No. 21246—Codes-22/59-F.

GOVERNMENT OF ORISSA

FINANCE DEPARTMENT

RESOLUTION

The 22nd June 1959

RULES TO REGULATE THE GRANT OF ADVANCES TO STATE GOVERNMENT SERVANTS FOR BUILDING, ETC., OF HOUSES

1. Eligibility—House building advance may be granted by Departments of Government and Heads of Departments to the following categories of Government servants :—

(a) Permanent All-India Services Officers allotted to the State

(b) Permanent All-India Services Officers allotted to the State but on deputation to the Central Government for not more than six years.

(c) Permanent Government servants other than the officers mentioned at (a) and (b) above

(d) Government servants not falling in categories (a), (b) and (c) above who have rendered at leas ten years cotinuous service : five F.D. Desolution no 40369 dt 30.7.1987

Provided that—

(i) they do not hold a permanent appointment under any other State Government or the Government of India.

(ii) the sanctioning authority is satisfied that they are likely to continue in the service of the State Government at least till the house for which the advance is sanctioned, built and/or mortgaged to Government.

NOTE—In case where both the husband and wife happen to be State Government servants and eligible for grant of advance, it shall be admissible to only one of them.

(2) In the case of All-India Services Officers who are on permanent deputation to Central Government and such of those who will be absorbed in the Central Administrative Pool and those who will be on deputation for a continuous period of six years or more the advance will be sanctioned by the Central Government.

2. Conditions to be fulfilled—An applicant for the grant of an advance must satisfy the following conditions:—

(a) He must not have availed of any loan or advance for acquisition of a house in the past from any Government source (e. g., Relief and Rehabilitation Department or Central or a State Housing Schemes) or drawn an advance or made final withdrawal from his Provident Fund in connection with the acquisition of a house. Provided, however. where the loan or advance, etc, already availed of does not exceed the amount admissible under these rules, it would be open to the Government servant concerned to apply for an advance under these rules on condition that he undertakes to repay the outstanding loans, advances, etc., forthwith together with interest (if any) thereon in one lump sum to the Government.

(b) Neither the applicant, nor the applicant's wife/husband/minor child must be the owner of a house. However, this condition may be relaxed by Government in exceptional circumstances, for example, if the applicant or the applicant's wife/husband/minor child owns a house in a village, and the applicant desires to settle down in a town, or where an applicant happens to own a house jointly with other relations, etc., and he desires to build a separate house for his *bona fide* residential purposes.

3. Purposes for which advances may be granted—An advance may be granted for—

(a) Constructing a new house (including acquisition of a suitable plot of land for the purpose), either at the place of duty or at the place where the Government servant proposes to settle after retirement. Application for advance for purchasing a ready-built house may be considered if (i) the house is a newly built one, (ii) has not been lived in since its construction, and (iii) the agency offering it for sale is a Government or semi-Government or autonomous institution.

(b) Enlarging living accommodation in an existing house owned by the Government servant concerned, provided the total cost of the proposed additions and extensions does not exceed Rs. 25,000.

NOTE—Applications for advances may also be entertained for constructing a new house (including acquisition of a suitable plot of land for the purpose) from such eligible State Government servants, who have in view (but not in actual possession) a developed plot of land on which construction can commence immediately on receipt of the loan.

4. The amount of advance—(a) Not more than one advance shall be sanctioned under these rules to a Government servant during his entire service.

(b) Applicants may be granted advance not exceeding 85 months pay subject to a maximum of Rs. 1,00,000 in cases covered by rule 3 (a) and Rs. 25,000 in cases falling under rule 3 (b) above. The actual amount of advance to be sanctioned so far as construction portion of the house and purchase of ready built house/flat are concerned will be determined by the Public Works, Executive Engineer of the locality on the basis of plans and detailed specifications and estimates to be furnished by applicants justifying the amount of advance applied for, and shall in no case exceed construction/purchase/redemption within the ceilings prescribed above.

