

भारतीय मानक ब्यूरो
वित्त विभाग

हमारा संदर्भ : वित्त/7:37/2018

06 मार्च 2018

विषय: गृह निर्माण अग्रिम नियम - 2017

परिपत्र संख्या बी. आई. एस. / मुख्यालय / वित्त / परिपत्र (01) / 2018 दिनांक 06 मार्च 2018
सभी संबंधित की जानकारी हेतु सलग्न है।

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(गुरप्रीत सिंह)
निदेशक (वित्त)

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सूचना और प्रौद्योगिकी विभाग - भारतीय मानक ब्यूरो के इंटरनेट पर रखने के लिए

BUREAU OF INDIAN STANDARDS
(FINANCE DEPARTMENT)

Our Ref: FIN/7:37/2017-18

06 March, 2018

Subject: House Building Advance Rules (HBA) – 2017

The Circular No. BIS/FIN/HQ/Circular(01)/2018 dated 06 March, 2018 on the captioned subject is enclosed for information of all concerned.

sd/-
(Gurpreet Singh)
Director (Finance)

Circulated through Intranet to:

- Heads of ROs/BOs/ CL/NITS
- Heads of all Departments at HQ
- All Official of BIS

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भारतीय मानक ब्यूरो

(वित्त विभाग)

Sub: House Building Advance Rules (HBA) - 2017

1. All officials of BIS may please refer to the following Office Memorandum(s) issued by Government of India, Ministry of Housing & Urban Affairs, Housing-III Section, Nirman Bhawan, New Delhi regarding HBA:

- a. Office Memorandum No. I.17011/11(4)/2016-H-III dated 09.11.2017 regarding revised House Building Advance Rules (HBA) -2017, in supersession of existing rules on House Building Advance Rules. (copy enclosed)
- b. Office Memorandum No. I.17011/11(4)/2016-H-III dated 31.01.2018 regarding migration of already taken Home Loans from Banks/ Financial Institutions (copy enclosed) and
- c. Office Memorandum No. I.17011/11(4)/2016-H-III dated 31.01.2018 regarding discontinue of benefit of interest rate promoting small family norms in case of HBA (copy enclosed)

2. **As the above OM(s) are applicable in BIS therefore all sanctioning authorities may please comply with the same.**

3. As per Delegation of Power, the power to sanction HBA rests with DDGF at HQ and with DDGRs for ROs/BOs. As per Finance Department's circular No. BIS/FIN/HQ/CIRCULAR (09)/2015 dated 11th June 2015, disbursement of **Conveyance/Computer/HBA/Festival Advance of BIS** will be made by HQ through Direct Bank Transfer to the Bank Accounts of the concerned employee(s) after it has been sanctioned by DDGRs concerned and file sent to HQ. (copy enclosed)

4. DDGRs are requested for following in this record:

- (i) Eligibility criteria, Repayment capacity and other Terms & Conditions mentioned in the said abovementioned Office Memorandum(s) of GOI may be complied with while sanctioning HBA.
- (ii) Before sanction of HBA, all relevant property papers may be got vetted by a local legal expert.

- (iii) After sanctioning by HBA, the entire file be sent to Finance Department HQ disbursement of loan and recovery to be made thereon. Sanction file containing the original documents of propoerty, guaranties etc., will remain with Finance Department till the final settlement of the HBA

This issues with approval of DDGF.

हस्ता
गुरप्रीत सिंह
निदेशक (वित्त)

हमारा संदर्भ : वित्त/2:24/2017-18

दिनांक : 06 मार्च 2018

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- मुख्यालय के सभी विभागों के प्रमुख
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प्रतिलिपि - जानकारी के लिए :

- ❖ निजी सचिव (महानिदेशक) - महानिदेशक की जानकारी के लिए
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सूचना और प्रौद्योगिकी विभाग - भारतीय मानक ब्यूरो के इंटरनेट पर रखने के लिए

I.17011/11(4)/2016-H-III
Government of India
Ministry of Housing & Urban Affairs
Housing-III Section

Nirman Bhawan, New Delhi,
Dated 09.11.2017.

OFFICE MEMORANDUM

Subject: House Building Advance Rules (HBA) – 2017.

