the vender of the ready built house/plot. If so, the exact relationship may be indicated.	

DECLARATIONS

I solemnly declare that the information furnished by me in reply to the various items indicated above is true to the best of my knowledge and belief.

2. I have read the Rules regulating the grant of advances to Government Servants for building etc of houses and agree to abide by them and the terms and conditions stipulated therein.

3. I certify that –

- (i) My wife/husband is not a State Government Servant
- (ii) Neither I nor my/husband who is a State Government Servant has applied for and/or obtained an advance under these Rules
- (iii) Neither I nor my wife/husband has applied for and/or obtained an advance of loan from any other Government source for the acquisition of a house.
- (iv) The house proposed to be purchased/constructed/enlarged is required for my bonafide personal use.

- (v) The construction of the house for which the advance has been applied for, has not yet been commenced/has already been commenced and come upto basement level/plinth level/roof level; and
- (vi) I do not own any house either in my name or in the name of my wife or in the name of any of my minor children.

Signature of the applicant

Station:

Designation:

Date:

Department/Office in
which employed:

(To be completed by the applicant's Head of Department)

No.

Station

Date:

Forwarded to the Secretary to the Government of Tamil Nadu, Department of or the Collector of District Viz. the Sanctioning Authority.

- (1) I have scrutinized the application in terms of rule 9(b) of the Rule and have satisfied myself of the correctness of the facts, etc. stated therein (that the applicant possess a clear title to the property in question).
- (2) It is recommended that an advance of Rs./- may be granted to the applicant. I have satisfied myself on the basis of the monthly deduction etc. made from the applicant's salary that this amount well within his repaying capacity.
- (3) The provision of rule 2(b) of the Rules may be relaxed as a special case.
- (4) The amount of gratuity/death-cum-retirement gratuity due to the applicant on the date of his superannuation (at the time of retirement calculated on the basis of the appointment held by the applicant at the time of submitting the application for House Building Advance) is estimated be Rs./-.

Signature:

Designation:

Name of the Department:

APPLICATION FOR HOUSE BUILDING ADVANCE

1. Name of the Applicant (in block letters) _____
2. Designation (Gazetted/Non - Gazetted) _____
3. Father's/Husband's Name _____
4. Name of Dept./Branch _____
5. Emolument on which the loan is admissible _____

6. (i) Basic Pay Rs. _____
- (ii) Dearness Pay Rs. _____
- (iii) Special Pay Rs. _____
- (iv) Total (i) to (iii) _____

7. Head of Account _____
- (i) G.P Fund Accont No. _____
- (ii) Salary Bank _____ & Account No. _____

8. Amount of advance applied for _____
- Recoverable in _____ instalments of Rs. _____

9. Purpose of advance now: applied for _____

10. Whether any advance has been drawn previously for house building/repairs/Extension of house under any rules/scheme if so:
 - i. Date of drawal of the advance _____
 - ii Purpose for which the advance was drawn. _____
 - iii Amount of advance drawn _____
 - iv Pay on which such advance was calculated:
Basic Pay _____ D.P/ S.P. _____ Total _____
 - v. Rules/scheme under which the advance was drawn. _____

11. Whether the house built with an advance has been sold if so, indicate sale proceeds; _____

12. Whether the house/plot purchased/constructed with the advance has been mortgaged to Govt. as prescribed under the rules; _____

13. (a) Date of birth of the applicant _____
- (b) Date of entry into Government service. _____
- (c) Date of superannuation _____

14. Whether husband/wife is a Government servant, if so, whether he/she has obtained any house building advance from Government.

15. Whether permanent or temporary Government servant, if temporary adequate surety of permanent Government servant to be furnished in addition to mortgaging the house to Govt. in the prescribed form on non-judicial paper worth Rs.15/-.

16. PURCHASE OF PLOT

(i) (Whether advance is required for the purchase of plot, if so, the details of the source of the plot purchased, the approx. cost and a documentary proof with regard to the clear title of the seller of the plot may be attached.

(ii) Whether the sanction of Govt. for the purchase of plot, if negotiated from a source other than regular or reputed dealer has been obtained as required under Govt. Employee's Conduct Rules, 1966 if so, a copy of the sanction be attached.

(iii) A certificate to the effect that the advance is required for the construction of house at place for personal residence may be attached

17. CONSTRUCTION OF HOUSE:

(a) whether advance is required for the construction of house on plot already purchased with own resources or from Government money if so, an attested copy of the conveyance deed executed may be attached.

(b) A certificate to the effect that the sum will be utilized for construction of house only and if there are any surplus funds after the house has been completed, that will be refunded at once may be attached. Rule.

(c) Documentary proof that the plans etc. have been approved by the HUDA/MC/Tahsildar concerned.

18. REPAIR OF HOUSE:

In case the advance is required for repair, a certificate to the following effect be added: -

i. The repairs are required to make house habitable

ii. These are not in the nature of ordinary repairs.

iii. These involve an outlay larger in comparison with the value of the house and that no such advance for the repair has previously been drawn in respect of the same house and that ten years have elapsed since the drawal of the advance in case of any advance from the Government

19. EXTENSION OF HOUSE:

Whether the house proposed to be extended was constructed with the financial assistance from the State Government if so, the details of the loan obtained may be specified as under: -

i. Total loan obtained _____

ii. Pay at the time the loan was obtained
Basic Pay Rs. _____ D.P/ S.P _____ Total Rs. _____

iii. If the loan was obtained under any other scheme the total amount of loan may be indicated _____

iv. Documentary proof that plan for extension has been approved by the local body or the Estate officer/Tahsildar. _____

v. If any advance was drawn for repairs of the house earlier full details thereof may be indicated. _____

20. BUILT OF HOUSE:

In case the advance is required for the purpose of built up house the following certificate may be attached

i. Documentary proof to show that the bargain for the purchase of house has been finalized. _____

ii The place and the full particulars of the house for which the advance is required _____

iii Location of the dwelling unit in an approved colony. _____

iv Valuation from B&R/MC/Teh. _____

v. Clear title of House duly verified by HUDA/MC/Teh. _____

21. A certificate to the effect that the advance is required for the bonafide personal residence. _____

22. A certificate to the effect that the applicant has an undisputed title to the house/plot in the case of purchase of a built up house a certificate may be furnished that the house is free from all encumbrances. _____

23. Whether any funds earmarked for you either by the Dept. or the FD was surrendered during the last financial year and of so, full particulars thereof together with reasons for surrendering the amount may be given. _____

24. An affidavit on non-judicial paper worth Rs.3/- that the applicant has no other house/plot in India. _____

It is certified that the information given above is complete and true to the best of my knowledge and nothing has been concealed therein.

