

गुणता आश्वासन महानिदेशालय/ प्रशासन/आर एम डी (यू एस)
DGQA/ADM/RMD (US)

INSTRUCTION REGARDING REBATE OF 2.5% ON INTEREST ON HOUSE BUILDING ADVANCE

1. It is stated that while issuing sanction for grant of House Building Advance, the rate of interest is shown 2.5% above the prescribed rate which is granted to the applicant as a rebate on fulfilling the undermentioned conditions, whenever it is requested by the applicant.

(i) Recoveries of the amount are fulfilled completely to the satisfaction of the competent Authority.

(ii) Sale Deed and Mortgage Deed should be obtained and kept in deposit with the Head of Department.

(iii) The Govt servant should insure the House/Flat at his own cost with the Life Insurance Corporation of India for not less than the amount of advance given to the employee and keep it so insured against damage by fire, flood and lightning till the amount of advance together with interest is fully repaid. The policy should be deposited with Govt/HoD.

(iv) The Govt. servant should furnish a certificate that he would keep the property free from all encumbrances and continue to pay all the Municipal and other local rates and taxes regularly.

(v) After the completion of House/Flat, annual inspection should be carried out by any authorized officer under the instructions issued by the Head of the Department concerned. He would ensure that the House/Flat has been maintained in good repair and it would be done so till the advance together with interest is repaid in full.

2. The competent authority to decide whether the conditions attached to the sanction, particularly the recovery of the amount are fulfilled or not will be the sanctioning authority.

3. It has been observed that in certain cases, the Establishment on its own have sanctioned rebate of 2.5% on interest without prior approval of the competent authority, which is highly irregular and contrary to the Govt Policy.

4. In view of the rule position cited above, all Establishment/Unit may be directed not to grant rebate of 2.5% on interest without seeking prior approval of the competent authority.

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