The following House Building Advance Rules is in supersession of existing rules on the subject:

1. Introduction

Grant of House Building Advance for Central Government employees is regulated in terms of rules and regulations laid down from time to time by the Ministry of Housing & Urban Affairs (erstwhile Ministry of Urban Development). These rules are as under:

2. Purpose

House Building Advance (HBA) is admissible to an employee for only one of the following purposes:-

- i. Constructing a new house on the plot owned by the employee or spouse, either jointly or individually.
- ii. Purchasing a plot and constructing a house thereon.
- iii. Purchasing a plot under co-operative Schemes and constructing a house/ flat thereon or acquiring a house through membership of Cooperative Group Housing Societies.
- iv. Purchase/construction of house under the self-financing schemes of Delhi Bangalore, UP, Lucknow etc.
- v. Outright purchase of a new ready-built house/ flat from Housing Boards, Development Authorities and other statutory or semi-Government bodies and from registered builders i.e., registered private builders, architects, house building societies, etc., **but not from private individuals.**
- vi. Expansion of living accommodation of an existing house owned by the employee or jointly with spouse. The total cost of the existing structure (excluding cost of land) and the proposed additions should not exceed the prescribed cost ceiling under these rules.
- vii. Repayment of loan or advance taken from a Government or HUDCO or private sources even if the construction has commenced, subject to certain conditions.

- viii. Existing employees who have already taken Home Loans from Banks and other financial institutions are allowed to migrate to this scheme, subject to fulfillment of extant conditions.
- ix. Constructing only residential portion of the building on a plot earmarked for a shop-cum-residential plot, in a residential colony, subject to prescribed cost ceiling.

3. Eligibility

- i. All permanent government employees.
- ii. All other employees with at least **5 years** of continuous service, provided they do not hold permanent appointment under a State Government and the sanctioning authority is satisfied about their likely retention in service till the house is built and mortgaged.
- iii. Members of All India Services deputed for service under the Central Government/Company/ Association/Body of individuals whether incorporated or not, which is wholly or substantially owned or controlled by the Central Government or an International Organization, and autonomous body not controlled by Government or Private Body.
- iv. Employees of Union Territories and North East Frontier Agency.
- v. Staff/ Artistes of the All India Radio who fulfil the condition prescribed at (ii) above and have been appointed in long term contracts extending to the age as per extant rules.
- vi. Central government employees governed by The Payment of Wages Act, 1936.
- vii. Central government employees on deputation to another Department or on Foreign Service. Such cases to be processed by the Head of the Office of the Parent Department.
- viii. Extant rules for eligibility conditions of Ex-servicemen and of central government employees under suspension remains unchanged.

Note: In cases where both the spouses are central government employees and are both eligible for grant of House Building Advance, the advance will be admissible to both of them jointly/ separately.

4. Cost Ceiling Conditions -

- i. Cost of the house to be built /purchased (excluding the cost of plot) should not exceed 139 times of the basic pay of the employee subject to a maximum of Rs.1.00 crore (one crore) only. In individual cases, if the Administrative Ministry is satisfied on the merits of the case, the cost ceiling may be relaxed up to a maximum of 25% by the Head of the Department.

5. Amount of Advance

- i. Only one advance shall be sanctioned to the government servant during his/ her entire service.
- ii. The maximum amount of advance shall be:
 - a) 34 months basic pay subject to a maximum of Rs. 25.00 lakhs only (Rs. Twenty five lakhs), or cost of the house/flat, or the amount according to repaying capacity, whichever is the least for construction/purchase of new house/flat.
 - b) For expansion of existing house, the amount of HBA will be limited to 34 months basic pay subject to maximum of Rs.10.00 lakhs only (Rs. Ten lakhs), or the cost of the expansion, or the amount according to repaying capacity, whichever is the least.
 - c) The amount of the advance shall be restricted to 80% of true cost of the land and construction of house or cost of expansion of living accommodation in the case of construction in rural areas. This can be relaxed and 100% can be sanctioned if the Head of the Department certifies that the concerned rural area falls within the periphery of town or city.

6. Repayment Capacity

For the purpose of calculating the admissible loan amount, the repayment capacity of the central government employee shall be calculated as below:

a)	In cases of employee retiring after 20 years.	40% of basic pay.
b)	In cases of employee retiring after 10 years but not later than 20 years.	Up to 40% of basic pay. 65% of DCR Gratuity may also be adjusted.
c)	In cases of employee retiring within 10 years.	Up to 50% of basic pay DCR Gratuity up to 75% can be adjusted.