Dated : _____ (Signature of the Applicant)
Designation: _____
Branch: _____

It is certified that the above information supplied by the applicant is correct according to the official record maintained in this office. It is also certified that the advance of Rs. _____ applied for is admissible and all formalities required to be complied with have been completed.

Place: _____ Signature of Sanctioning Authority

Dated: _____

SURETY BOND

This deed is made on the----- day of the -----, Two thousand -----
Between Sh. -----and caste----- and resident of H.No.-----
-----working as ----- in the office of ----- (hereinafter
referred to as the surety) of the one part and the Governor of Tamilnadu (herein after referred to
as the Government) of the other part.

Whereas the loan of Rs.------(Rupees -----)
has been granted to Sh. -----resident of-----
working as ----- in Office of -----(hereinafter
referred to as the borrower) of the terms and conditions in the agreement dated
----- and subject to the borrower furnishing a permanent Government Servant as
surety to guarantee the due performance and observation by him of the condition s of the
agreement dated ----- and/or of the mortgage deed, dated -----.

And where as Shri-----has fulfillment of the conditions of the advance
of loan agreed to stand as surety for the Borrower on the terms and conditions hereinafter
appearing.

Now this deed witnesses and the parties hereto agree as follows: -

- (1) In pursuance of the said agreement and in consideration of sum of
Rs.-----advance by the Government to the Borrower as loan, the
surety hereby agrees that the borrower shall duly, faithfully, and punctually
perform all the conditions set out in the agreement dated-----
and to be performed and observed by him and that in the event of the failure
of the borrower to perform any of the said conditions and of the borrower
dying or ceasing to be in service for any cause that what so ever before the
amount due to the Government from the borrower is fully paid off, the
surety shall immediately pay the entire amount due to the Government on
account of the principle and interest under the said agreement and/or the
mortgage deed.
- (2). For the consideration aforesaid and in further pursuance of the agreement it
is hereby agreed that the liability of surety shall not be affected by the
Government granting time or any other indulgence to the borrower.
- (3) The Government shall be entitled to deduct from the pay, Travelling
Allowance or any other sum which may be or become payable by the
Government to the surety the amount due to it from the surety under this deed.
Witness where of the parties have signed, this deed on the dates respectively
mentioned against their Signature in the 52 years of the Republic of India.

Signature of the surety.

Witness

(1)

Signed by for and on behalf of the
Governor of Tamilnadu.

(2)

*ANNEXURE –V
AFFIDAVIT
Rs.3/-*

I, _____

S/o/W/o/D/o

_____ employed as _____

under the Government of Tamilnadu do hereby solemnly declare and affirm that my wife/husband _____ is not a Government employee, and has not applied for or obtained as advance under these rules during the period of my past service.

*I, also declare that the plot/house _____
_____ is not/is jointly owned by me with my wife/husband.*

The above information is true and nothing has been concealed therein.

DEPONENT

Place :-

Dated :-

Verification:

The facts given above affidavit are true to the best of my knowledge and belief and nothing has been concealed therein.

DEPONENT.

AFFIDAVIT

Rs.3/-

I, _____ S/oW/oD/o
_____ working as _____ in the
office of _____ do hereby solemnly declare and affirm
that I have not drawn/drawn any house building advance (under any scheme sponsored by
the Government) for the construction of house/repair of house/extension of house and
purchase of plot so far as per details given below: -

Sr. No.	Amount drawn	Date of drawal	Purpose
1.			
2.			
3.			
4.			
5.			

I also solemnly declare that I am the sole owner of the plot/house _____
_____. It is further certified that the Plot/House in question is free
from all encumbrances. I also declare that I have no other house either in my name or in the
name of my family to live in India and I want to construct a house/repair of house/to extend
my house for my own bonafide residential use on the above plot.

Certified that the balance if any, left after the use of the advance for the purpose it is
taken will at once be refunded to Government. Certified that I have more than five years
service period of retirement. I am not likely to retire within five years from the date of the
application.

Place:-

DEPONENT

Date:-

Verification:-

The above information is true to the best of my knowledge and belief and
nothing has been concealed therein.

DEPONENT

Annexure-VI

I, _____ authorise the Accountant General,
Chennai to recover from the death-cum-retirement gratuity, which would become due to
me on the date of my superannuation retirement, the balance of outstanding house building
advance with interest, in terms of the penultimate paragraph of the _____ agreement
dated, _____

Dated: Signature _____

Designation of the Government servant

Certified that I hereby cancel the nomination made by me in respect of the
death-cum-retirement gratuity payable to me at the time of retirement.

Dated: Signature _____

Designation of the Government servant

ANNEXURE-III
Agreement Deed

An agreement to be executed by Government servant at the time of or before drawing advance for the purchase of land and/or construction of house for adjustment of the balance of advance outstanding at the time of retirement against the death-cum-retirement gratuity.

An agreement made on _____ day of _____ Two Thousand _____ between _____ of _____ (hereinafter called the borrower which expression shall include his legal representative and assigns) of the one part and the Governor of Tamilnadu (hereinafter called 'The Governor' which expression shall include his successors and assigns) on the other part.

Whereas the Borrower has agreed to purchase/has purchased for the purpose of erecting a house thereon the piece of land situated in _____ in the registration district of _____ district _____ thaluk _____ containing _____ more or less and bounded on the north by _____ south by _____ east by _____ and on the west by _____ (hereinafter referred to the said land) for the sum of Rs. _____. And whereas the borrowers has under the provision of the applied to the Governor for a loan of Rs. _____.

And whereas it is permissible under the provision of the aforementioned letter hereinafter referred to as the said order which expression shall include any amendment thereof for the time being in force that the last instalment of loans together with the interest accrued thereon will be recovered the from the D.C.R.G. payable at the time of retirement; provided the Government servant concerned executes an agreement to the effect and cancels any nomination made by him under rule-4 (6) (b) of the New pension rules contained in Appendix-2 of the Punjab Civil Services Rules, Volume-II, so as to leave Government free to appropriate the sum found payable to him after retirement in adjustment of balance of the advance.

Now it is hereby agreed between the parties hereto that in consideration of the said orders the borrowers, having cancelled the nomination made by him under rule 4 (6) (b) of the aforesaid New Pension Rules, hereby authorise the Governor to extinguish the last instalment of loan together with the interest accrued thereon from the D.C.R.G. payable to the borrower.

In witness thereof the borrower has hereunto set his hand the day and year first before witness.

