

# House Building Loans or Advance

ODISHA

India

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### Rule HOUSE-BUILDING-LOANS-OR-ADVANCE of 1800

- Published on 1 January 1800
- Commenced on 1 January 1800
- [This is the version of this document from 1 January 1800.]
- [Note: The original publication document is not available and this content could not be verified.]

#### House Building Loans or Advance

#### 1.

Loan or advance under these regulations may be granted to an employee;(i)For acquisition of a plot of land and for construction thereon;(ii)For construction of a new house;(iii)For enlarging the present living accommodation owned by any of the spouse; and(iv)For purchase of a constructed house or flat not more than 15 years old.Explanation - The above acquisition and construction of purchase may be either at the place of employment or at the place where the employee proposes to settle down after retirement.

#### 2.

The total amount of loan or advance which may be sanctioned by the Executive Committee under this part shall not in any case exceed Rs. 1,50,000/- (Rupees one lakh fifty thousand only) or 60 times of the monthly pay of the employee who has sought the loan advance whichever is less.Explanation - The actual amount of loan or advance to be sanctioned will be determined by the Executive Committee, on the basis of plans and detailed specifications and estimates furnished by the employee concerned justifying the amount of loan or advance applied for.

#### 3.

The advance or loan granted under this part shall carry simple interest @ 6% per annum or any higher rates which may be decided by the Committee from time to time and interest shall be computed from the date or dates of disbursement of the loan or advance.

**4.**

\*(i) An amount not exceeding 50% of the sanctioned loan or advance will be paid to the employee, in the first instance, for the purpose of acquisition of land, as mentioned in Clause (i) of Regulation 13 of this part, on his executing an agreement in favour of the Council and on his furnishing the agreement for sale of the land together with other document evidencing the title of the prospective vendor. Provided that before payment of the amount the Committee must be satisfied that the prospective Vendor has marketable title to the proposed to be sold to the employee. (ii) In case of the loan or advance for the purpose of acquisition of the land for construction of house thereon, as laid down in Regulation 13(i) the employee shall get the conveyance of the land completed as early as possible and shall file within a month of conveyance a certified copy of the sale deed of conveyance and shall undertake to produce the original deed of conveyance as soon as the same is received from the office of the Sub-Registrar. He shall also within a fortnight of the date of the conveyance either execute in favour of the Council a mortgage deed or create an equitable mortgage by deposit of title deed the land and the building to be constructed thereon as security for repayment of the loan or advance with interest. (iii) After the execution of the mortgage deed or the creation of equitable mortgage the balance amount of 50% of the loan or advance shall be paid to the employee in instalments which shall depend upon the progress of the construction of the house. "Provided that the Committee may require the employee to furnish one surety for the performance of the agreement."

**5.**

\*(i) In case of a loan or advance sanctioned to an employee for construction of a new house or for enlargement at present accommodation owned by any of the spouse as mentioned in Clause (ii) and (iii) of Regulation 13 of this part, the employee shall enter into agreement with the Council and shall either execute a mortgage deed and or create an equitable mortgage by deposit of the title deed placing the land over which the new house is proposed to be constructed or the existing house, the enlargement of which is intended stands together with the house to be constructed or the house to be enlarged as the case may be security for repayment of the loan or advance with interest. Provided that in case the land or the existing house belongs to the spouse of the employee, the employee's spouse shall also join the mortgage deed as a co-mortgagor or create an equitable mortgage. Provided further that the committee may require the employee to furnish one surety for the performance of the agreement. (ii) The amount not exceeding 50% of the sanctioned loan/advance will be paid to the employee in the first instance on his executing the mortgage deed or the creation of an equitable mortgage referred to in Clause (i) above and the balance amount of 50% shall be paid to the employee in instalments which shall be depended upon the progress of the construction of the house or the work of enlargement of the existing house.

**6.**

It will be the duty of the employee who has taken loan or advance under this part of the regulation to see that the construction is done strictly in accordance with the plan which is submitted before the Council along with the application or the plan which is finally approved by the Municipality or other

Development Authority. He will also see that the construction is completed within a period of one year or such extended period as may be sanctioned by the Committee from the disbursement of the first instalment of the loan or the advance.

## 7.

\*(i) An amount not exceeding 50% of the sanctioned loan or advance will be paid to an employee in the first instance for the purpose of purchasing a constructed house or flat not more than 15 years old as mentioned in Clause (iv) of Regulation 13 of this part on his executing an agreement in favour of the Council and on his furnishing the agreement for sale of the house or flat together with other documents evidencing the title of the prospective vendor. Provided that before payment of the amount the Committee must be satisfied that the prospective vendor has got marketable title to the house or flat; Provided further that the Committee may inspect the house or flat, in order to be satisfied that the house is not more than 15 years old that the value of house or the flat is reasonable according to the market price. (ii) The employee shall on receipt of the 50% of the sanctioned loan or advance get the conveyance of the building or the flat completed as early as possible and shall file within a month from the date of the conveyance a certified copy of the sale deed and shall undertake to file the Original sale deed as this is received from the office of the Sub-Registrar. He shall also within a fortnight of the date of conveyance whether executive in favour of the Council of title deed of the building or the flat as the case may be, as security for repayment of the loan or advance with interest. Provided that the Committee may require the employee to furnish a security for due repayment of the loan or advance. (iii) The balance amount of fifty per cent of the loan or advance shall be paid to the employee at the time of the execution of the mortgage deed or creation of the equitable mortgage. The sale deed in favour of the employee and the mortgage deed equitable mortgage to be executed by him in favour of the Council may be simultaneous as far as possible. (iv) In case any permission is required from the Government or any other Authority for mortgaging the property in favour of the Council, the same must be obtained by the employee concerned prior to the payment of the amount of loan/advance by the Council to him/her.

## 8.

Immediately after the construction or enlargement of the house or purchase of the house or flat as the case may be the employee concerned shall insure the house or flat for a sum not less than the amount of loan or advance and shall keep the house so insured against damage by fire, flood, storm, lightening, earthquake, riot, vivid commotion etc. till the amount of loan or advance together with interest thereon is repaid. The insurance policy shall be produced before the Secretary of the Council for inspection soon after he obtains the policy.

## 9.

The house must be maintained in good condition by the employee concerned at his own cost. He shall also keep it free from all encumbrances and shall continue to pay all land revenue, the Municipal Taxes and other local taxes regularly until the amount of loan or advance has been repaid to the Council, in full together with interest thereon. The employee concerned shall produce the

receipt of such land revenue or tax to the Secretary of the Council for inspection.

**10.**

The loan or advance with interest shall be recovered from the employee in 180 equal monthly instalments, provided in case of an employee who is retiring before the expiry of 180 months the instalment shall be regulated according to the remaining period of service. Provided that the first instalment shall become payable after six months from the date of disbursement of the loan or advance and the subsequent monthly instalments shall become payable consecutively.