



ABSTRACT

Loans & Advances – House Building Advance – Purchase of housing plot – Enhancement of ceiling – Orders – Amendments – Issued.

Housing & Urban Development (HBA) Department

G.O.(Ms.) No.171

Dated: 26.11.2014.

ஐய, கார்த்திகை-10
திருவள்ளூர் ஆண்டு 2045

Read:-

1. G.O.Ms.No.688, Housing and Urban Development (HBA) Department, dated 01.10.1992.
2. Representation from the Tamil Nadu Secretariat Association, Secretariat, Chennai-9, Letter No.71/TANSA/2012, dated 05.10.2012.

ORDER:-

Paragraph (i) under Sub Rule (1) of Rule 5 of the State Rules to Regulate the Grant of Advances to Government Servants for Building Etc., of Houses, provides that an amount not exceeding 20 percent of the sanctioned advance will be payable to the applicant for purchasing a plot of land on executing an agreement in the prescribed form for the repayment of the advance.

2. The Tamil Nadu Secretariat Association, in its representation 2nd read above has stated that the Government have enhanced the ceiling of House Building Advance to State Government Employees from Rs.15.00 lakhs to Rs.25.00 lakhs, for various purposes of housing loan. However, in the existing State Rules to Regulate the Grant of Advances to Government Servants for Building Etc., of Houses, it has been prescribed that an amount not exceeding 20 percent of the sanctioned advance will be payable to the applicant for purchase of a plot of land. As the land cost has multiplied in the recent past and not possible to purchase a plot within the above said ceiling, the said Association has requested to enhance the present ceiling on advance for purchase of plot to the State Government Employees from 20 to 50 percent.

3. On careful examination of the request, it is apparent that the housing plot cost in the State has increased considerably. But with the existing permissible 20 percent ceiling on Advance for purchase of housing plot, the Government Employees find it insufficient to meet the plot cost due to the escalating price trends which has risen in leaps and bounds in the real estate market. In the prevalent situation, the Government Employees have to borrow or mobilise huge funds from other sources to acquire a housing plot. Further, sanction of advance does not end up with the purchase of plot alone and shall be proceeded further for construction of house by the aspiring House Building Advance applicant. As such the sanction of House Building Advance according to the existing permissible ceiling limit prescribed for the purchase of housing plot does not seem to meet the purpose.

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4. Considering the above, the Government hereby enhance the existing ceiling of 20 % to a maximum of 50 % for purchase of plot for construction of house by Government Servants / All India Service Officers and also modify the existing procedures for disbursement of instalments of House Building Advance for Purchase of Plot-cum-Construction as detailed below:-

Partly for purchase of Plot and Partly for Construction of house thereon:-

FIRST PART:

Purchase of housing plot:-

i)	First instalment	<p>50 percent of the eligible amount of House Building Advance (or) value of plot based on guideline value (or) registered value of the plot cost (or) the requirement of advance sought by the applicant whichever is less shall be sanctioned as First Part of Advance for the purpose of Purchase of Plot for Construction of House thereon.</p> <p>The sanction of above advance is subject to fulfillment of provisions/conditions/procedures envisaged under Rule 5 and 9 (d) (ii) of the State Rules to Regulate the Grant of Advances to Government Servants for Building Etc., of Houses.</p>
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SECOND PART:

For construction of house on the plot purchased:-

After sanction and disbursement of first instalment of advance towards purchase of a vacant housing plot, the remaining eligible amount of House Building Advance (or) the requirement of advance sought for construction (or) the abstract estimate / detailed estimate for construction of house submitted by the applicant, whichever is less shall be sanctioned as Second Part of Advance for the purpose of construction and the same shall be disbursed as abstracted below:-

i)	Second Instalment	50 percent on the remaining eligible amount of House Building Advance as Second Instalment	For bringing the construction upto roof level.
ii)	Third Instalment	Remaining eligible amount of House Building Advance as Third Instalment	For completion of construction.

The above sanction is subject to fulfilment of all applicable provisions/conditions/procedures envisaged under the State Rules to Regulate the Grant of Advances to Government Servants for Building Etc., of Houses.

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5. The above order shall come into force from the date of issue of this order and it shall also apply to the following cases:-

- i) those who have been sanctioned House Building Advance at the old rate of ceiling but have not yet drawn any instalment of the advance may be sanctioned loan as per the enhanced rate of ceiling for purchase of plot for construction of house by issuing an amendment to the order already issued, subject to eligibility as per the above procedure prescribed for disbursement of instalments of HBA.
- ii) all pending applications for sanction of HBA for purchase of plot for construction of house, which are yet to be sanctioned for want of funds may be sanctioned as per the enhanced ceiling limit now in force subject to eligibility, as per the above prescribed procedure for disbursement of instalments of HBA.

6. Consequent to the above orders, the following amendments are issued to the State Rules to Regulate the Grant of Advances to Government Servants for Building Etc., of Houses.