Signed by the said borrower

In the presence of

1. *Witness:*

2.

Signature of DDO

HOUSE BUILDING ADVANCE

1 ELIGIBILITY:

- Government servant who has rendered 6 years of continuous regular service or who has been confirmed in a service on the date of application for the house building advance.
- He should have more than 5 years service left before retirement (age 58).
- The advance shall be sanctioned to only one of them, if both the husband and the wife happen to be Government servants.
- If action is being taken/initiated under Rule 17(b) of Tamil Nadu Civil Services (Classification, Control and Appeal) Rules, his application should be considered only after final disposal of the charges- G.O.Ms.No.436 H&UD Dept dated:07.06.1984
- Government servant drawing less than 1/3rd carry home salary is not eligible - Govt. letter no.55978/C1/78-3 Housing Dept dated: 19.01.1989.

2 CONDITIONS:

- He must not have availed himself any loan/advance for acquisition of a house in the past from any Government source.
- The applicant or the applicant's wife / husband / children shall not be the owner of a house. This condition may be relaxed by the Government, if not wholly owned/jointly owned with relatives or others and desires to build a separate house/owned in a remote village/ not suitable for valid reasons etc.
- The floor area of the house must not be less than 22 square metres.

3 PURPOSES:

The advance may be granted for the following purposes:

- For constructing a new house either at the place of duty or at the place where he proposes to settle after retirement
- ♣ Partly for purchase of land and partly for construction of a house thereon
- ♣ For acquiring a house from the Tamil Nadu Housing Board under its 'House Construction Scheme'
- ♣ for purchase of Ready Built House / Flat
 - from any of the local bodies
 - from Co-operative Housing Societies
 - on hire purchase basis
 - from any private party
- ♣ For enlarging/improving the living accommodation in an existing house owned by him.
- For construction of a house raising funds from private individuals (private loan), in view of urgency to complete the construction, is permissible only when the application for House Building Advance is already pending with the sanctioning authority and orders from the Government is necessary for such sanction - Govt. letter no.15251/C1/90-4 H&UD Dept dated:03.08.1990.
- HBA should not be sanctioned to purchase ready-built house/flat/plot from close relatives such as father, mother, step-father, step-mother, husband/wife, son, daughter, adopted son, adopted daughter, brother, sister, step-brother, step-sister, wife's father, wife's mother, brother's wife, sister's husband and son's wife –Govt. letter no.62968/HBA I(1)/90-13 H&UD Dept dated:28.07.1992.

4 AMOUNT OF ADVANCE:

- Only one advance shall be sanctioned under these rules to a Government servant to construct/purchase a house during his entire service.

- An advance for the second time may be sanctioned for enlarging/improving the living accommodation in that house.
- Total of the above two advances should not exceed the maximum amount of advance admissible.
- A Government Servant is eligible for grant of an advance not exceeding 75 months' pay, grade pay, special pay, personal pay and dearness allowance, subject to the overall ceiling fixed by the Government.
- Up to 31.03.1995: The ceiling of House Building Advance to State Government Employees was Rs.2,50,000/- .
- With effect 01.04.1995: The ceiling of House Building Advance to State Government Employees was Rs.4,00,000/-
- G.O.Ms.No.366 Housing and Urban Development Department, dated 20.3.1995.
- With effect from 01.04.1998: The Government had enhanced the ceiling of House Building Advance to All India Service Officers from Rs.4,00,000/- to Rs.7,50,000/- - G.O.Ms.No.109 Housing and Urban Development Department, dated :07.04.1998.
- With effect from 01.04.2000: The Government had enhanced the ceiling of House Building Advance to State Government Employees from Rs.4,00,000/- to Rs.6,00,000/-
G.O.Ms.No.232 Housing and Urban Development Department, dated 2.6.2000.
- With effect from 01.04.2009: The Government had enhanced the ceiling of House Building Advance to State Government Employees from Rs.6,00,000/- to Rs.15,00,000/- and to All India Service Officers from Rs.7,50,000/- to Rs.25,00,000/-
- G.O. Ms.No.96, Housing and Urban Development Department, dated 17.6.2009.
- With effect from 01.04.2012: The Government had enhanced the ceiling of House Building Advance to State Government Employees from Rs.15,00,000/- to Rs.25,00,000/-(Rupees Twenty five lakh only) and to All India Service Officers from Rs.25,00,000/- to Rs.40,00,000/-(Rupees Forty lakh only).
-G.O.(Ms).No.135HousingandUrbanDevelopment(HBA)departmentDated:20.06.2012.
- Basic Government servants whose carry home salary is more than half their pay(including grade pay+ personal pay) and dearness allowance (at the time of their application) may be granted an advance not exceeding 90 months' pay(including grade pay + personal pay) and dearness allowance - Rule 4(c).
- Latest pay details together with the latest estimates should be obtained at the time of sanction of advance so that maximum advance to which they are eligible with reference to their repaying capacity [½ (half) of his pay (pay+ grade pay + personal pay) and dearness allowance and death-cum-retirement gratuity] may be sanctioned. Sanction of Additional Advances and advance for second enlargement/ improvement has been dispensed with as per G.O.No.260 H&UD Dept. dated: 11.03.1994.

5 DISBURSEMENT AND SECURITY:

The House Building Advance sanctioned to various categories of Government Servant shall be disbursed as summarized below :

(i) For purchase of plot and for construction of a new house thereon:		
First instalment	20% of the sanctioned amount	For purchase of plot
Second instalment	40% of the sanctioned amount	For bringing the construction up to roof level.
Third instalment	40% of the sanctioned amount	After roof level for completion of construction
(ii) For construction of house or for enlargement of house involving earthwork:		

<i>First instalment</i>	<i>50% of the sanctioned amount</i>	<i>For bringing the construction up to roof level.</i>
<i>Second instalment</i>	<i>50% of the sanctioned amount</i>	<i>After roof level for completion of construction</i>
(iii) For construction of house or for enlargement of house involving ground floor and first floor:		
<i>First instalment</i>	<i>50% of the sanctioned amount</i>	<i>For bringing the construction up to roof level of first floor.</i>
<i>Second instalment</i>	<i>50% of the sanctioned amount</i>	<i>After roof level for completion of construction.</i>
(iv) For purchase of a ready-built house:		
<i>In one lump sum</i>	<i>The entire amount sanctioned in one lump sum</i>	<i>On executing an agreement for the repayment of the advance.</i>
<i>The time limit for utilization of each instalment of the advance is fixed as 4 months.</i>		
<i>Govt. Order Ms. No.688 Housing and Urban Development (HBA-I) Department dated: 01.10.1992.</i>		

