



Circular No. CHO/PMG/ 09 /2018-19

Date: 25/05/2018

To All Branches/Offices in Indian Union

**Sub : Staff Housing Loan Scheme for Officers and Award Staff members
of the Bank – Modifications of certain clauses thereof.**

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- ❖ For Pension Optees, repayment period shall now be considered upto the age of 75 years of the employee within the overall repayment period permissible under the scheme;
- ❖ In the post-retirement scenario, the quantum / restriction on deduction changed from 60% of net initial amount of pension payable to 1/3rd of initial amount of aggregate pension payable plus other income from verifiable sources.
- ❖ If the loan is continuing beyond the date of superannuation for pension optees, Bank should necessarily hold valid charge on the immovable property at the time of superannuation of the employee, unless and otherwise specified/ permitted by the sanctioning authority.
- ❖ In respect of Pension Optees who have availed Staff Housing Loan facility with extended repayment period beyond the superannuation date, the Terminal (Retirement) Benefits should be routed through the branch from where the Staff Housing Loan is availed.
- ❖ Till entire liquidation of the staff housing loan, the monthly pension payable to the employee should invariably be routed through the branch from where the Staff Housing Loan is availed.

The above said modifications shall be applicable to:

- ❖ Staff Housing Loans to be availed afresh at a future date;
- ❖ Existing Staff Housing Loans also which were sanctioned on or after 03.07.2015.

Existing Staff Housing Loan Scheme for the employees is governed in terms of the Master Circular issued by the Bank vide Circular No. CHO/PMG/12/2015-16 dated 03.07.2015.

Based on the feedback received from the field functionaries, in line with the respective government guidelines and as existing in other peer banks, certain modifications were proposed by the department and placed before the Board of Directors for consideration. The modifications proposed were in respect of further extension of repayment period beyond superannuation, quantum/ restriction on deductions of loan instalments in case of pension optees, need for existence of valid equitable mortgage on the date of superannuation, conversion of UCO Home Loan/Liquidation of other Housing Loan etc.

Accordingly, the Board of Directors in its meeting held on 11/05/2018 approved modifications / improvements which are tabulated as under:





Existing Guidelines		Modified Guidelines
Clause No.	Descriptive details	Descriptive details
7(h)	<p>360 months upto age of 70 years for the employees who have opted for pension. If staff member retires from the service of the Bank on his attaining the age of superannuation or deemed to have retired on appointment by Central Government as a Whole Time Director and if he/she is a pension optee as per UCO Bank Pension Regulations, he/she will be allowed to repay the outstanding amount with interest thereon as per the original repayment schedule or till his attaining the age of 70 years (whichever is earlier) from the amount of pension payable to him.</p> <p>However, deduction on account of loan instalments in such case will be restricted to 60% of net initial amount of pension payable to him/her immediately after his/her retirement plus his/her other total income/cash flow from other sources like interest, rent etc. (including income of spouse). For this, the sanctioning authority will be sole judge who will review the account, at the time of his/her retirement, and may reschedule repayment if need be or may put a condition to liquidate part of the outstanding from the terminal benefits so as to ensure repayment from the pension within 70 years of age.</p>	<p>360 months upto age of 75 years for the employees who have opted for pension. If staff member retires from the service of the Bank on his attaining the age of superannuation or deemed to have retired on appointment by Central Government as a Whole Time Director and if he/she is a pension optee as per UCO Bank Pension Regulations, he/she will be allowed to repay the outstanding amount with interest thereon as per the original repayment schedule or till his attaining the age of 75 years (whichever is earlier) from the amount of pension payable to him.</p> <p>However, deduction on account of loan instalments in such case will be restricted to:</p> <p>[a] 60% of the monthly Gross emoluments of the employee till the date of his superannuation/retirement;</p> <p>and, thereafter,</p> <p>[b] 1/3rd of initial amount of aggregate pension payable to him/her immediately after his/her retirement plus his/her other total income/cash flow from other verifiable sources like interest, rent etc. (including income of spouse). For this, the sanctioning authority will be sole judge who will review the account, at the time of his/her retirement, and may reschedule repayment if need be or may put a condition to liquidate part of the outstanding from the terminal benefits so as to ensure repayment from the pension within 75 years of age.</p>





The following new clauses have been appended to existing guidelines (A.1 to A.3), which needs to be taken cognizance of by the staff members and the respective sanctioning authorities:

