

GOVERNMENT OF HIMACHAL PRADESH
FINANCE (REGULATIONS) DEPARTMENT

SUBJECT:

HOUSE BUILDING ADVANCE TO THE STATE GOVERNMENT
EMPLOYEES OF HIMACHAL PRADESH -- REVISION OF
PROVISIONS RELATING TO RECOVERY OF PRINCIPAL
AMOUNT/ INTEREST THEREON.
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The undersigned is directed to say that as per existing provisions of rules / instructions regulating recovery of Principal amount of HBA and interest thereon, recovery of principal amount starts within 24 months of drawal of first instalment (in cases where HBA is allowed in repair/renovations and within six months in the cases of the advance is taken in cases where HBA is allowed in purchase of land or ready built house/flat etc. Recovery of Principal amount is completed in 180 instalments first and thereafter, the recovery of interest is started.

2. Matter relating to change / revision of existing procedure for recovery of Principal amount of HBA and interest thereon was under consideration and it has been decided that with effect from 1st January, 2000, following revised procedure for recovery of Principal amount of HBA and interest thereon

1. Revised procedure / rules shall come into force w.e.f. 01/01/2000 and will be applicable to all such fresh cases which are received in F.D. on or after 01/01/2000.

2. Henceforth, HBA will be admissible to permanent Government servants. Temporary Government servants with minimum service of 5 years will also be eligible for HBA but they will have to furnish surety of a permanent employee.

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3. Procedure / schedule for recovery of principal and interest thereon has been changed. Recovery of Principal and interest will start simultaneously in equated monthly installments subject to a maximum of 240 installments. Formula of calculation of interest on HBA will remain same. Number of installments for recovery of principal / interest will now be subject to a maximum of 240. In case the advance is for repairs/renovations and if the advance is taken for purchase of land/plot only, the maximum number of installments will be 150. The employees will have option to repay the loan / interest in lesser number of installments if they so desire.

4. The amount of instalment of recovery of principal and interest shall be restricted to such an amount so that it should not exceed 50% of the gross salary (total emoluments) of the employee.

5. The Departments / Admn. Departments, while examining and forwarding the cases for HBA of employees to the Finance Department shall ensure that amount of HBA alongwith interest thereon will be recovered before the retirement of the Govt. servant or in any case, if some amount remains to be recovered, it can be adjusted from the Gratuity of the concerned employee. Finance Department, while earmarking funds for HBA will also keep in view the repaying capacity of concerned employee as prescribed under the rules / instructions.

6. Recovery of House Building Advance and Interest thereon shall commence from 24th month w.e.f. the date of drawal of first instalment of House Building Advance in such cases where HBA is sanctioned in

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to repay the loan earlier than w.e.f. 24th month, he can do so by giving his consent in writing. In that case, the recovery of interest will also commence simultaneously alongwith recovery of principal.

7. In above type of cases (mentioned at pl.no.6), in cases where all four installments have been sanctioned within 24 months and recovery is started after drawal of fourth instalment, final recovery schedule for recovery of principal / interest shall be prescribed at the time of sanction of fourth instalment which shall not be subjected to any change.

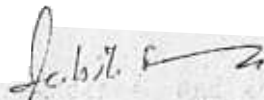
8. However, in some cases, where the fourth instalment is not sanctioned within 24 months with effect from the date of drawal of first instalment, recovery of principle shall start w.e.f. 24th month or earlier as the case may be alongwith recovery of interest. In such cases, as final amount of interest can not be calculated/ estimated till fourth instalment is allowed, simultaneous recovery of interest instalment shall start with principal amount for amount sanctioned till that date, till such time 4th instalment is allowed. At the time of allowing fourth instalment the recovery schedule for interest shall be revised keeping in view final amount of interest. Instalment of interest in such case shall be fixed in such a way so as to enable adjustment of interest, including that recovered previously prior to issuance of final schedule, in the total number of installments prescribed under the rules (i.e. maximum 240) or opted by the employee.

9. In other cases of HBA like loan for purchase of plot, HBA for purchase of ready built house or loan for repairs/ additions etc., where loan is allowed

in lump-sum, recovery of principal and interest thereon shall start with effect from fourth issue of pay after the advance is drawn.

10. In order to facilitate proper accounting of HBA and interest thereon, different recovery schedules for principal and interest shall be prepared by the DDO.

Relevant rules / instructions regulating House Building Advance shall be deemed to be amended to the extent indicated above. All Administrative Departments / Heads of Departments are requested to bring the above orders to the notice of offices under their control.


Under Secretary (Finance)
to the Government of H.P.

To

All Administrative Departments
of the Govt. of H.P.

NO. FIN(C)A(3)-2/99. DATED THE 14th JANUARY, 2000
Copy to:

Copy is forwarded for information and necessary action to :-

1. The Accountant General (Audit) H.P. Shimla-3 with 20 spare copies.
2. The Senior Deputy Accountant General (A&E) H.P. Shimla-3, with 20 spare copies.
3. All Secretaries to the Govt. of Himachal Pradesh.
4. All Heads of Departments in Himachal Pradesh.
5. The Resident Commissioner, H.P. Himachal Bhawan, Sikandra Road, New Delhi.
6. All Deputy Commissioners in Himachal Pradesh.
7. All District and Sessions Judges in Himachal Pradesh.
8. The Director Treasuries and Accounts Organisation, Shimla-9.
9. All District Treasury Officers/ Treasury Officers in H.P.
10. The Resident Commissioner, Pangi, Chamba, Himachal Pradesh.
11. All Public Sector Undertakings/ Boards/ Universities in H.P.
12. The Examiner, Local Audit Department, H.P. Shimla-2.
13. The Commandant, Training Centre, Directorate General of Security, Sarahan, Rampur Bushahr, Shimla District, Himachal Pradesh.
14. The Deputy Commissioner, Relief and Rehabilitation, Beas Project,