⊞ Advance required partly for purchase of land and partly for construction of a new house thereon:

- *An amount not exceeding 20% of the sanctioned advance will be payable to the applicant for purchasing a plot on his executing **an agreement** in the prescribed form (Form 5) for repayment of the loan. The land should be purchased and the sale-deed produced for inspection within two months from the date of drawal of the advance or within such period the Sanctioning Authority may allow, failing which the amount together with interest thereon shall be refunded to the Government.*
- *An amount equal to 40% of the balance of the advance will be payable on **mortgaging** the land purchased along with the house to be built thereon in favour of the Government as security for the repayment of the advance and the interest.*
- *The balance amount of 40% will be payable when the construction has reached **roof level**, provided the Sanctioning Authority is satisfied that the development of the area in which the house is constructed is complete in respect of amenities such as water-supply, street lighting, roads, drainage and sewerage.*
- *The '**roof level**' means, the level at which the building construction is ready to receive the roof slab viz., it excludes centering for roof slab concrete and also reinforcement - Govt. letter no.29573/HBA I/97-1 H&UD Dept dated: 18.08.1997.*
- *In the case of the house-site purchased from the Tamil Nadu Housing Board or a Co-operative Housing Society on sale-cum-mortgage basis, the borrower shall agree to mortgage to the Government the house-site together with the house to be constructed thereon (notwithstanding the fact that the site has already been mortgaged to the Tamil Nadu Housing Board or the Co-operative Housing Society) within one month from the date of drawal of the advance.*
- *An advance sanctioned to acquire a house from the Tamil Nadu Housing Board under 'House Construction Scheme' will be payable in a lump sum and it should be paid to the Board within 30 days from the date of receipt of the advance.*

⊞ Advance required only for constructing a new house or enlarging living accommodation in an existing house:

- *In cases where **advance for constructing a new house** is required, an amount equal to 50% (first instalment) of the sanctioned advance will be payable on the applicant executing an*

agreement to mortgage, within a period of one month from the date of drawal of the amount, the land purchased by him along with the house to be built thereon, in favour of the Government, failing which the amount together with interest thereon shall be refunded at once to the Government.

- The balance amount of 50% (second instalment) will be payable when the construction has reached **roof level**, provided the Sanctioning Authority is satisfied that the development of the area in which the house is constructed is complete in respect of amenities such as water-supply, street lighting, roads, drainage and sewerage.
- In cases where **advance for enlarging the living accommodation** in an existing house is required, an amount equal to 50% of the sanctioned advance will be payable subject to the condition that he agrees to mortgage the land purchased by him along with the house to be built thereon, in favour of the Government, within a period of one month from the date of drawal of the above amount, failing which the amount together with interest thereon shall be refunded at once to the Government.
- The balance amount of 50% will be payable when the construction has reached **roof level**, provided the Sanctioning Authority is satisfied that the development of the area in which the house is constructed is complete in respect of amenities such as water-supply, street lighting, roads, drainage and sewerage.
- The Government servants who have already been sanctioned an advance for construction of house may also apply for another advance for enlargement of that house only after completion of three years from the date of completion of construction of the house/purchase of plot/flat – GO.Ms.No.1012 Housing and Urban Development (HBAI) Department dated: 11.12.1995.
- The Government servants who wish to enlarge the existing house purchased from the Tamil Nadu Housing Board may also apply for an advance for enlargement /improvement, only after completion of three years from the date of order sanctioning advance for purchase of the ready built house/flat - Govt. letter no.21412/HBAI/96-1 Housing and Urban Development (HBAI) Department dated: 20.07.1996.
- Enlarging the living accommodation includes structural alteration in the existing house, carrying out improvements of a permanent nature in a flat and of one-time expenditure. It includes fresh civil works like rearrangement of kitchen, putting up additional cup boards, additional lofts, overhead tanks, compound wall, replacing existing floor by mosaic flooring(need not enclose any plan) etc - G.O.No.1853 Housing Dept. dated:07.12.1987.
- The Advance should not be sanctioned for maintenance work such as replacing the existing structures, painting, colour washing, installation of removable fixtures like geysers, fans, air-condition plants, pump sets, pipeline etc., provision of pavement all around the building and grills in the place of existing iron bars etc- G.O.No.1853 Housing Dept. dated:07.12.1987.

⌘ Advance required for purchasing a ready-built house:

- The entire amount required to acquire a ready-built house will be payable in one lump sum on the applicant executing an agreement in the prescribed form for the repayment of the advance. The applicants should have furnished a Certificate of age and class of the building issued by the Executive Engineer of Public Works Department under whose jurisdiction the house is situated along with the application.
- The acquisition of the house must be completed and the house mortgaged to the Government, within a period of three months from the date of drawal of the advance, failing which the amount together with interest thereon shall be refunded to the Government immediately, unless an extension of the time limit is granted by the Sanctioning Authority.
- The Sanctioning Authority, viz., the District Collector/ the Secretary(Housing and Urban

Development) to the Government shall satisfy himself as to the class and normal useful age of the ready-built house- Rule 3(a).

- It should also be verified that the market value of the land and house purchased is not less than the Advance sanctioned –Rule 9(d)(ii).
- The Roof level construction report and the completion report to be given by the applicant should be supported by the Certificates issued by a qualified Engineer – Rule 9(d)(iii).
- While sanctioning the advance the Sanctioning Authority shall impose a condition that he will not be eligible to obtain any loan from a Co-operative Society or any other institution/ source on account of the house acquired/constructed through the House Building Advance - Govt. letter no.25396/HBAI/2005-2 Housing and Urban Development Department dated: 12.09.2005.
- The Sanctioning Authority and the Disbursing Officer may arrange to have an inspection carried out to verify the correctness of the Certificates/ reports and ensure that the advance sanctioned is utilized in full for the purpose for which it is sanctioned - Govt. letter no.60189 / HBAI(1)/92-7 Housing and Urban Development (HBAI) Department dated:24.11.1993.