	Descriptive details
A.1	<p><u>Non-Creation of EM till the date of superannuation:</u></p> <p>It is mandatory that the Title Deeds of the immovable property should have been deposited with the Bank, and/or, Equitable Mortgage/Registered Mortgage should have been created in favour of the Bank at the time of superannuation of the staff member for whom the repayment period has been fixed beyond the original date of superannuation.</p> <p>If it is not so, then the entire amount outstanding in the Staff Housing Loan has to be recovered from the Terminal Benefits payable without fail.</p> <p>However, the liquidation of outstanding balance from the terminal benefits, as mentioned above, is exempted/not applicable to such cases where Deposit of Title Deeds and/or Creation of Equitable/Registered Mortgage has been permitted upto a period stretching beyond the date of superannuation by the Sanctioning Authority of the Staff Housing Loan.</p>
A.2	<p><u>Conversion of UCO Home Loan/ Liquidation of other Housing Loan:</u></p> <p>Where part of the loan amount gets liquidated – Portion of loan eligible (i.e. as per entitlement) for liquidating of loan would be transferred to a fresh staff housing loan account with repayment as explained. The residual portion of loan will continue in the existing loan account. The charge over the property will continue. Residual portion of loan may be permitted to be repaid in remaining repayment period as per original schedule of UCO Home Loan after reworking the amount of EMI. (E.g. If there is a UCO Home Loan with balance outstanding of Rs.12 lacs availed for the purpose of Repair and Renovations/Extensions. When an officer employee applies for conversion of this loan, Rs.9 lacs alone will be converted as Staff Housing Loan, as per the eligibility norms for that purpose as per clause 2(B), and remaining amount in balance outstanding should continue to remain in the UCO Home Loan only.)</p>
A.3	<p><u>Routing of Terminal Benefits and Monthly Pension:</u></p> <p>In respect of Pension Optees who have availed Staff Housing Loan facility with extended repayment period beyond the superannuation date, the Terminal (Retirement) Benefits should be routed through the branch from where the Staff Housing Loan is availed.</p> <p>Till entire liquidation of the staff housing loan, the monthly pension payable to the employee should invariably be routed through the branch from where the Staff Housing Loan is availed.</p>

Applicability:

The above said modifications shall be applicable to:

- Staff Housing Loans to be availed afresh at a future date;
- Existing Staff Housing Loans also which were sanctioned on or after 03.07.2015.





The eligible staff members who are willing to avail the facility have to submit an undertaking with application seeking adjustment in their EMI and in the onetime lump sum payment from the superannuation benefit at the time of availing the loan. In no case, the post retirement EMI should exceed 1/3rd of initial amount of aggregate pension payable to him/her immediately after his/her retirement plus his/her other total income/cash flow from other verifiable sources like interest, rent etc. (including income of spouse). Specimen copy of the undertaking is enclosed as 'Annexure-I'.

All other terms and conditions relating to Eligibility, Entitlement, Purpose, Margin, Rate of Interest, Disbursement, Substitution of property, Security, Sanctioning Authorities, Conversion of UCO Home Loan/Liquidation of other debts, and Permission to dispose of the House/Flat etc. and other general guidelines as applicable to the Staff Housing Loan Scheme shall continue to be governed by our earlier circular no. CHO/PMG/12/2015-16 dated 03.07.2015.

Contents of the Circular are to be brought to the notice of all eligible employees of the Bank and a copy hereof may be displayed on the Notice Board meant for Staff Members of the Bank.

[वी.सी.महाजन V.C.Mahajan]

उप महाप्रबंधक Deputy General Manager
कार्मिक सेवा Personnel Services



Encl.: Annexure-I

To:

Date: _____

The Dy. General Manager/ Asst. General Manager
UCO Bank

(Sanctioning Authority)

Dear Sir,

Sub.: One Time Lumpsum payment for 1st/2nd Staff Housing Loan of
Rs. _____ sanctioned to Mr./Ms. _____ -
Undertaking thereof.

I / We undertake to pay one time lumpsum payment from my superannuation benefit at the time of retirement to adjust the EMI of the Staff Housing Loan to the extent of 1/3rd of initial amount of aggregate pension payable to me/us immediately after my/our retirement plus my/our other total income/cash flow from other verifiable sources like interest, rent etc. (including income of spouse), if the Staff Housing Loan is sanctioned and repayment is allowed till a period falling beyond my/our date of retirement.

I/We also authorize you to adjust the required amount as stipulated in the Sanction Letter from superannuation benefit including commutation of pension.

Thanking you,

Yours faithfully,

Current Place of Posting:

1. _____ (Emp.No. _____)

2. _____ (Emp.No. _____)

Permanent Address: _____

Copy to:

[1] _____

(Branch where the loan is availed)

[2] The Deputy General Manager
Terminal Benefits/ Pension Cell
Personnel Services Department
UCO Bank, Head Office-2,
DD-3&4, Sector-I, Salt Lake,
Kolkata – 700064 (W.B.)
(for kind information & necessary action)