(c) Resolution No. 31843-F., dated 27th June 1973.

NOTE—Pay means pay as defined in rule 33 of the Orissa Service Code or Fundamental Rule 9 (21) (a) as the case may be.

5. Disbursement of security—(a) (1) Advance required partly for purchase of land and partly for constructing a new house or enlarging living accommodation in an existing house shall be paid as follows: —

In the case of single storeyed house—

(i) An amount not exceeding 40 per cent of the sanctioned advance will be payable to the applicant for purchasing a plot of land on his executing an agreement for the repayment of the advance. In all cases in which part of the advance is given for the purchase of land, the land must be purchased and the sale-deed in respect there of produced for the inspection of the Head of the Department or the Administrative Department coneerned within two months of the date on which the above amount of 40 per cent is drawn, failing which the applicant shall be liable to refund at once the entire amount to Government together with interest thereon.

(ii) An amount equal to 30 per cent of the sanctioned advance will be payable to the applicant on his mortgaging (in Form No. 5) in favour of the Government the land purchased by him along with the house to be built thereon where such mortgage is permitted by the terms of the sale of land. In cases where the terms of sale do not vest title in the purchaser till a house is erected on the land the applicant shall execute an agreement with the Government agreeing to mortgage the land together with the house to be built thereon as soon as the house has been built and the title to the property is complete.

(iii) The balance of the sanctioned advance will be payable to the applicant in two equal instalments provided that in the Administrative Department or the Heads of Department, as the case may be, is satisfied on each occasion of payment, that the preceding instalment has actually been utilised in full in the construction of the house and the progress of construction is sufficiently advanced The last instalment shall not be paid until the progress of construction has reached a stage which would cause a reasonable belief that the construction can be completed with the same.

In the case of a double storeyed house:—

(i) An amount not exceeding 15 per cent of the sanctioned advance will be payable to the applicant for purchasing a plot of land on his executing an agreement in the prescribed form for the repayment of the advance.

(ii) An amount equal to 25 per cent of the balance of the advance will be repayable to the applicant on his mortgaging in favour of the Government to the land purchased by him along with the house to be built thereon where such mortgage is permitted by the terms of the sale of land. In cases where such mortgage is not permitted, the provision as contained in the last sentence of rule 5(a) (1)(ii) will apply.

(iii) The balance of the sanctioned advance will be payable to the applicant in two equal instalments provided that the Administrative Department or the Heads of Departments, at the case may be, is satisfied on each occasion of payment, that the preceding instalments has actually been utilised,a in full in the construction of the house and the progress of construction is sufficiently advanced. The last instalment shall not be paid until the progress of construction has reached a stage which would cause a reasonable belief that the construction can be completed with the same.

(2) Advance required only for constructing a new house or enlarging living accommodation in an existing house shall be paid as follows :—

(x) Single storeyed house—

(i) An amount equal to 30 per cent of the sanctioned advance will be payable to the applicant on his executing a mortgage deed in favour of the Government mortgaging the land purchased by him along with house to be built thereon where such mortgage is permitted by the terms of the sale of land. In cases where the terms of sale do not vest title in the purchaser till a house is erected in the land the applicant shall execute an agreement with the Government agreeing the mortgage the land tog ether with the house to be built thereon as soon as the house has been built and the title to the property is complete.

(ii) The balance of the sanctioned advance will be payable to the applicant in two equal instalments provided that the Administrative Department, or the Heads of Departments, as the case may be, is satisfied on each occasion of payment, that the preceding instalment has actually been utilised in full in the construction of the house and the progress of construction is sufficiently advanced. The last instalment shall not be paid until the progress of construction has reached a stage which would cause a reasonable belief that the construction can be completed with the same.