6 INTEREST:

- The advance shall carry simple interest from the date of payment and the interest will be calculated on the balance outstanding on the last day of each month. The rate of interest fixed by the Government from time to time and current at the time of disbursement of the first instalment of the House Building Advance will be applicable to the advance sanctioned in accordance with these rules. The interest rates for the year 2012-2013, issued in G.O.No. 203, Finance (Loans and Advances Cell) Department Dated: 8th June 2012 are as follows:

(a) For loans up to Rs.50,000/-	5.50%
(b) For loans from Rs.50,001/- to 1,50,000/-	7.00%
(c) For loans from Rs.1,50,001/- to 5,00,000/-	9.00%
(d) Above Rs.5,00,000/-	10.00%
- The recovery of the interest shall be commenced immediately after the recovery of the principal is over. The interest accrued on the advance should be calculated and orders for its recovery issued exactly at the time when the last two instalments of the principal are to be recovered- Govt. letter no.25581/HBAI/2002-1 H&UD Dept. dated: 23.09.2005.
- It is the responsibility of the head of office to calculate interest – A.G. 's letter no.LA/XI/VI/90-91/120 dated: 11.12.1990.
- The method of calculation of interest had been illustrated in Govt. letter Ms. No.260 H&UD Dept. dated: 27.03.1984 as amended in Govt. letter no.21243/C1/84-10 H&UD Dept. dated:24.06.1985.
- **PENAL INTEREST:** Penal interest for the delayed re-payment of monthly instalments is fixed by the Government from time to time (Penal Interest for the year 2012-2013: 2.5 %). The Government have issued necessary instructions with illustration in this regard in Govt. letter nos. 36015/HBAI/2004-1 H&UD Dept. dated: 18.10.2004 and 45224/HBAI/2004-1 H&UD Dept. dated: 05.01.2005.
- Few Illustrations on [calculation of interest](#) as well as [penal interest](#) are given.

7 CONSTRUCTION, MAINTENANCE ETC. OF THE HOUSE:

- The construction of the house or addition to living accommodation in the existing house shall be carried out exactly in accordance with the approved plan and specifications on the basis of which the amount of advance has been computed and sanctioned. The plan and

- specifications must not be deviated without the prior concurrence of the Government.
- The construction should be completed within 18 months from the date on which the first instalment of the House Building Advance was paid. Failure to do so will render the Government Servant liable to refund the entire amount of advance paid to him together with interest in one lump sum. An extension of time limit may be allowed up to one year by the Sanctioning Authority and for longer period by the Government, in those cases where the work is delayed due to circumstances beyond the Government Servant's control.
- Completion Report as well as Occupation Report should be submitted to the District Collector mentioning the dates of completion and occupation.
- After completion of the house, it should be maintained in good condition at his own cost until the advance has been repaid in full and an annual certificate furnished to the Sanctioning Authority to that effect.
- Furnishing a false certificate will render the Government Servant liable to disciplinary action, apart being called upon to refund to the Government forthwith the entire amount of advance together with interest in one lump sum.

8 REPAYMENT OF THE ADVANCE :

- The advance given to the Government Servant, together with the interest thereon shall be repaid in full by monthly instalments within a period not exceeding 20 years. First , the recovery of **the advance** shall be made in not more than **180 monthly instalments**, and then **interest** shall be recovered in not more than **60 monthly instalments**.
- ♣ The recovery of the principal (advance) shall be commenced as indicated below as per Govt. Letter No.25581/HBA1/2002-1 Housing and Urban Development Department dated: 23.09.2005.

S.No.	Purpose of Advance	Commencement of recovery
1	Plot-cum-Construction	<u>Plot cost</u> should be recovered from the month following the month in which the amount was disbursed. Construction cost should be recovered from the month following the month in which the construction is completed or the house is occupied or from the 18 th month from the date of disbursement of the 1 st instalment of advance (including the month in which the advance was paid) for construction whichever is earlier.
2	Construction of House	Should be recovered from the month following the month in which the construction is completed or the house is occupied or from the 18 th month from the date of disbursement of the 1 st instalment of advance (including the month in which the advance was paid) for construction whichever is earlier.
3	Purchase of ready built house from the T. N. Housing Board	Should be recovered from the month following the month in which the amount was disbursed.
4	Purchase of ready built house from Private Party	Should be recovered from the month following the month in which the amount was disbursed.
5	Enlargement of existing house	Should be recovered from the month following the month in which the 1 st instalment of advance was disbursed.
6	For making Improvement to existing house	Should be recovered from the month following the month in which the amount was disbursed.

- *The Government Servants may repay the amount in a shorter period, if they so desire. In any case the entire advance must be repaid in full with interest thereon before the date of retirement from service.*
- *Recovery of the advance shall be effected through the monthly salary/ leave salary bills of the Govt. servants by the Head of Office/ the Drawing Officer. These recoveries will not be held up or postponed except with the prior concurrence of the Government/ Collector - Govt. letter no.25581/HBA1/2002-1 H&UD Dept. dated: 23.09.2005.*
- *In the case of those who go on Unearned leave on Private Affairs or who are placed under suspension, the recovery should be made at such rates as the Head of Department / the District Collector deems it right to fix.*
- *During Extraordinary Leave, recovery may be postponed if the loanees agree to pay in one lump sum the amount involved in such postponement or from their Death-cum-Retirement Gratuity, if it becomes necessary.*
- *Failure on the part of the Government Servant or his successors to repay the advance, for any reason whatsoever, will entitle the Government to enforce the mortgage and take such other action to effect recovery of the outstanding amount as may be permissible under the law.*
- *The Heads of Offices/ the Drawing and Disbursing Officers and the loanee Government Servants should ensure that the recovery of the advance and subscription to the Tamil Nadu Government Employees' House Building Advance Special Family Benefit Fund Scheme is commenced at the appropriate time without fail and continued without any interruption till the advance is fully repaid.*
- *The Drawing Officers are responsible for monitoring and recovery of various Long Term Advances (including House Building Advances through HDFC / Ind Bank Housing Limited / Can Fin Homes Limited) and record the same in the Last Pay Certificate and recommend to release the mortgage deed by the sanctioning authorities - Letter No. 69390 / Finance (Pension) Department / 2009, dated: 29-01-2010.*

⌘ Refund of excess recovery:

The claim for excess amount recovered towards House Building Advance may be processed in the light of the instructions given in Instructions 18A and 18 B under Treasury Rule 16 – S.R.28 of Tamil Nadu Treasury Code -Vol. I and the refund may be sanctioned by the Loan Sanctioning Authority after obtaining necessary authorization from the Accountant General. The Head of Office, in the case of Non-Gazetted Government Servants or the Gazetted Government Servant or the departmental officer who normally draws and disburses the loan, shall draw the refund bill in Form TNTC.40 - Govt. Letter No.32408/HBA1/2007-11 Housing and Urban Development Department dated: 04.03.2009.