7. Applicable Rate of Interest and Methodology of Recovery of House Building Advance

- i. The Interest on Housing Building Advance for the financial year 2017-18 onwards shall be 8.50%. This shall be reviewed every three years to be notified in consultation with Ministry of Finance.
- ii. The methodology of recovery of HBA shall continue as per the existing pattern of recovery of principal first in the first fifteen years in not more than 180 monthly instalments and interest thereafter in next five years in not more than 60 monthly instalments. The advance carries simple interest from the date of payment of first instalment.
- iii. All cases of subsequent tranches/ installments of HBA being taken by the employee in different financial years shall be governed by the applicable rate of

interest in the year in which the HBA was sanctioned, in the event of change in the rate of interest.

Note: The clause of adding a higher rate of interest at 2.5% (two point five percent) above the prescribed rate during sanction of House Building Advance, as reproduced below, stands **withdrawn**.

"Sanction should stipulate the interest 2.5% over and above the scheduled rates with the stipulation that, if conditions attached to the sanction including those relating to the recovery of amount are fulfilled completely to the satisfaction of competent authority, a rebate of interest of the extent of 2.5% will be allowed".

8. Disbursement

- i. Advance for purchase of ready built house can be paid in one lump sum as soon as the applicant executes an agreement in the prescribed form. The employee should ensure that the house is purchased and mortgaged to the Government within 3 months of drawl of the advances.
- ii. Advance for purchase/ construction of new flat may be paid either in one lump sum or in convenient instalments at the discretion of the Head of Department. The employee should execute the agreement in prescribed form before the advance/ first instalment of advance is paid to him/ her. The amount drawn by the employee should be utilized for the purchase/ construction of the flat within one month.
- iii. Advance for construction/ expansion of living accommodation, etc., shall be payable in two instalments of 50% each. The first instalment will be paid after the plot and proposed house/ existing house is mortgaged and the balance on the construction-reaching plinth level.
- iv. Advance for expansion to be carried out on the upper storey of the house will be disbursed in two instalments, first instalment on executing the mortgage deed and the second instalment on the construction reaching roof-level.
- v. In the case of advance for purchase of plot and construction of house, the advance will be disbursed as below:
 - a) **Single Storeyed House:** After agreement in prescribed form is executed on production of surety bond, 40% of the advance or actual cost will be disbursed for purchase of plot. The balance amount will be disbursed in two equal instalments, first after the mortgage is executed and second on the construction reaching plinth level.
 - b) **Double Storeyed House:** 30% of advance for cost of plot will be disbursed on executing the agreement. The balance amount will be disbursed in two equal instalments, the first on executing the mortgage deed and the second on construction reaching plinth level.

SNP

9. Mortgage and Creation of Second Charge

- a) House shall be mortgaged on the behalf of President of India. However, the employee, if he wishes to take a second charge to meet the balance cost of the house/ plot or flat from recognized financial institutions, then he/ she may declare the same and apply for NOC at the time of the applying for HBA. **NOC for second charge will be given along with sanction order of HBA.** The total loan form HBA and from all other sources cannot be beyond ceiling cost of the house as defined under para 4 above.
- b) In case if HBA is availed by both husband/ wife jointly,
 - i. HBA Mortgage paper, insurance paper and other papers regarding property shall be submitted to one of the loan sanctioning authorities of their choice.
 - ii. A **No Objection Certificate** may be obtained from the 2nd loan sanctioning authority.
 - iii. The property mortgaged to behalf of President of India, shall be reconvened on the prescribed form to the central government employee concerned (or their successors in interest, as the case may be), after the advance together with interest thereon, has been repaid to Government in full and after obtaining **No Demand Certificate** in respect of HBA loan sanctioned by the 2nd loan sanctioning authority.

10. Insurance

- a) Immediately on completion of construction/purchase of house/flat, the employee shall insure the house with the recognized institutions as approved by **Insurance Regulatory and Development Authority (IRDA)**, for not less than the amount of advance and shall keep it so insured against damage by fire, flood and lightning till the advance together with interest thereon is repaid in full and deposit the policy documents with the Head of the Department (HoD). Renewal of insurance will be done every year and premium receipts produced for inspection of the HoD regularly.
- b) Penal interest of 2% over and above existing rate of interest will be recovered from the employee for those periods which are not covered by insurance of the house.