(y) Double storeyed house—

(i) An amount equal to 25 per cent of the sanctioned advarce 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 where such mortgage is permitted by the terms of the sale of land. In cases where such mortgage is not permitted, the provisions as contained in the last sentence of rule 5 (a) (2) (i) will apply.

(ii) The balance of the sanctioned advance will be payable to the applicant in two equal instalments provided that in the Administrative Department or the Heads of Departments, as the case may be is satisfied on each occasion of payment, that the preceding instalment has actually been utilised in full in the construction of the house and the progress of construction is sufficiently advanced. The last instalment shall not be paid until the progress of construction has reached a stage which would cause a reasonable belief that the construction can be completed with the same.

(3) (a) Advance required for purchasing a ready-build house shall be paid as follows—The Administrative Departments or the Heads of Departments concerned may sanction payment of the entire amount required by, and admissible to the applicant in one lemp sum on the applicant's executing an agreement for the payment of the loan. The acqusition of the house must be completed, and the house mortgaged to Government within three months of the drawal of the advance, failing which the advance togather with the inetrest thereon shall be refunded to Government forthwith unless an extension of this time limits is granted by the Administrative Department or the Head of the Department concerned.

(b) In addition to their executing an agreement/mortgage referred to in sub-para. (a) above the following 3 categories of applicant shall also be required to furnish the surety of approved permanent State Government servant in the prescribed form before the sanctioned advance or any part thereof is actually disbursed to them :—

(i) All applicants who are not permanent Government servants

(ii) All applicants who are due to retire from service within a period of eighteen months following the date of application for the grant of an advance.

(iii) All applicants who are permanent Government servants but not covered by sub-para. (II) above if they require the advance for purchase of a ready-built house.

NOTES—(i) The liability of the surety will continue till the house built/purchased/redeemed is mortgaged to Government or till the advance together with interest due thereon is repaid to Government, whichever happens earlier,

(ii) Utilisation of the advance for a purpose other than that for which it is sanctioned shall render the Government servant liable to disciplinary action under the Civil Service Classification. Control and Appeal Rules and the Bihar and Orissa Subordinate Services Discipline and Appeal Rules, as the case may be, apart from his being called upon to refund to Government forthwith the entire advance drawn hy him.

(c) The Head of the office in the case of non-gazetted Government servant and the Controlling Officer in the case of a Gazetted Government servant should, when asking for the authority for payment, send to the Accountant-General a certificate either in the bill in which the advance is drawn, or separately, to the effect that the mortgage bond has been executed by the Government servant taking the advance, duly registered and sent to the Inspcteor-General of Registration, Orissa, for safe custody.

NOTE—When asking for the authority for payment of the advance (Vide S. R. 500 of the Orissa Treasury Code) the Controlling Officer should record on the bill a certificate to the effect that he has secured and retained with him an agreement signed by the applicant pending execution of the final mortgage bond after the house is actually purchased. The fact of execution and registration of the latter bond should also be intimated to the Accountant-General as soon as possible.

6. Interest—Advances granted under these Rules shall carry simple interest from the date of advance at the rates prescribed for each year the amount of interest being calculated on the balances outstanding on the last day of each month.

7. Construction, maintenance, etc.—(a) The construction of the house or additions to living accommodation in an existing house (as the case may be) shall be—

(i) Carried out 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 departed from for increasing or decreasing the cost of the building without the prior concurrence of the Public Works Executive Engineer of the locality. The Government servant shall certify, when applying for instalments of advance admissible that construction is being carried out in accordance with the plan and estimates furnished by him to Government and that the amount already drawn has actually been used in full on the construction of the house. The Administrativ Department or Head of Department concerned may, if necessary, arrange to have inspection carried out to verify the correctness of certificates.