9 PROCEDURE FOR DEALING WITH THE APPLICATIONS:

- ♣ *The Government Servants should submit their applications in complete shape through their Heads of Offices to the Sanctioning Authority viz., the Collector of the district where they propose to construct / purchase their houses, in the form prescribed in Govt. Letter (Ms) No.124 Housing and Urban Development Department dated: 10.05.2006.*
- ♣ *The following documents(all in duplicate) should accompany the applications:*
 - *The site plan and building plan duly approved by the Local Authority*
 - *Detailed and Abstract Estimates*
 - *Title deed*
 - *Legal opinion of the Government Pleader (to prove the indisputable title of the applicant to the property)*

- *Encumbrance Certificate for 13 years*
- *Service Certificate mentioning date of regularization, date of completion of probation, date of confirmation etc.,*
- *Salary Certificate (showing recoveries also)*
- *Certificate for no charges pending under Rule 17(b) of Tamil Nadu Civil Services (Classification, Control and Appeal) Rules.*
- *Departmental permission to purchase a plot/flat or construct/purchase a house.*
- ♣ *The applications in complete form will be registered. Any application which has been registered, but is later found to be defective in some material aspects, will be returned and the name of applicant removed from the list.*
- ♣ *The advance is sanctioned only on the seniority of the application and priority is not given to any case either on the basis of the post held by the applicant or on the basis of the community of the applicant – Govt. Letter (Ms).No.124 Housing and Urban Development Department dated: 10.05.2006.*
- ♣ *The Sanctioning Authorities should scrutinize the applications and satisfy themselves of the correctness of the facts stated therein. They will also examine the title deeds in consultation with the Government Pleaders, if necessary and ensure the applicants do possess an indisputable title to the property in question. If they are fully satisfied with the title deeds and the eligibility of the Government Servants for the advance, a formal sanction to the grant of advance to the applicants will be accorded on the basis of their repaying capacity.*
- ♣ *They should also arrange to complete the prescribed formalities such as execution of agreement, mortgage deed, undertaking etc., in the prescribed forms and then authorize disbursement of the appropriate amount of the sanctioned advance to the applicants.*
- ♣ *While authorizing disbursement of each instalment of an advance the Sanctioning Authority shall furnish a certificate to the effect that the required formalities in pursuance of which the instalments had become due have been complied with.*
- ♣ *The prescribed mortgage deed is executed within a period of six months from the date of disbursement of the advance / first instalment of the advance and the registered mortgage deed along with the original documents of the title to the property/land should be obtained and kept in safe custody.*
- ♣ *The completion report, the occupation certificate and the utilization certificate should be obtained from the loanee as per Rule 7.*
- ♣ *The property mortgaged to the Government should be re-conveyed/released to the Government Servant (or his successors-in-interest) immediately after the advance and the interest thereon has been repaid in full, by an endorsement on the mortgage deed to the effect that the full amount has been received and the mortgage is extinguished.*
- ♣ *In respect of Self-Drawing Officers, 'No Demand Certificate' from the Accountant General should be obtained before the release of the mortgage deed.*
- ♣ *An undertaking in writing should also be obtained from the loanee Government Servant, before the release of the mortgage deed, to the effect that if subsequently any amount is found to be due from him to Government he agrees to the recovery of the amount from his pay/pension/Death -cum-Retirement Gratuity due to him.*
- ♣ *In the case of Retired Government Servants, an undertaking prescribed in G.O.Ms.No.1234 Finance (Pension) Department dated: 22.11.1990 should be obtained.*
- ♣ *Any amount paid the applicants in excess of the expenditure incurred by them should be refunded by the applicants to the Government forthwith together with the interest.*

10 ORIGINAL DOCUMENTS:

- *The original documents of the title to the land and property under mortgage shall also be obtained from the mortgagor and kept in safe custody with the Sanctioning Authority along with the mortgage deed till the redemption of the mortgage deed.*

11 QUARTERLY PROGRESS REPORT:

- A consolidated quarterly progress report in the prescribed form should be sent by the District Collectors to the Government so as to enable it to watch the disbursement of funds and the progress of the construction of the houses.

12 STAMP DUTY AND REGISTRATION OF DOCUMENTS:

- The mortgage deed executed for securing the repayment of the advance is exempted from stamp duty and registration fees under the Indian Stamp Act, 1899 and the Indian Registration Act, 1908 respectively. The Officer acting for and on behalf of and by order and direction of the Governor of Tamil Nadu and signing the mortgage deed is exempted from appearing before the Registrar.

13 NOT ALLOWED THE ADVANTAGE OF RENTAL HOUSING SCHEME:

- ♣ The Government Servants who have been sanctioned an advance for construction/ purchase of a house in a place shall not be allowed the advantage of any Rental Housing Scheme under the Government at that place.

14 INSURANCE:

- The house constructed/ purchased /enlarged out of the advance sanctioned by the Government should be insured with the United India Fire and General Insurance Company Limited, against fire, flood and cyclone within a period of three months after the completion of construction/enlargement/purchase of the house.
- The Sanctioning Authority may condone delays up to three months beyond the permissible period of three months for insuring the house. The amount of insurance should be for the outstanding balance of advance preceding 31st March plus the appropriate interest that may be due for the entire advance.
- In the case of failure to insure the house or to renew the policy, the required amount may be recovered from the salary of the loanee and paid to the Insurance Company for taking out a policy or keeping it alive. The Heads of Offices as well as the Sanctioning Authorities should watch the insuring of the houses and renewal of the policies.

15 SPECIAL FAMILY BENEFIT FUND:

- The Tamil Nadu Government Employees' House Building Advance Special Family Benefit Fund Scheme is implemented with effect from 01.04.1986 as per G.O.Ms.No. 513 Housing and Urban Development Department dated: 02.04.1986. The Rules relating to the scheme was issued in G.O.Ms.No. 613 Housing and Urban Development Department dated: 30.04.1986. As per this scheme, if a loanee Government Servant dies in harness, the entire amount due from him towards the repayment of House Building Advance together with interest due thereon, up to date of his death shall be met from the Fund provided the subscription to the scheme has been commenced and continued till the month of his death.
- ♣ As per G.O.Ms.No. 1720 Housing and Urban Development Department dated :13.11.1987, all the Government Servants who obtain House Building Advance shall be eligible for enrolment under the scheme, provided they have a service of five years or more prior to their Superannuation at the time of enrolment under the scheme.
- 1% of the monthly instalment of the advance that the loanee will be repaying should be recovered from his salary towards subscription to this scheme, commencing from the month following the month in which the first instalment of the advance has been disbursed till the date of retirement /date of death or till the full repayment of advance together with interest, whichever is earlier.
- Subscription shall be rounded off to the nearest rupee.
- When a Government Servant pays the total outstanding advance together with interest due to House Building Advance in one lump sum, he need not remit 1% subscription to Family Benefit Fund Scheme - Govt. Letter No.26665/HBA 1/98-1 Housing and Urban

Development Department dated: 09.09.2008.

