



सिंडिकेटबैंक SyndicateBank

भारत सरकार का उपक्रम A Govt. of India Undertaking

प्रधान कार्यालय: मणिपाल (कर्नाटक)/Head Office: Manipal - 576 104 (Karnataka)

संघटन एवं पद्धति प्रभाग / ORGANISATION & METHOD

eCircular

Circular No.289-2010-BC-PD-65-SWD

Date: 04-11-2010

PERMANENT UTILITY

STAFF HOUSING LOAN SCHEME (NEW)

ॐ०४०

Attention of staff members is drawn to circulars No.078-2001-BC and No.079-2001-BC, enhancing the Housing loan limit of our employees with effect from 07.03.2001.

Keeping in view the escalation in the real estate prices, we are pleased to inform that the Board of Directors in the meeting held on 13.10.2010 has approved the New Housing Loan Scheme for staff members. Under the amended provisions, the quantum of Staff Housing Loan is increased and the eligibility criteria modified, the salient features of which are given below:

1. Enhanced Limits: The maximum amount of Staff Housing Loan is revised as under.

Cadre	Enhanced limits
Officers	₹ 22.00 lakhs
Clerical staff	₹ 12.00 lakhs
Sub-ordinate staff	₹ 8.00 lakhs

2. Rate of Interest: The rate of interest to be charged will be 8.25% p. a. under funded interest mode for the entire loan amount, as against the existing slab rate system.

3. Eligibility: The eligibility criteria is reduced to 3 years of continuous service of the employees as against the existing 5 years.

4. Eligibility of enhanced limit: Employees who have already availed the loan under Staff Housing Loan Scheme or have closed the loan are also eligible to the extent of difference in the new limit and loan limit already availed.

All eligible employees are permitted to avail the enhanced housing loan limits subject to the terms and conditions furnished in the Annexure. All other terms and conditions of the existing Staff Housing loan will continue.

Clarifications required, if any, to this circular may be sought from **PERSONNEL DEPARTMENT – STAFF WELFARE DIVISION** at Head Office, Manipal through respective RO as per extant guidelines.

LUZNA : YRRCY : YRUNO
Check Word

(S.S. Shet)
GENERAL MANAGER (P)

ANNEXURE

IMPORTANT TERMS & CONDITIONS

1. ELIGIBILITY

1. 1. Employees who have completed 3 years of continuous service shall be eligible for Staff Housing Loan.
1. 2. For the purpose of reckoning eligibility of service, the following factors may be taken into account.
 - (a) Past service of an ex-serviceman will be taken into account after his confirmation in the Bank's service.
 - (b) Service of employees on deputation to a Government department or on deputation to Exchange companies managed by our Bank will also be counted.
1. 3. Employees who have already availed the loan under Staff Housing Loan Scheme or have closed this loan are also eligible to the extent of the difference in the new limit and loan limit already availed.
1. 4. If either husband or wife are working in the same Bank or in different banks or spouse is working in a Central Government/State Government, Public Sector Enterprise or Quasi Government institute or local bodies, Housing Loan will be admissible to only one of them.

2. PURPOSES

2. 1. Acquiring a plot and construction of a house thereon.
2. 2. Purchase of a flat/apartment/house in the name of the employee. In such cases estimated residuary life of the building should be more than 10 years beyond the repayment period of the loan.
2. 3. Employees can avail loan for the following purposes also:
 - (a) For completing the uncompleted housing project and for meeting the cost escalation for completing the housing project as per original plan. However, in cases where the original plan/estimate submitted by the employees does not contain entire housing project including compound wall, well and overhead tank, such employees are permitted to submit fresh plan/estimate and avail housing loan only for completing compound wall, well and overhead tank.
 - (b) For enlargement of the existing house.
 - (c) For repayment of housing loans availed from our Bank and/or from other banks/financial institutions, wherein prior permission from the competent authority for availing such loan is already taken; and also for repayment of NRW from EPF availed for housing purpose.

3. OTHER CONDITIONS

3. 1. The employee or the spouse should not already own a house in the town/urban agglomeration where the house is proposed to be constructed or acquired.
3. 2. The title to the land should be clear.
- 3.3 The land on which the house is to be constructed or where a ready built house/flat is proposed to be purchased should be free from any charges. In case where the land is in joint names with spouse, both should sign the loan agreement and shall create a first charge over the property acquired and /or to be acquired by availing the loan.