(ii) Completed within 18 months of the date on which the first instalment of the advance is paid to the Government Servant concerned. Failure to do so will render the Government Servant liable to refund the entire amount advanced to him (together with interest thereon calculated as in rule 6 above), in one lump sum. An extension of the time-limit may be allowed up to one year by the sanctioning authority and for longer period by the Administrative Department in the case of advances sanctioned by the Heads of Departments and by the Finance Department in the case of advances sanctioned by other Departments of Government, in those cases where the work is delayed due to circumstances beyond his control. The date of completion must be reported to the Administrative Department or the Head of Department concerned without delay.

(b) Immediately on completion of purchase of the house, or redemption as the case may be, the Government Servant concenred shall insure the house, at his own cost with the Insurance Corporation of India for a sum not less than the amount of the advance and shall keep it so insured, against damage by fire in all cases, by lightning where lightning conductors are not fixed and against flood in cases where houses are built on the banks of rivers amenable to floods, till the advance is fully repaid to Government and deposit the policy with Government. The premia must be paid regularly and the premium receipts produced for inspection by the appropriate authority (viz., Head of Office or Department concerned). The Head of Department/Accounts Officer will obtain from the Government servant drawing the advance a letter to the Insurer with which the house is insured to notify to the latter the fact that Government is interested in the Insurance Policy secured. The Heads of Department/Accounts Officer will himself forwrad the letter to the Insurer and obtain his acknowledgement. In the case of Insurances effected on annually basis this process should be repeated every year until the advance has been fully repaid to the Government

(c) The house must be maintained in good repair at his own cost by the Government servant concerned. He shall also keep it free from all encumbrances, and shall continue to pay all the Municipal and other local rates and taxes regularly until the advance has been repaid to Government in full. The Government servant shall furnish an annual certificate to this effect to the sanctioning authority.

(d) After the completion of the house, annual inspection may be carried out by any authorised officer under instructions from the sanctioning authority concerned, to ensure that it is maintained in good repair until the advance has been repaid in full. The Government servant concerned shall afford full facility for these inspections to the officer (s) designated for the purpose.

Note—Furnishing of false certificates will render the Government servant concerned liable to suitable disciplinary action apart from his being called upon to refund to Government forthwith the entire advance drawn by him.

8. Repayment of the advance— (a) The advance granted to a Government servant under these rules, 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.

Notes— (*i*) The amount to be recovered monthly shall be fixed in whole rupees except in the case of the last instalment when the remaining balance including any fraction of a rupee shall be recovered.

(*ii*) Recovery of advance granted for constructing a new house or enlarging living accommodation in an existing house shall commence from the month following the completion of the house or the 18th month after the date on which the first instalment of the advance is paid to the Government servant, whichever is earlier. In the case of advances taken for purchasing a ready built house or for repaying earlier loans (including those from private parties) taken for purchasing or constructing a house recovery shall commence from the pay of the month following that in which the advance is drawn.

(*iii*) It will be open to Government servants to 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 on which they are due to retire from service.

(*iv*) In order to avoid undue hardship to a Government servant who, is due to retire within 20 years of the date of application for the grant of an advance and under the pension rules applicable to him, is eligible for the grant of a gratuity or death-*cum*-retirement gratuity, the Head of the Department may permit him to repay the advance with interest in convenient monthly instalments (the amount of which shall not be less than the amount of monthly instalments on the basis of repayment within a period of (20 years) during the remaining period of his service, provided he agrees to the incorporation of a suitable clause in the prescribed Agreement and Mortgage deed form to the effect that the Government shall be entitled to recover the balance of the said advance with interest remaining unpaid at the time of his retirement or death proceeding retirement from the whole or any secified part of the gratuity that may be sanctioned to him.

(*v*) In case the Government servant does not repay the balance of the advance due to Government on or before the date of his retirement, it shall be open to Government to enforce the security of the Mortgage at any time the reafter, and recover the balance of the advance due together with the interest and cost of recovery, by sale of the house or in such other manner as may be permissible under the Law.

(b) Recovery of the advance shall be effected through the monthly pay/ leave salary bills of the Government concerned by the Head of the office or the Accounts Officer concerned, as the case may be. These recoveries will not be held up or postponed except with the prior concurrence of Government.

