

Guidelines- Rules for Vehicle and Computer loan

1. Eligibility.

All serving Naval personnel/members of NGIF Scheme fulfilling following eligibility conditions will be considered for loan for purchase of vehicle/personal computer.

(a) Officers.

- (i) Car/Van/Jeep - After completion of 3 years of commissioned service.
- (ii) Two Wheelers - After completion of 2 years of Commissioned Service.
- (iii) Personal Computer - After completion of 2 years of Commissioned Service.

(b) Sailors.

- (i) Car up to 1000 CC - After completion of 10 years of service. For serving MCPOs/CPOs.
- (ii) Two Wheelers - After completion of 2 years of Service.
- (iii) Personal Computer - After completion of 2 years of Service.

2. Amount Of Loan.

The Maximum amount of loan permissible to an eligible member will be as under:-

- (a) **Motor Car (Officers)** - New Car - Rs. 5, 00,000/- Old Car - Rs. 2, 50,000/-.
- (b) **Motor Car (Sailors)** - New Car - Rs. 2, 50,000/- Old Car - Rs. 1, 25,000/- .
- (c) **Two Wheelers** - Rs. 40,000/- or actual cost whichever is less.
- (d) **Personal Computer** - Rs. 40,000/- or actual cost whichever is less.

3. Minimum Residual Service Before Retirement.

Eligible personnel with not less than two years of residual service and who have repaying capacity will be considered, accordingly to their ability to repay the loan before retirement.

4. Photo Copy of Valid Driving License.

With immediate effect all personnel desirous of availing motor car/two wheeler loans are to submit the photo copy of valid driving license along with the loan application.

5. Confirmation of Further Re-Engagement Period.

The administrators of Naval Group Insurance Fund have decided to add the following in the loan application.

- (a) All loans are to be liquidated within the current engagement period.
- (b) Copy of CABs serial number to be quoted under which the sailor has been further re-engaged.

6. Sanction of Second Loan.

Grant of Second loan will be subject to the condition that there is no outstanding balance of the previous loan and that a period of three months has elapsed from the date of liquidation of the loan for a particular type of vehicle. The restriction of three months will not be applicable in following cases:-

- (a) Where an advance has been availed earlier by the member for purchase of Motor vehicle and he now wishes to purchase PC or vice versa.
- (b) If the earlier advance taken is for two wheelers and he now wishes to avail advance for Motor Car or vice versa.
- (c) For Junior Sailors VCL amount will be subject to saving element available with NGIF.

7. Rate of Interest and Processing Fee.

The rate of interest chargeable will be 10% pa on monthly reducing balance for all loans which is subject to revision as per decisions of the General Committee. The Processing Fee at 0.5% will be charged on loan sanctioned amount.

8. Repaying capacity.

Repaying capacity will be determined by ascertaining the total deductions in SE (DSOP/AFPP Fund limited to the compulsory deduction etc) including the anticipated EMI, against which loan should not exceed 60% of gross pay and allowances as reflected in the latest statement of entitlement of the member.

9. Repayment of Loan in the event of release/retirement/invalidment.

The loan repayment will have to be completed before retirement on super annuation/premature retirement/release/discharge/invalidment or leaving service due to any other reason. The advance and interest shall be recovered based on the equated monthly installments through the pay of the individual, commencing from the following month of payment of advance. **The number of monthly installments for recovery of loan once fixed will not be altered.**

10. Refund of VCL Loan.

- (a) Refund of outstanding principle of motor conveyance / PC Loan will be accepted as one lump sum, no part refunds will be accepted. The member is to write to NGIF asking for balance outstanding amount. On receipt of the balance amount from NGIF a Demand Draft in favour of "NGIF" payable at New Delhi is to be forwarded to NGIF.
- (b) In the event of release/retirement/ invalidment before liquidation of the advance, the outstanding amount together with due interest is to be refunded by the borrower well in time failing which, it would be recovered in one lump sum out of his Survival/Retirement benefits/DCRG etc.
- (c) In the event of death whilst in service, the outstanding advance and interest thereon would be recovered from the benefit that would be accruing from NGIF and retirement benefits. A certificate to this effect is to be rendered by the individual as given in the loan application. In case an individual is dismissed/removed or resigns from service before repayment of advance together with interest, the CO/Stn Cdr is empowered to take possession of the Motor Car/Motor Cycle/Scooter/Moped/Computer purchased with NGIF loan while relieving him from duty/service.

11. Execution of Mortgage Deed

Members granted loan from NGIF will execute mortgage deed hypothecating the Motor Vehicle/Computer to NGIF as security for the amount taken as loan, as per format attached with application form (Form NGIF/VCL/03).

12. Insurance of Vehicle

Immediately on purchase of the vehicle, the member will get the vehicle insured and hypothecate the vehicle in favour of NGIF, at his own cost, till such time the advance including the interest is repaid/liquidated in full. The insurance policy/cover note duly hypothecated to NGIF will be forwarded by the member regularly every year to NGIF till liquidation of the loan amount. The Registration of the vehicle by RTO should be made on the name of the member only.

Note: The hypothecation is to be endorsed **ONLY** in the insurance papers and **NOT** in the Registration Book (RC Book).

13. Sale of Vehicle/Computer

A member who purchases vehicle/computer out of NGIF advance, is not permitted to sell the item without prior permission of the NGIF, before repayment of entire advance amount with due interest.

14. Conditions where Loan is not Admissible.

The loan from NGIF is not admissible in following cases,

- (a) Repayment of loan availed for vehicle/computer purchased earlier.
- (b) Re-employed personnel.
- (c) Purchase of Second hand computer.
- (d) Purchase of more than 4 years old, second hand vehicle.
- (e) Where conveyance advance is outstanding from Govt. /NGIF for similar type of vehicle/computer.
- (f) Where the total deductions from pay and allowances on all accounts including house building loan/Provident Fund/subscription to NGIF/Income Tax deductions etc. exceeds sixty percent of monthly gross emoluments of individual.
- (g) Member having less than two years of active service.

15. Submission of Documents

Following documents, as applicable, are to be submitted to NGIF by the member within 60/30 days, in respect of purchase of vehicle/computer respectively, from the date of the sanction of loan.

- (a) Cash receipt (in respect of vehicle and computer loan).
- (b) Xerox copy of Registration Book of vehicle.
- (c) The Insurance policy duly Hypothecated to NGIF.

Note: - The endorsement of loan/hypothecated entry is not to be made in the Registration Book.

16. Inability To Purchase Vehicle/Computer.

In case the member is not able to purchase the vehicle/computer after drawal of advance and desires to refund it on commencement of EMI, he would be permitted to refund the entire amount in one lump sum. However, the amount recovered by Naval Pay Office, Mumbai, through EMI also processing fee will not be refunded to the member and would be credited to NGIF.

17. Maximum Number of Installments.

The maximum number of installments permissible depending on the length of service is as indicated below,

- (a) Motor Car - Officers - New Car - 120 ; Old Car – 84
- (b) Motor Car - Sailors - New Car – 60 ; Old Car - 60
- (c) Two Wheelers - 36
- (d) Personal Computer – 36

Note: - The number of monthly installments for recovery of loan once fixed will not be altered.