

New Delhi, Dated 4th September, 91

OFFICE MEMORANDUM

Subject: Grant of House Building Advance to Central Government Employees for acquiring houses/flats under the Self-financing Scheme of Central Govt. Employees Welfare Housing Organisation.

Central Govt. Employees Welfare Housing Organisation has taken up the question of extending the facility of house building advance to its members for acquiring houses/ flats under their Self-financing Housing Scheme. The matter has been considered and it has been decided to extend the facility of house building advance to the Govt. employees for acquiring houses/ flats under the Self-financing Scheme of the Central Govt. Employees Welfare Housing Organisation on the following term and conditions :

- a) House Building Advance will not be granted for the initial payment of earnest money to be deposited with CGEWHO. It has to be borne by the applicant himself.
- b) On receipt of an assurance from the Central Govt. Employees Welfare Housing Organisation that the flat will be allotted to the Govt. servant the amount of house building advance permissible will be sanctioned to Govt. servant but payment thereof, as and when made, will be endorsed to the Central Govt. Employees Welfare Housing Organisation directly on his executing an agreement to repay the loan, and interest thereon. He will also produce two sureties from permanent Govt. servants of comparable status who are not likely to retire in the near future.
- c) The payment will be released to the CGEWHO in instalments, on pro-rata basis, calculated with reference to 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.

$$\text{Amount of each instalment of HBA} = \frac{\text{Amount demanded}}{\text{Total cost of the flat (excluding the amount of initial deposit of earnest money)}} \times \text{Amount of HBA sanctioned}$$

The demand notice from the organisation, for release of such instalment of house building advance should be accompanied by a certificate from the engineer of appropriate status as may determined by the Central Govt. Employees Welfare Housing Organisation certifying completion of the much percentage of total work for which the demand has been made.

- d) The Central Govt. Employees Welfare Housing Organisation 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 him.
- e) The Central Govt. Employees Welfare Housing Organisation will send periodical progress reports regarding construction of the built up houses/flats to the Head of the Dept. of Govt. employees, who has taken house building advance and is likely to be allotted one of such houses/flats.

- f) On completion of flat, its possession will be handed over to the Govt. servant who will forthwith mortgage the same to the President of India.
- g) The amount of advance will be admissible as per house building advance rules of the Govt. of India issued from time to time.
- h) The cost of the flat over and above the admissible advance will be borne by the Govt. servant.
- i) If the Govt. 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 Govt. and the actual cost of the house, the amount of house building advance will be refunded forthwith to the Govt. by the Central Govt. Employees Welfare Housing Organisation.
- j) With a view to safeguarding the interest of the Govt. the organisation will enter into a Tripartite Agreement in the form in Annexure -I to this O.M.
- k) The mode of payment 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 first instalment or possession of the flat, whichever is earlier.
2. The applicant Govt. servants may also be asked to produce the following documents, before they are sanctioned house building advance for acquiring house/flats under self-financing scheme of Central Govt. Employees Welfare Housing Organisation.
- i) Certificate regarding the marketable title of the Central Govt. Employees Welfare Housing Organisation over the concerned land.
- ii) A written assurance from the organisation to the effect that on completion of the flat it will be allotted to the Govt. servant who will mortgage the same to the President of India.
- iii) Original agreement, if any, between the Central Govt. Employees Welfare Housing Organisation and the applicant Govt. servant, the share certificate, if any, issued by the organisation and the original receipts for the payment made to the organisation.

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

To:

1. All Ministries/ Depts. of Govt. of India.
2. Union Territories of Delhi, Andaman & Nicobar Islands, Chandigarh, Dadra and Nagar Haveli, Lakshadweep and Daman & Diu.
3. Office of the C & AG, New Delhi.
4. Supreme Court of India.

Copy to:

1. Secretary, Staff side, National Council (JCM), 13, C, Ferozshah Road, New Delhi.
2. JCA, Division, Dept. of Personal & Training, New Delhi.
3. US (Admn.) Ministry of Urban Development, New Delhi.
4. CGEWHO, 6th Floor, Janpath Bhawan, Janpath, New Delhi.

