

My No : EST-6/04/LON/1040(ii)
Ministry of Public Administration,
Provincial Councils and Local Government
Independence Square
Colombo 07.

27.02.2026

Secretaries to Ministries
Chief Secretaries of Provinces
Heads of Departments

Amendment to Section 11 of Chapter XXIV of the Establishments Code
Granting Housing and Property Loans to Public Officers under
Concessionary Interest Rates

Your attention is drawn to sub-sections 11:4:1, 11:5:1 of Chapter XXIV and Appendix 28 of the Establishments Code, as amended by Public Administration Circular 15/2007 dated 12.06.2007 and its consequent circulars.

02. Sub-sections 11:4:1 and 11:5:1 of Chapter XXIV of the Establishments Code are hereby amended as follows.

- 11:4:1 The maximum amount of the loan an officer is entitled to obtain shall be the equivalent to his seven (07) years consolidated salary exclusive of allowances or Rs. 5,000,000.00, whichever is the less.
- 11:5:1 The maximum interest rate charged by banks for housing and property loans obtained under sub-section 11:4:1 above shall be calculated for each year based on the Average Weighted Prime Lending Rate (AWPLR) published for the month of December of the preceding year + a maximum administrative margin of 2%; and that interest rate shall remain unchanged until the relevant loan is fully repaid.

Accordingly, an annual interest will be charged for the loan obtained as specified in the table below.

Loan Amount	Interest Rate Payable to the Bank	Interest Rate Payable by the Government	Interest Rate Payable by the Officer (In relation to the year in which the property loan is applied for)
Up to Rs. 3,000,000/-	AWPLR + 2%	4%	(AWPLR + 2%) - 4%
Exceeding Rs. 3,000,000/- and up to Rs. 5,000,000/-	AWPLR + 2%	2%	(AWPLR + 2%) - 2%

03. The interest rates amended under paragraph 02 above shall apply only to housing and property loans granted on or after 01.03.2026, being the date these circular provisions come into effect; these provisions shall not apply to housing and property loans already obtained by government officers prior to 01.03.2026 under Public Administration Circular 15/2007 dated 12.06.2007 and its consequent circular provisions.

04. Furthermore, Appendix 28, which contains the list of banks from which housing and property loans can be obtained as per sub-sections 11:11:6 and 11:11:7 of Chapter XXIV of the Establishments Code, should be amended as per Annex 01.

05. All other provisions regarding the granting of housing and property loans to public officers by banks shall remain unchanged.

06. This circular is issued with the concurrence of the General Treasury.

Sgd/ S. Alokabandara

Secretary

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Appendix28
(XXIV -11:11:6, 11:11:7)

LIST OF BANKS FOR OBTAINING LOAN

1. People's Bank
2. Bank of Ceylon
3. National Savings Bank