3. 4 Where the loan is availed for construction of a house on a plot solely owned by the spouse of the employee, the spouse being the owner of the landed property shall join the loan agreement as a surety and mortgage the property as security for the housing loan. Spouse shall also execute a suitable agreement in favour of the employee enabling him to avail the Housing loan and to construct a house on the said plot as per the approved plan and keep possession of the property with the employee till the will and pleasure of the employee till the full closure of the Housing Loan (The agreement is to be drafted by an advocate on the Bank's panel)
3. 5. The land where the house is to be constructed can be a lease hold land in favour of the employee or jointly with spouse and the unexpired term of the lease is not less than 50 years.
3. 6. Where the loan to be availed is for purchase of a house or one to be constructed by a Co-operative Society in the name of the employee, he shall deposit with the Bank the Share Certificate and Allotment letter issued by the Co-operative Society.
3. 7. Where loan is to be availed for purchase of house/flat/apartment from a Promoter/Developer, who is an individual or a firm or a company, the following conditions are to be ensured:
- (a) There should be a marketable title to the property.
 - (b) Scheme should have the approval from the appropriate authorities.
 - (c) Allotment letter from the Promoter/Developer and agreement letter with the employee is obtained.
 - (d) Employee shall undertake to mortgage the flat as soon as the title is passed on to him by the Promoter/Developer.
3. 8. Acquisition and/or construction of the house/flat shall be for the bonafide personal use of the employee and/or for his/her family members.
3. 9. The employee should have sufficient funds/sources of income to meet the balance cost of acquisition or construction of the house/flat including the cost of the site.

4. QUANTUM OF LOAN

4. 1. For Officers:

₹22.00 lakhs or 90% of the estimated cost of purchase/house construction whichever is less.

4. 2. For Clerical Staff:

₹12.00 lakhs or 90% of the estimated cost of purchase/house construction whichever is less.

4. 3. For Sub-ordinate Staff:

₹8.00 lakhs or 90% of the estimated cost of purchase/house construction whichever is less.

5. CUT-BACK

Repayment towards monthly loan installments (including the installments towards the proposed housing loan) as well as towards EPF loan shall not exceed 60% of the total monthly emoluments (Gross Pay).

6. RATE OF INTEREST

The rate of interest to be charged on the Staff Housing Loan shall be 8.25 % under Funded Interest Mode for the entire loan amount. The interest will be calculated on the balance outstanding on daily product basis and will be charged at monthly interval. Penal interest @ 2% above the applicable rate shall be charged on irregular/overdue housing loans or where the mortgage is not created within the stipulated time.

7. REPAYMENT

- 7.1. The loan together with the interest thereon shall be repayable in not more than 240 monthly installments as under.
 - (a) Principal repayment in 180 months.
 - (b) Funded Interest repayment in 60 months after the Principal amount is recovered in full.
- 7.2. If the remaining service of the employee is less than 240 months then the installments towards Principal and interest should be apportioned in the ratio of 3:1
- 7.3. Recovery towards the housing loan installment shall start as follows:
 - (a) In case of construction of new house – From the pay of the month following the completion of the house or the 18th month after the first release of the loan whichever is earlier.
 - (b) For purchase of ready built house/flat, additional construction, conversion of hire purchase, repayment of earlier loan – From the pay of the month following that in which the loan is taken.
 - (c) In case of construction of a New House by a Government Agency - From the pay of the month following the completion of the house or the 36th month after the first release of the loan whichever is earlier.

The outstanding balance, if any, in the loan shall be cleared in full at the time of cessation of service of the employee.

8. DISBURSAL

Disbursement of loan will be in installments and linked to the progress in the construction of the housing unit. Bills/vouchers supporting end utilization shall be submitted by the employee.

9. TIME LIMIT FOR UTILIZATION

- 9.1. Purchase of land for construction of house- The formalities of purchase and mortgage of the land should be completed and sale deed should be produced within 6 months, failing which the entire loan should be repaid in lump sum with penal interest.
- 9.2. Purchase of Ready built house–Creation of mortgage shall be completed within 3 months.
- 9.3. Purchase/Construction of new flat - Creation of mortgage shall be completed within 3 months.

In respect of 9.2 & 9.3 extension of time for creation of mortgage may be granted by the Sanctioning Authority in genuine cases only.

10. COMPETENT AUTHORITY FOR SANCTION

Existing provisions with regard to sanctioning of Housing loans will continue.

11. GENERAL

- 11.1. Employees shall avail Housing loan from the nearest branch where the proposed House/Flat is to be constructed or purchased.
- 11.2. Legal opinion from the approved panel advocate of the Bank shall be furnished along with loan application.
- 11.3. Branch shall ensure that wherever land documents are available, release shall be made only after creation of Equitable mortgage.
- 11.4. The existing provisions relating to substitution of security without involving additional finance from the Bank shall continue.