(c) If a Government servant ceases to be in service for any reason other than normal retirement/superannuation, or if he/she dies, before repayment of the advance in full the entire outstanding amount of the advance shall become payable to Government forthwith. Government may, however, in deserving cases, permit the Government servant concerned, or his successors in interest as the case may be, or the sureties in cases covered by rule 5 (b) if the house has not been completed and/or mortgaged to Government by that time, to repay the outstanding amount together with interest thereon calculated as in rule 6 above, in suitable instalments. Failure on the part of the Government servant concerned or his successors (as the case may be) 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 amounts as may be permissible.

(d) At Angul where Government land is leased out to Government servants for house building purposes free of cost, additional personal securities are required to safegurd the interest of Government against loss due to death , dismissal, retairement or resignation of the mortgager during the currency of the advanee. The security bond to be furnished by Government servant serving at Angul in adition to the lease and the mortgage bond.

(e) The property mortgaged to Government shall be reconveyed to the Government servant concerned (or his successors in interest as the case may be) after the advance together with the interest thereon has been repaid to Government in full.

9. Procedure for dealing with applications—(a) Applications should be submitted by Government servants to the sanctioning authority in the prescribed form along with its Annexures 'I' and II' (in duplicate) through proper channel. The following documents should accompany the applications :—

(*i*) A declaration in regard to house property, if any owned by the applicant or the applicant's wife/ husband/minor children at the time of application.

(ii) If the advance is required for enlarging living accommodation in an existing house, an attessed copy of the sale-deed as well as of other documents if any, establishing that the applicant possess indisputable title to the property in question. A site plan should also be furnished.

(iii) In cases where applicants happen to be in possession of land and desire to build a new house on it, a copy of the sale-deed or other proof of the applicant having clear title to land on which the house is proposed to be built, alongwith a site plan. If the land happens to be lease-hold, an attested copy of the lease-deed should also be enclosed.

NOTE—Non-possession of full proprietory rights in the land upon which the applicant intends to build does not preclude the grant of an advance provided the sanctioning authority is satisfied that the applicant has a lease of which the unexpired portion is of a term and value sufficient to justify the grant of the advance and that there is no danger of the lease lapsing or of Government being unable to dispose of it, should it become necessary to foreclose the mortgage. In examining the mortgager's title, care should be taken to see that the lease does not prevent any sub-demise by the lease (the mortgager).

(b) The sanctioning authorities will scrutinise the application and satisfy themselves of the correctness of the facts, etc., stated therein. They will also examine the title deeds, etc., furnished in compliance with sub-rules (a) (ii) and (iii) above and rule 4 (b) (in consultation with the Law Officers and the Revenue and Registration authorities, if necessary) to make sure that the applicant does, in fact possess a clear title to the property in question. After this has been done, the sanctioning authority will forward the application to the Public Works Executive Engineer of the locality alongwith their recommendation, and should clearly indicate as to whether necessary scrutiny of the documents has been effected.

(c) The Public Works Executive Engineer of the locality will examine the plan and estimate and other details connected therewith and return the application to the sanctioning authority indicating—

(i) The amount of advance that may be sanctioned by the sanctioning authority where it happens to be required partly for purchasing a plot of land for constructing a house [see also sub-rules (d) (ii) and (e) below], or for purchasing a ready built house.

(ii) The monetary limit up to which the grant of an advance could be considered in due course, in other cases (viz., for constructing a new house or for increasing living accommodation in an existing house).