- The District Collectors are the authority competent to sanction adjustment towards the outstanding amount of advance together with the interest and they may adjust the amount by issuing sanction orders on the basis of the check slip issued in Govt. Letter No.25605/HBA 1/2007-6 Housing and Urban Development Department dated: 10.03.2008 marking copies of the sanction orders to the Commissioner of Treasuries and Accounts.
- In the case of All India Service Officers, District Revenue Officers and Employees of the Secretariat, the Government (the Housing and Urban Development Department) shall be the competent authority.

16 PRE-CLOSURE OF THE ADVANCE:

- On receipt of application for pre-closure of the outstanding House Building Advance with interest in one lump sum, the competent authority should inform him about the outstanding principal and interest amount. The loanee shall then apply for permission to raise the required funds along with permission for pre-closure.
- After the receipt of permission the loanee shall remit the amount in one lump sum and then only the concerned authorities shall send necessary proposals along with relevant copies of permission letter, interest calculation statement, pay drawn/remittance details etc., to the Sanctioning Authority, viz., Collector/Secretary to Government for the release of mortgage deed and sale deed.
- After due verification of the settlement details, Sanctioning Authority shall release the mortgage deed and the sale deed as per Rule 8(d).
- If the Government Servant then wants to dispose of the house, separate permission should be obtained.
- The Government Servant will not be eligible for any kind of House Building Advance again in future.
- Govt. Letter (Ms).No.274/HBA1/2000-1 Housing and Urban Development Department dated: 02.07.2000.
- The loanee Government Servants should not be permitted to dispose of the house/the property until the loan amount and the interest accrued thereon are fully repaid and the property should not be subjected to any kind of agreement as a security for obtaining any financial assistance from any individual/institution to pre-close the advance.
- It is the responsibility of the head of office/ head of department/ sanctioning authority concerned to ensure that the property acquired, by a Government Servant under his control, by availing himself House Building Advance, is free from any encumbrance till the repayment of advance together with interest is made in full.
- Govt. Letter No.25396/HBA1/2005-2 Housing and Urban Development Department dated: 12.09.2005.

17 FORM OF MORTGAGE DEED, AGREEMENT ETC.:

The following forms and the Rules relating to House Building Advance given in **APPENDIX 25 of Tamil Nadu Financial Code – Volume II** may also be download from the Tamil Nadu Public Service Commission's website (under "Departmental Test -Books to Download") as well as the Government of Tamil Nadu website (under 'Finance Department-Codes and Manuals of Finance Department').

FORM 1	Abstract of cost of original estimates and detailed specifications (based on details in Form.2)	
FORM 2	Detailed Estimate	
FORM 3	Form of mortgage deed to be executed when the property is free hold	
FORM 4	Form of mortgage deed to be executed when the property is lease- hold	
FORM 5	Form of Agreement to be executed at the time of drawing House Building	
	existing house	the month in which the amount was disbursed.

Form No.VI

Form of report/application for permission of the Government for the building of or addition to a house.

Sir,

This is to report you that I propose to build a house or to make an addition to my house. This is to request that permission may be granted to me for the building of the house or making addition to my house. The estimated cost of land and materials for the construction or extension of the house is given below:-

LAND:

- (1) Location (Survey numbers, Villages, district, State)
- (2) Area
- (3) Cost :

BUILDING MATERIALS, ETC.

- (1) Bricks (Rate/quantity/cost)
- (2) Cement (Rate/quantity/cost)
- (3) Iron and Steel (Rate/quantity/cost)
- (4) Timber (Rate/quantity/cost)
- (5) Sanitary Fitting (cost)
- (6) Electrical Fitting (cost)
- (7) Any other special fittings (cost)
- (8) Labour charges
- (9) Other Charges, if any.

TOTAL COST OF LAND AND BUILDINGS:

2. The construction will be supervised by myself. The construction will be done by* I do not have any official dealings with him in the past. I have/had official dealings with the Contractor and the nature of my dealings with him is/was as under:-

3. The cost of the proposed construction will be met as under:-

- | | Amount |
|--|--------|
| (i) Own Savings | |
| (ii) Loans/Advances(with full details) | |
| (iii) Other sources(with details) | |

Yours faithfully,

Strike out portion not applicable.

Enter the name and place of business of the contractor.

Form No.VI-A

Form of application for permission for acquisition of house.

To

Sir,

This is to report you that I propose to acquire a ready built house at This is to request that permission may be granted to me for the acquisition of the house. The particulars of the house to be acquired and its estimated cost are given below:-

1. Location of the house (Plot No., Survey No., Village, Taluk, District and State)
2. Area.....
3. Name of the seller.....
4. Address and occupation of the Seller
5. Cost of the house
6. The cost of the house will be met as under

Amount

- (i) Personal Savings
- (ii) Loans/Advances with full details... ..
- (iii) Other sources with full details

Yours faithfully,

VALUATION REPORT

I/We hereby certify that I/We have valued house.....of that..... to be purchased by Thiru/Thiurmathi..... and I/We give below the value at which we estimate the cost of the house under the following headings:-

Heading	Cost
1. Approximate value of plot	
2. Area and Approximate value of building	
3. Approximate value of Electrical, Sanitary and other fittings and fixtures....	

Total Cost of the buildings	

Date:

Signature of the Valuation Authority.

Form No. VII

Form of report to the Government after completion of the building of a house/addition to the house.

Sir,

In my letter No.....dated..... I had reported that I proposed to build a house or make addition to my house. Permission was granted to me in Order No.....dated the.....for the building of house or making addition to the house. The construction of the house or addition to the house has since been completed and I enclose a Valuation Report duly certified by Firm of Civil Engineers or a Civil Engineer of repute.

2. The cost of construction indicated in the enclosed valuation report was financed as under:-

Amount
Rs.

- (i) Own savings
- (ii) Loan/Advance with details....

(Note--Variation, if any, between the figures given above and the figures given in Form VI may be explained suitably).

Dated:

Yours faithfully,
()

VALUATION REPORT

I/We hereby certify that I/We have valued House
*..... Constructed by Thiru/ Thirumathi
..... of the +and I/We give below the value
at which we estimate the cost of the house under the following headings:-

Heading	Amount
1. Bricks
2. Cement
3. Iron and Steel
4. Timber
5. Sanitary fittings
6. Electrical fittings
7. All other special fittings
8. Labour charges
9. All other charges
Total Cost of the building	----- -----

Signature of the Valuation Authority.

