CIRCULAR

Subject: - House Building Advance

Permanent employees who desire to avail the facility of House Building Advance may apply on the prescribed Form No. 1 (obtainable from website Finance Officer, AMU to HBL Section or http://amu.ac.in/pdf/fhbl/HBLF1). The applicants are requested to submit their applications through Chairman of the Department / Head of the Office along with complete documents.

The advance is to be sanctioned on the recommendation of the House Building Loan Advisory Committee in accordance with Government of India Rules.

As per standing recommendation of the House Building Loan Advisory Committee, the loan will be sanctioned on the basis of seniority of employees who have submitted applications along with complete documents. Application duly completed (with documents) should reach House Building Loan Section, Finance & Accounts Department, AMU, Aligarh on/or before 30.09.2019.

All Chairman of the Departments /Heads of the Offices, Principals of Colleges and Schools are requested to give wide publicity to this circular and obtain proper acknowledgment from each and every employee of their Departments/Offices.

APPLICATION RECEIVED AFTER THE LAST DATE SHALL NOT BE ENTERTAINED.

(Prof. S.M. Jawed Akhtar)
Finance Officer

2. Guidelines for HBL (Annexure-II).
ANNEXURE - I

PROFORMA FOR INFORMATION TO BE ATTACHED TO THE HOUSE BUILDING LOAN

1. Name (IN BLOCK LETTERS): ___________________________ PID

2. Designation: ___________________________ Department:

3. Date of Birth: ___________________________ 4. Scale of pay:

5. Pay as on: ___________________________ Date of next increment:

6. Date of Ist continuous appointment:

7. Date of retirement:

8. Department/Office in which employed:
   i) Present:
   ii) At the time of application:
   iii) At the time of submission of documents:

9. Date of submission of application and documents:
   a. Application D.No. ______________ Dated:
   b. Documents D.No. ______________ Dated:

10. Documents already submitted:
    I. ___________________________
    II. ___________________________
    III. ___________________________
    IV. ___________________________
    V. ___________________________

(Signature of the Applicant)

Recommendation of the Chairman / Head of the Deptt./Office
(SEAL)
Annexure-II

Guidelines for sanction of House Building Advance out of the Revolving Fund created from University Grants Commission.

Salient features of the Government of India Rules regarding the grant of House Building Advances at present.

NOTE: - The University Will Not Own Any Responsibility For Any Omission Mistake Or In-Accuracy In The Synopsis Of The Rules Given Below Through Care Has Been Taken To Include All Materials Aspects.

1. **Eligibility:** - Application must be Permanent employee or should have rendered at least 05 year's continuous service, provided they do not hold permanent appointment under a state Government and the sanctioning authority is satisfied about their likely retention in service till the house is built and mortgaged. In cases where both the spouses are University employees and are both eligible for grant of House Building Advance, the advance will be admissible to both of them jointly/separately.

2. **Purposes:**-
   a) Acquiring a plot and constructing a house thereon.
   b) Constructing a new house on the plot already owned by the applicant exclusively or jointly with his/her spouse.
   c) Acquiring a plot of land under cooperative scheme and building a house where title will vest with the official after the house is built.
   d) Enlarging living accommodations in an existing house owned by the applicant exclusively or jointly with spouse. The total cost of the existing structure (excluding cost of land) and the proposed additions should not exceed the prescribed cost living.
   e) **Out-right purchase of a Ready built house or flat from specified approved agencies having the status of Government or Semi-Government bodies.**
   f) **Purchase of Ready built Houses or Flats from Private Individuals/Parties is not Permissible.**

3. **Conditions :-**
   a) Applicant should not have availed of any loan or advance for acquisition of the house from any other Government source (Housing Board etc.).
   b) The applicant or spouse or minor child should not already own a house.
   c) The title to the land should be clear.

4. **Cost Ceiling Limit :-**
   a) Cost of the house to be built/purchased (excluding cost of land) should not exceed 139 times of the Basic Pay of the applicant, subject to a maximum of ₹ 1 Crore (One Crore). Where the University is satisfied on the merits of the case, it may be relaxed the cost ceiling upto 25% in individual cases.
b) If both husband and wife are employed in the University, the pay of both of them will be taken into consideration for calculating the cost ceiling.

c) In the case of enlargement to existing accommodation, the total cost of the existing structure and the cost of enlargement should not exceed the limit in (4) above.

d) If GPF withdrawal is also taken for house Building, the total amount of GPF withdrawal and the House Building Advance should not exceed the cost ceiling limit (4) above.

5. **Amount of House Building Advance:-**

   I. Only one advance shall be sanctioned to the University employee during his/her entire service.

   II. The maximum amount of advance shall be:

       a) 34 months basic pay subject to a maximum of Rs. 25.00 Lakhs only or cost of the house/flat, or the amount according to repaying capacity, whichever is the least for Construction/Purchase of New house/flat.

       b) For expansion of existing house, the amount of HBA will be limited to 34 months basic pay subject to maximum of Rs. 10.00 Lakhs only, or the cost of the expansion; or the amount according to repaying capacity, whichever is the least.

       c) The amount of the advance shall be restricted to 80% of true cost of the land and construction of house or cost of expansion of living accommodation in the case of construction in rural areas. This can be relaxed and 100% can be sanctioned if the Head of the Department certifies that the concerned rural area falls within the periphery of city.