AMENDMENT - 1

For the existing paragraphs (i), (ii) and (iii) under Sub-Rule (1) of Rule 5 of the State Rules to Regulate the Grant of Advances to Government Servants for Building Etc., of Houses, the following paragraph shall be substituted:-

- (i) An amount not exceeding 50 percent of the eligible amount of HBA or value of plot based on guideline value (or) as per registered value of the plot cost (or) the requirement of advance sought for by the applicant, whichever is less shall be sanctioned as first part of advance and be payable to the applicant for purchasing a plot of land for construction of house on his executing an agreement in the prescribed form for repayment of the advance. In all cases in which part of the advance is paid for purchase of land, the land must be purchased and the sale deed in respect thereof shall be produced for the inspection of the Government/Collector concerned within two months from the date on which the above advance is drawn or within such further time as the Government/Collector may allow in this behalf failing which the applicant shall be liable to refund the entire amount to Government together with interest thereon. The borrower shall agree to mortgage to the Government the house-site together with the house that may be constructed thereon within six months from the date of drawal of the first instalment. The aforesaid procedure shall be followed also in cases where the borrower has purchased the house site from the State Housing Board or Co-operative Housing Society on Sale-cum-Mortgage basis notwithstanding the fact that the site has already been mortgaged to the State Housing Board or Co-operative Housing Society, as the case may be.

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- (ii) An amount equal to 50 percent on the remaining eligible amount of House Building Advance as Second Instalment 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 **for bringing the construction upto roof level.**
- (iii) An amount equal to the remaining eligible amount of House Building Advance as Third Instalment of the advance, will be payable when the construction of the house reaches upto roof level **for completion of construction** provided the Head of Department/Collector is satisfied that the development of the area in which the house is built is complete in respect of amenities such as water supply, street lighting, roads, drainage and sewerage.

AMENDMENT - 2

For the existing abstract I under Note (v) of Rule 5 of the State Rules to Regulate the Grant of Advances to Government Servants for Building Etc., of Houses, the following number of instalments and the stages at which they have to be released and the time limit for utilization of each instalment of the advance shall be substituted:-

Advances sanctioned partly for purchase of plot and partly for construction of house thereon:-			
FIRST PART:			
For Purchase of Plot:			
(i)	First Instalment	50 percent of the eligible amount of House Building Advance (or) value of plot based on guideline value (or) as per registered value of the plot cost (or) the requirement of advance sought for by the applicant, whichever is less shall be sanctioned as First Part of Advance for the purpose of Purchase of Plot for Construction of House thereon. The sanction of above advance is subject to fulfilment of provisions / conditions / procedures envisaged under Rule 5 and 9 (d) (ii) of the State Rules to Regulate the Grant of Advances to Government Servants for Building Etc., of Houses.	2 months
SECOND PART:			
For construction of house on the plot purchased:-			
After sanction and disbursement of first instalment of advance towards purchase of a vacant housing plot, the remaining eligible amount of House Building Advance (or) the requirement of advance sought by the applicant for			

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construction (or) the abstract estimate / detailed estimate for construction of house submitted by the applicant, whichever is less shall be sanctioned as Second Part of Advance for the purpose of construction and the same shall be disbursed as detailed below:-			
(i)	Second Instalment	50 percent on the remaining eligible amount of House Building Advance for bringing the construction upto roof level.	4 months
(ii)	Third Instalment	Remaining eligible amount of House Building Advance for completion of construction of house.	4 months

7. This order issues with the concurrence of Finance Department vide its U.O.No.65737/Hg/14, dated 26.11.2014.

(BY ORDER OF THE GOVERNOR)

**K. PHANINDRA REDDY,
PRINCIPAL SECRETARY TO GOVERNMENT(i/c).**

To

All Secretaries to Government, Departments of Secretariat, Chennai-9.

All District Collectors.

All Heads of Departments.

All Departments of Secretariat, Chennai-9.

The Registrar General, High Court of Madras, Chennai-104.

The Principal Accountant General(A&E), Chennai-18.

The Principal Accountant General(G&SSA), Chennai-18.

The Principal Secretary II to Hon'ble Chief Minister, Chief Minister's Office, Chennai-9.

The Senior Personal Assistant to Hon'ble Minister (H&UD), Chennai-9.

The Private Secretary to Chief Secretary, Chennai-9.

The Private Secretary to Secretary to Government(i/c),

Finance Department, Chennai-9.

The Private Secretary to Principal Secretary to Government(i/c),

Housing and Urban Development Department, Chennai-9.

The Director of Treasuries & Accounts, Chennai-15/All District Treasury Officers.

The Pay and Accounts Officer(North), Chennai-1.

The Pay and Accounts Officer(South), Chennai-35.

The Pay and Accounts Officer(East), Chennai-8.

The Pay and Accounts Officer(Secretariat), Chennai-9.

The Finance (Housing/Loans & Advances Cell/Salaries) Department, Chennai-9.

The Secretary, Legislative Assembly Secretariat, Chennai-9.

The Resident Audit Officer, O/o.Principal Accountant General(G&SSA), Chennai-9.

All Sections in Housing and Urban Development Department, Chennai-9.


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The Technical Director, National Informatic Centre(NIC), Secretariat, Chennai-9

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SECTION OFFICER.


26/11/14