*Here entire details of House.

+Here enter name, etc. of the Government servant.

Engineer's Certificate

Certified that Thiru.....working as.....in the office.....is constructing a house in plot No.....in S. No.....in.....Taluk.....District. Out of the instalment of the HBA of Rs.....() sanctioned to him by the collector of.....in Proc. No.....he has constructed upto level according to the approved plan and estimates furnished by him.

(Name of the Engineer with seal)
(Licenced Engineer or an Engineer
Working in Government)

Utilisation Certificate

I.....working in the.....employed as.....have fully utilised the instalment of HBA of Rs.....() sanctioned to me by the collector of.....in his Proc. No.....for executing construction of a house upto Level in plot No.....in S. No.....of.....Taluk.....Dist.

CHECK - LIST

The following documents are required to be furnished to avail HBA

I. ADVANCE FOR CONSTRUCTION OF A HOUSE :

Documents as per rule 16(3)B read with O.M.No.I/17011/II/83-H. III dated 26.5.1984:

- (i) **Sale Deed.**
- (ii) **No-encumbrance Certificate issued by Registrar/Sub-Registrar.**
- (iii) Estimate prepared by Regd. Architect.
- (iv) Plan prepared by Regd. Architect and approved by competent authority.
- (v) Affidavit declaring that no house/flat is owned either by the applicant or his/her wife/husband or minor children(s) individually or jointly in the town/urban agglomeration.
- (vi) Form No.5 of agreement[HBA-9], Surety Bond [HBA-13], Surety Bond Annexure-II [HBA-20], Personal Bond [HBA-19], Indemnity Bond [HBA-22].
- (vii) Current Pay Slip.
- (viii) Land Valuation Report.

II. ADVANCE FOR PURCHASING OF A FLAT FROM REGISTERED GROUP HOUSING SOCIETY:

Documents as per rule 16 B (c) read with O.M. No. I/17011/11/80-H. III dated 05.03.1983.

- (i) Copy of certificate of Registration of Society.
- (ii) Letter of allotment of land to the Society.
- (iii) NOC for mortgaging the flat and non-encumbrance.
- (iv) Share-cum-membership certificate.
- (v) Estimate.
- (vi) Demand Notice.
- (vii) Copy of approved Building Plan.
- (viii) Agreement between applicant and the Society.
- (ix) Attested copy of the by-laws of the Society.
- (x) Affidavit declaring that no house/flat is owned either by the applicant or his/her wife/husband or minor children(s) individually or jointly in the town/urban agglomeration.
- (xi) Form No.5-C (of agreement) [HBA-12], Surety Bond [HBA-13], Surety Bond Annexure-II [HBA-20], Personal Bond [HBA-19], Indemnity Bond [HBA-22].

B Additional documents:

- (x) Copy of Lease Deed.
- (xi) Receipt of payment made to the society.
- (xiv) Current Pay slip

III ADVANCE FOR PURCHASING A READY BUILT HOUSE/FLAT FROM REGISTERED PRIVATE AGENCY/BUILDER:

Documents as per rule 16 B (e) read with O.M. No. I/17011/11/83-H. III dated 26.5.1984.

- (i) Valuation Report.
- (ii) Allotment-cum-Demand Letter
- (iii) Certificate for clear title & non-encumbrance issued by Registrar/Sub Registrar
- (iv) Affidavit declaring that no house/flat is owned either by the applicant or his/her wife/husband or minor children(s) individually or jointly in the town/urban agglomeration.
- (v) Form No. 5-A of agreement[HBA-12], Surety Bond [HBA-13], Surety Bond Annexure-II [HBA-20], Personal Bond [HBA-19], Indemnity Bond [HBA-22].

Additional documents:

- (vi) Completion certificate
- (vii) NOC for mortgaging the flat
- (viii) Duly executed Agreement to Sell
- (ix) Draft of proposed Sale-deed
- (x) Copy of certificate for registration of Agency/Builder.
- (xi) Copy of Plan alongwith letter for approval of plan issued by the competent authority.
- (xii) Current pay slip.
- (xiii) Receipt of payment made to the Builder.

As per OM No. I-17011/23/71-H.III, GOI, Ministry of Urban Development & Poverty Alleviation adopted vide R&CS Order No. ADV.141/2005 dated 15.04.2005 lays down criteria for the purchase of house from Private Parties - Criteria for Registered Builders:

- (i) The company should be registered as approved builders/architects etc. with Urban Development Authority/ Housing Boards of a state Govt./ Municipal authorities etc. However, if in some states, such a provision as to registration of builder companies/firms in the panel of Urban Development Authority/ Housing Boards of a state Govt./ Municipal authorities does not exist, the builder company/firm may be taken to produce an income tax clearance certificate from the income Tax Department or some such documentary evidence which shows that the firm has undertaken/executed housing projects for Government agencies.
- (ii) In case of purchase of House/Flat from Private builder company/firm the house selling/constructing private company/firm should have a clear title to the land on which houses/flats are erected and can be verified by obtaining a copy of registration deed exhibiting the title of the land in the name of the house constructing private company/firm.
- (iii) Before the house building advance is granted to the applicant Government employee, he may be asked to obtain an undertaking from the concerned private builder company/firm to the effect that the house/flat is ready for possession as well as for moving in. Besides, the private builder company/firm should have obtained completion certificate from the map/plan approving authority. Completion certificate from private architect/engineer should not be accepted.
- (iv) The company/firm of builders should be financially sound. Accounts including balance sheet/income & expenditure accounts etc. for the preceding three years, duly certified by chartered accountants are to be examined for this purpose.

IV. ADVANCE FOR PURCHASE OF READY-BUILT HOUSES/FLATS FROM GOVERNMENT ORGANISATIONS.

Documents as per rule 16 B (a) read with O.M. No. I/170II/II/83-H. III dated 26.5.1984:

1. Original copy of a letter from the Allotting Authority with the following Details:-
 - (a) the cost of the House/Flat;
 - (b) conditions of sale;
 - (c) accommodation available therein;
 - (d) whether the official is permitted to mortgage the land and the house/flat in favour of the President of India;
2. Affidavit declaring that no house/flat is owned either by the applicant or his/her wife/husband or minor children(s) individually or jointly in the town/urban agglomeration.
3. Form of Agreement (No.5-A)[HBA10], Surety Bond [HBA-13], Surety Bond Annexure-II [HBA-20], Personal Bond [HBA-19], Indemnity Bond [HBA-22].
4. Pay Slip

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 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