

COPY OF:

Ref.No. 47169/78/C1.  
Dated: 19.7.1979.

Office of the Chief Conservator of  
Forests, A.P., Hyderabad.

CIRCULAR NO. 25/79/C1. (Accts)

Sub:- Loans and Advances-House Building Advances sanctioned  
to Govt. Servants-Fulfilment of conditions-Reg.

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Government have introduced the scheme of sanctioning house building advances to its employees with a view to see that each employee possesses a house to live in before retirement. Since the inception of the scheme more than 200 employees from Gazetted, Non-Gazetted and Class IV rank have been sanctioned house building advances, so far. But it is observed that very few of them have fulfilled all the conditions laid down in the respective G.Os., through which loans were sanctioned and others have completely neglected to fulfill any of the conditions of the G.O. This non-fulfilment of conditions by the loanees is highly reprehensible.

2. In this regard, the attention of all the officers is invited to the following conditions stipulated in the House Building Advance Rules:-

I. CONDITIONS FOR PURCHASE OF READY BUILT HOUSE:-

i) The acquisition of the house, must be completed and the house mortgaged within three months of the drawal of the advance, failing which the advance together with interest thereon shall be re-funded to Government forthwith. The house shall be insured at loanee's own cost for a sum not less than the amount of advance with interest due thereon and shall keep it so insured due thereon is fully repaid to Govt. and deposit the policy with Government.

ii) Any amount drawn in excess of the expenditure incurred towards the purchase of a ready built house shall be refunded to Govt. forthwith.

iii) The house shall be maintained in good repairs at loanee's own cost and the shall pay all Municipal and local taxes regularly until the advance is repaid in full and shall also keep it free from all encumbrances.

iv) The recovery of advance shall be commenced from the pay of the month following that in which the advance is drawn by the individuals.

v) In case the loanees do not repay the balance advance due to Govt., on or before the due date, it will be open for the Govt. to recovery the advance of balance due together with interest and cost of recovery in any manner permissible under the law.

III. (a) CONDITIONS FOR ADVANCE REQUIRED PARTLY FOR PURCHASE OF LAND AND PARTLY FOR CONSTRUCTION OF A NEW HOUSE:

i) An amount not exceeding 25 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 (Form IV) for the repayment of the advance. In all cases in which a part of the advance ~~payment~~ is given for the purchase of land, the land must be purchased and the sale-deed in respect thereof produced for the inspection of the Head of Department

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concerned within two months of the date on which the above amount of 25 per cent is drawn, failing which the applicant shall be liable to refund at once the entire amount to Govt. together with the interest thereon.

ii) An amount equal to 50 percent of the advance will be payable to the applicant on his mortgaging in favour of the Govt. (in Form VII) the land purchased by him along with the house to be built thereon;

iii) An amount equal to 25 per cent of the advance sanctioned will be payable after the construction of the building has reached the roof level provided the Head of the Department is satisfied that the development of the area in which the house is built is completed in respect of amenities such as water supply, lighting, roads, drainage and sewerage.

**b) CONDITIONS FOR ADVANCE ONLY FOR CONSTRUCTING A NEW HOUSE AFTER OWNING A SITE:**

i) An amount equal to 1/3 rd of the sanctioned will be payable to the applicant on his mortgaging in favour of the Government in (Form VII-A) the land purchased by him along with the house to be built thereon.

ii) The second instalment equal to 1/3rd of the sanctioned advance will be payable when the walls reach lintal level; and

iii) The remaining 1/3rd of the sanctioned advance will be payable when the house has reached roof level provided the Head of the Dept. is satisfied that the development of the area in which the house is newly build is completed in respect of amenities such as water supply, drainage and sewerage.

c) That the construction of the house; shall be carried out exactly in accordance with the plans and specifications to be approved by the Govt. The amount of 2nd instalment shall be released on the basis of plans and estimates furnished by the Officer. The plans and specifications must not be departed from, without the prior concurrence of the Govt. and the loanee shall certify, when applying for advance admissible at the roof level, that the construction is being carried out a strictly in accordance with the plans and estimates furnished by him to the Govt. that the construction has actually reached roof level and that the amount already drawn has actually been used on the construction of the house.

d) Shall be completed with 18 months of the date of which the first instalment of the advance is paid to the loanee. Failure to do so will render the loanee liable to refund the entire amount in one lumpsum. The refund the entire amount in one lumpsum. The date of completion must be reported to Government without delay.

e) Immediately on completion of the house, the loanee shall insure the house at his own cost for a sum not less than the amount of advance and shall keep it so insured against damage by fire, flood, cyclone lighting, after year, for a sum not less than the balance amount of the loan and interest outstanding as fully paid to the Government and deposit the Police with the Government.

f) The house must be maintained in good repairs at his own cost and the loanee shall continue to pay all Municipal and local taxes regularly until the advance has been repaid in full. He shall also keep it free from all encumbrances.