(d) On receipt of the recommendations of the Public Works Executive Engineer of the Locality—

(i) Formal sanction to the grant of advance to applicants in cases covered by sub-rule (c) (i) above will be accorded with reference to priorities by the Administrative Department or the Head of Department concerned, who shall also arrange/to complete the prescribed formalities, such as execution of agreement, Mortgage deed, Surity Bond, undertaking, etc., in the prescribed forms (in consultation with appropriate legal authorities, where necessary) and then authorise disbursement of an appropriate amount out of the sanctioned advance to the applicant. Before completion of formalities, the sanctioning authority should ascertain the availability of funds from the Finance Department. Where land or a ready-build house is intended to be purchased with the help of the advance, the sanctioning authority may, before authorising payment of the advance also require the Government servant concerned to certify that negotiations for purchase have reached concluding stages, that the purchase price is not likely to be less than the amount of advance sanctioned, and that he has satisfied himself that the transaction will enable him to acquire indisputable title to the land/house in question; in such cases, the sale deeds, etc., should be examined by the sanctioning authority carefully (in consultation with legal and other authorities where necessary) to ensure that the Government servant concerned has actually acquired indisputable title to the property in question. It should also be verified that the market value of the land/house purchased is not less than the advance sanctioned.

(ii) The sanctioning authority shall instruct applicants desirous of constructing a new house or enlarging living accommodation in an existing house, to furnish two copies of plans, as well as specifications and estimates in the prescribed *pro forma*. The plans must be got duly approved by the Municipality or other local body concerned before submitting them to Government.

(e) The plans, specifications and estimates referred to in sub-rule (d) (ii) above should be referred to the Public Works Executive Engineer of the locality with reference to the earlier correspondence on the subject. The Public Works Executive Engineer of the locality will, after examining all these details, inform the sanctioning authority of the maximum amount of advance that could be granted to the applicant concerned.

On receipt of the recommendations of the Public Works Executive Engineer of the locality, the sanctioning authority will accord formal sanction to the grant of the advance, or, if necessary, amend the original sanctions issued in cases where the advance is required partly for purchasing a plot of land [see sub-rules (c) (i) and (d) (i) above]. The sanctioning authority shall also attend to all formalities as explained in sub-rule (d) (i) above, and then authorises disbursement of the first instalment of advance for construction purposes to the applicant. The payment of remaining instalments of advances may be authorised by the sanctioning authority direct on the basis of certificates to be furnished by the applicants as prescribed in rule 7 (a) and such inspections as may be deemed necessary. It should also be verified, before disbursing the last instalment of the advance, the instalments already paid have been actually utilised for the purpose for which they were drawn [vide rule 5 (a) above].

(f) The sanctioning authority shall also ensure that the transaction/construction of the house is completed within the period prescribed in the rules, and that—

(i) the prescribed mortgage deed is executed immediately on completion/redemption/purchase of the house, and the document kept in safe custody after registration.

(ii) the house is maintained in good repair and the Municipal rates and taxesare paid reguarly, and the requisite certificate furnished annually, until the advance has been repaid in full.

(iii) monthly recovery of instalments of repayment of the advance commences from the due date and it made regularly from the pay/leave salary bill of the Government servant concernced thereafter.

(iv) in the case of Government servants likely to retire within 18 months of the date of their application for the advance [see rule 5 (b) above] the amount of their Provident Fund and gratuity will be adequate to cover the balance of the advance outstanding aganst them just before the date of their retirement and that in such cases, any applications for advance/withdrawal from their Provident Fund subsequent to the grant of house building advances under these rules, should not be ordinarily entertained.

(v) any amount drawn in excess of the expenditure incurred, is refunded by the Government servant concerned to Government forthwith together with the interest, if any, due thereon.

(vi) the property mortgaged to Government is released immediately on the repayment of the advance and the interest thereon in full.

(g) To enable the Finance Department to watch the disbursement of funds and the progress on the construction of houses, each sanctioning authority will send them a consolidated quarterly progress report by the end of the month following the quarter to which it relates, in the prescribed *proforma*.

10. The sanctioning authority should send the mortgage bonds after they have been duly registered to the Inspector-General of Registration for safe custody. Such bonds are exempt from stamp duty.

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