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

ANNEXURE I

Form of Tripartite Agreement to be executed at the time of drawing an advance for purchase of house under the self financing scheme of the _____.

This Agreement made this _____ day of _____ Two Thousand _____ between

Shri _____ (S/o/D/o) Shri _____ resident of _____ at present serving as

_____ herein after called the 'Borrower' (which expression shall unless excluded by or repugnant to the context deemed to include his/her heirs, executors, administrators and legal representative) of the first part, the _____ a body corporate constituted under section _____ hereinafter called the authority of the second part and _____ (which expression unless repugnant to the context shall include its successors and assigns) of the third part.

Whereas the borrower desired to purchase a ready built flat/house from the authority under 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 instalments as mentioned in the brochure of the scheme.

AND WHEREAS THE BORROWER has under the provisions of the rules framed by the Central Govt. to regulate the grant of advance to the employees of Central Govt. for building house, etc. (hereinafter referred to as the said rules including any modification thereof) applied to Govt. _____ for an advance of Rs. _____ to purchase of house/flat under the scheme and the Govt. _____ has sanctioned an advance of Rs. _____ to the borrower vide letter NO. _____ dtd. _____ a copy of which is annexed to these present 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 deposited with Authority under the scheme for the purchase of a ready-built house/flat and the sum of Rs. _____ (Rupees _____) insert the amount of advance sanctioned to be paid by the Govt. _____ directly to the Authority on behalf of the borrower, it is hereby agreed to be and between the parties hereto as follows :

- i) On the receipt of an assurance from the Authority 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 Authority as and when demanded by them on pro-rata basis, calculated as under consistent with the progress of construction :

$$\text{Amount of each instalment of HBA} = \frac{\text{Amount demanded}}{\text{Total cost of the flat (excluding the amount of initial deposit of earnest money)}} \times \text{Amount of HBA sanctioned}$$

1. 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 herein before.
In case there is any delay in payment of the instalment by the Govt. _____ or the borrower or any other default, in either case it will be treated as default on the part of borrower & consequence of such default will be borne by the borrower whose sole responsibility it shall be to make all the payment.
2. The Authority will maintain a separate account for the borrower and adjust the payment of advance received by it from Govt. 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 & conditions including those specified in para _____ of the terms & 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 there to on lease/freehold right basis who will mortgage the house/flat (Regn. No. _____) within _____ days to _____ as security for the said advance. He 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 Govt. _____ the said amount of Rs. _____ (insert full amount sanctioned with paragraph 7 below) by _____ (number of instalment to be filled in) monthly instalment of Rs. _____ from this 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 Govt. _____ to make such deduction 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 Govt. and the actual cost of the flat, or quits the service of the Govt. or dies, the amount of house building advance will be refunded forthwith to the Govt. The amount of initial deposit of Rs. _____ will be refunded to the borrower or his legal heirs, as the case may be, by the Authority after deducting such amounts as may payable by him as communicated in the brochure.

Provided however, in the event the borrower quits the service of Govt. 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 Govt. as mentioned herein - above on an undertaking by the borrower or his logical heirs as the case may be, to pay such further sum or sums as may have been payable by his under these presents to the Authority.

Provided further that in the event the borrower quits the service of the Govt. 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 Govt. this agreement has to come to an end.

7. The rates of interest of on house building advance will be in with orders of the Govt. of India issued in that regard from time to time.

8. The stamp duty payable on these present shall be borne by the Govt. servants.

IN WITNESS OF BORROWER HAS hereinto set his hand and Shri _____ of the Authority has hereinto set and Shri _____ Secretary _____ for an on behalf of the President of India has hereinto set his hand.

Regn. No. _____
Address of the Borrower

(Signature of the Borrower)

1st Witness :
Address :

Occupation:

2nd Witness :
Address :

Occupation:

Signed by Shri _____ of the _____ in the presence of

1.

2.

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

SCHEDULE OF THE PROPERTY

All that House/flat No. _____ etc.