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g) The recovery of it a drawn shall commence from 19th month of the drawal of the first instalment or from the month following the completion of the house whichever is earlier.

### III. GENERAL CONDITIONS:

i) It will be open to the loanee to repay the amount in shorter period, if he so desires.

ii) The recovery of the advance shall be effected in the monthly pay/ leave salary bills of the loanee.

iii) In case the loanee ceases to be in service for any reason other than the normal retirement/superannuation or if he dies before the repayment of the advance in full, the entire outstanding amount of the advance together with interest shall become payable to the Government forthwith and the Government shall be entitled to recover the same from the Death-cum-Retirement Gratuity payable to him.

iv) The loanees should not own a house in his name or in the name of their or minor children and he has not availed himself of any other loan or advance from any Govt. sources for the acquisition of the house in the past.

v) Failure on the part of the loanee or his successors in interest to repay the advance for any reason whatsoever will entitle the Govt. to enforce the mortgage or to take such other action as may be permissible under law. The property mortgaged to Government shall be recovered to the loanee or his successors in interest, as the case may be, after the advance together with interest thereon has been repaid to the Government in full.

3. A statement showing the employees, who have been granted House building advance for house construction or purchase of ready built, house, upto March 1979 and the outstanding dues as on 1/79 as available in this office is enclosed herewith. All the Officers are requested to see that all the loanees working under them, who have been sanctioned House Building Advance, complete all the formalities in accordance with the above rules and submit the required documents, i.e., 1) Registered Sale deed, 2) Mortgage deed and 3) Insurance Policy to Chief Conservator of Forests within the stipulated time without fail. It is however, pointed-out that it is the sole responsibility of all the Drawing Officers to see that the loanees fulfil the formalities.

4. If the Loanees fail to fulfil the conditions i.e., purchasing of constructing the house or mortgaging it in favour of Govt. of A.P. or insuring the property at their cost against floods, fire and damages etc., the officers are requested to take immediate necessary action against the loanees, in the light of the following penal provisions provided in the House Building Advance Rules;

1) Penal interest at 1½ times the normal rate shall be collected in the following types of cases and the penal interest shall be recovered along with the principal amount.

- a) Misuse of the loan amount.
- b) Wilful delay in completing, various formalities prescribed under the rules, such as execution of mortgage deed, insurance ~~and~~ of property renewal of insurance policy.
- c) Non-observance of the house building advance rules in any other manner.
- d) On over-due monthly instalments.
- e) In cases where the loanee fails to utilise the sanctioned advance within the stipulated period without specific permission of the Govt.



2) Disciplinary action:- Suitable disciplinary action under the Classification, control and Appeal Rules shall be taken against the defaulters in types of (1) (a) to (B) above besides levying penal interest and instituting summary recovery proceedings for the loan amount sanctioned under the Rules.

NOTE: As per G.M.No. 27083/439/A&L/78-1, Fin.& Plg. Dept. dated 12.4.1978, the Govt. have also clarified that recovery of House Building Advance can also be instituted under Revenue Recovery Act. A copy of the G.M is also enclosed herewith for information and necessary action.

5. All the drawing officers are requested to see that the loanee, who have been sanctioned House building Advance ( as per the list enclosed) fulfill formalities, as per the conditions specified in the G.O. sanctioning the advance and submit the required documents to Chief Conservator of Forests within the stipulated time, failing which they are requested to take penal action as per the provisions of House building Advance Rules, quoted in para 4 above, i.e., recovery of the entire loan amount with penal interest besides instituting disciplinary action against the loanee/Loanees for misuse of loan amount etc., They should submit a monthly progress report to this office, as per the proforma enclosed herewith.

6. The Conservators of Forests in their inspection of Divisions under their control should verify, in particular this aspect and see the ~~following~~ instructions issued in this circular are properly and scrupulously followed by the officers of the Forest Dept. and a special note may be incorporated in their Inspection Note.

The receipt of this circular instructions may be acknowledged on the proforma enclosed herewith.

Sd/- A. Ramakrishna,  
Addl. Chief Conservator of Forests.

P R O F O R M A

MONTHLY PROGRESS REPORT FOR THE MONTH OF ...  
IN RESPECT OF RECOVERY OF HOUSE BUILDING ADVANCE GRANTED TO THE  
STAFF OF ..... OFFICE.

Sl. No.	Name of the loanee & designation.	Amount of advance sanctioned.	G.O/CC's Proc. & dt. of sanction of advance.	Date of drawal of advance.	Due date of completion of formalities RBH Construction of house.	
1.	2.	3.	4.	5.	A 6.	B
Actual date of completion of formalities.		Action taken against the defaulters of not fulfilling the conditions laid down for R.B.H/ construction.				
RBH. Construction of house.		Remarks				
A	B	7	8	9		

Sd/- A. Ramakrishna,  
Addl. Chief Conservator of Forests.