6. **Applicable rate of Interest and Methodology of recovery of House Building Advance :-**

   1) The interest on House Building Advance for the financial year 2017-2018 onwards shall be 8.50%. This shall be reviewed every three years.

   2) The methodology of recovery of HBA shall continue as per the existing pattern of recovery of principal first in the first fifteen years in not more than 180 monthly instalments and interest thereafter in next five years in not more than 60 monthly instalments. The advance carries simple interest from the date of payment of first instalment.

7. **Repaying capacity:-** For the purpose of calculating the admissible loan amount, the repayment capacity of the University employee shall be calculated as below:-

<table>
<thead>
<tr>
<th>Length of remaining service</th>
<th>Repaying Capacity</th>
</tr>
</thead>
<tbody>
<tr>
<td>a) In cases of employees retiring after 20 years.</td>
<td>40% of basic pay</td>
</tr>
<tr>
<td>b) In cases of employees retiring after 10 years but not later than 20 years.</td>
<td>40% of basic pay. 65% of Retirement Gratuity may also be adjusted.</td>
</tr>
<tr>
<td>c) In cases of employees retiring within 10 years.</td>
<td>50% of basic pay. 75% of Retirement Gratuity may also be adjusted.</td>
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</tbody>
</table>
8. Disbursement of Advance: - For construction of new house or enlargement of the existing accommodation disbursement of loan will be made in installments. First instalment will be paid only after the plot of land and house to be constructed thereon the house to be enlarged has been mortgaged to the university. In case of single storey construction second and last installment will be paid when the construction reaches the plinth and roof level strictly in accordance with the approved plan and estimate, respectively.

In case of double storey construction second, third and last instalment will be paid when the construction reaches the plinth roof pay of the ground floor and roof level of the first floor strictly in accordance with the approved plan and estimates.

9. Time Limit for Utilization of Advance:-

a) In case of purchase of plot the land must be purchased and the sale deed produces within two months. Failing which the advance shall be refunded in lump-sum together with interest and penal interest, thereon.

b) In case of purchase of house, acquisition and mortgage to University should be completed with in six months.

c) In the case of purchase/construction of new house the applicant should utilize the amount of the installment with in one month.

10. Documents Required:- The employees of the University who are interested in obtaining loan from the Revolving Fund may apply with the following documents:

I. In case of purchase of land and construction of house/purchase of ready built house/flat

a) Valid registered lqarname on Non-Judicial stamp paper from the seller.

b) A letter from the Registrar, Co-operative Societies whether the society is registered. In case of purchase of land/ready built house from cooperative society.

c) An attested copy of the society’s title deed in respect of the land together with an affidavit from the society that the land is free from encumbrance.

d) A copy of the plan and detailed specification to be adopted in the construction of the house/flat. An attested copy of the bye-laws of the society with a copy of resolution of the society to sell the land.

e) A no objection certificate from the society regarding mortgage of house/flat in favour of the University.

NOTE : (a) to (e) are required only in case of applications for purchase of plot or Ready built house/flat from cooperative society/government and semi-government bodies.

II. In case of Construction of House:-

a) Copy of original sale deed of plot of land duly attested.

b) Two copies of the blue print of the valid plan of the house approved by the prescribed authority/Aligarh Development Authority, Aligarh.
c) Estimate of the cost of construction of house along-with specifications (in duplicate). The estimate should be prepared in accordance with current C.P.W.D. schedule of rate with complete nomenclature of the schedule item. Provision for services like water supply, electricity, drainage/sewerage should be indicated. The estimate should conform to Form No. 2 as in-corporate in the House Building Loan Regulations of the University. The estimate on prescribed form should be submitted duly signed by the University Engineer/University Assistant Engineer/University Junior Engineer/Chartered Engineers and approved Architects, Lecturers, Readers and Professors of Civil Engineering Department, AMU., Aligarh.

iii. In case of enlargement of House:

Same as (a), (b), (c) of (4) above.

IV. In all cases in addition to the documents referred to in proceeding Clause-I, II & III above, the following documents will also be submitted.

a) An affidavit signed by the Notary to the effect that the applicant his/her spouse and minor children do not own any house within Municipal limits of Aligarh and within 5 Kms. of University Mosque.

b) A certificate of the Head of the Department showing the date of birth and date of first continuous appointment in the University in all cases.

c) Certificate from Salary Section, C.A.O., AMU, Aligarh showing monthly pay and deductions.

d) Non-Encumbrance certificate from the Sub-Registrar, Aligarh in the Prescribed Proforma.

e) Khatauni of the land and other documents of the title deed of the vendor.

V. Important: Title deeds will be got scrutinized from the Legal Adviser/Légal Remembrance. An applicant will be called upon to submit further documents Pertaining to vendor’s title and similar other documents, as and when required by the Legal Adviser or Legal Remembrance.

VI. Criteria for Registered Builders:-

a) Builder/Architect should be registered with Urban Development Authority/Housing Boards of State Government/Municipalities. If not, Builder should provide Income Tax Clearance certificate from Income Tax Department.

b) Builder should have clear title to the Land.

c) Builder should obtain completion certificate from the plan approving authority.

d) Audited Balance Sheets of Builder for Preceding three years to be examined to satisfy that the financial position of the builder is sound.

11) The University will not be responsible for any loss of expenditure on acquiring documents etc. if the sanction and/or payment of loan is delayed or not made to the applicant for any reason whatsoever.

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