11. Migration

For existing House Building Advance beneficiaries who wish to migrate, a separate order for migration to the revised House Building Advance rules will be issued shortly.

12. Extant rules

Apart from above stated changes in relevant sections in the earlier version of House Building Advance rules, all other extant rules shall continue to apply till further orders.

13. This issues in consultation with Comptroller & Auditor General, in so far as the persons working in the Indian Audit & Accounts Department concerned.
14. Hindi version will follow.
15. This comes to the effect from the date of issue.



(Shailendra Vikram Singh)
Director

Ministry of Housing & Urban Affairs
Tel-23062798

To

All the Ministries and Departments of the Government of India as per standard distribution list

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I-17011/11(4)/2016-H.III
Government of India
Ministry of Housing & Urban Affairs
Housing-III Section

Nirman Bhawan, New Delhi,
Dated:31.01.2018.

OFFICE MEMORANDUM

Subject: Interest bearing advances/ Seventh Central Pay commission recommendation on migration of existing government employees who have already taken Home Loans from Banks/ other Financial Institutions – reg.

Kind attention is invited to para 2(viii) of this Ministry's O.M. No. I-17011/11(4)/2016-H.III dated 09.11.2017 on the above mentioned subject regarding fulfilment of extant conditions, the extant conditions are clarified as follows.

- a) Before granting such House Building Advance, the Head of the Department;
 - i. Should satisfy himself that the home loans were taken by the government employee entirely for purpose of construction/ purchase of new house/ flat.
 - ii. Should ensure that the House Building Advance sanctioned is limited to the amount of loan still due to be repaid by the government employee.
- b) House Building Advance can be availed towards repayment of bank loan taken for the purpose of construction/ purchase of new house/ flat.
- c) Employee shall be eligible for grant of House Building Advance on the date he/ she obtained loans from banks and other financial institutions, irrespective of whether they applied for House Building Advance before raising the loan.
- d) House Building Advance for repayment of loans shall be granted to the eligible employees in one lump sum. However, the Government employee shall produce the HBA Utilization Certificate within one month from the date of release of HBA.
- e) Employee has to satisfy the other provisions of the House Building Advance Rules -2017.

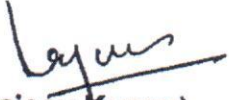

(Shailendra Vikram Singh)
Director(IFD)
Tel:011-23062798

To,

All the Ministries and Departments of the Government of India, C&AG and UPSC, etc. as per standard endorsement list.

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(Rajeev Kumar)
Under Secretary (FD-I)

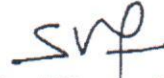
I-17011/11(4)/2016-H.III
Government of India
Ministry of Housing & Urban Affairs
Housing-III Section

Nirman Bhawan, New Delhi,
Dated 31.01.2018.

OFFICE MEMORANDUM

Subject: Small Family Norms in House Building Advance Rules-2017 as per the recommendations of 7th CPC– reg.

The undersigned is directed to invite attention to Ministry of Finance's OM No. 12(4)/ 2016-EIII.A dated 7th July 2017 on the above mentioned subject and to say that interest rebate available to HBA beneficiaries for promoting small family norms shall cease to exist with effect from 01.07.2017.



(Shailendra Vikram Singh)
Director(IFD)
Tel:011-23062798

To,

All the Ministries and Departments of the Government of India, C&AG and UPSC, etc. as per standard endorsement list.

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BUREAU OF INDIAN STANDARDS
(FINANCE DEPARTMENT)

Subject: Conveyance/Computer/HBA/Festival Advances of BIS

During reconciliation of Main Ledger Accounts of Advances to employees viz Conveyance Advance (Car/Scooter) Account, House Building Advance Account, Computer Advance Account and Festival Advance Account with their subsidiary ledger Accounts, discrepancies come out and it has been observed by Finance Department, that no information were sent by few BOs immediately after the payment of above advances. Although the IODA was sent but after a considerable gap of time resulting in delay in starting of the recoveries from the salary.

2. In view of the above and for better compliance and accounting management, the present system of disbursement by ROs/BOs has been reviewed and it has been decided by Competent Authority that henceforth the disbursement of the above advances shall now be made by HQ (rather than ROs/BOs) through Direct Bank Transfer to the Bank Accounts of the concerned employee(s).
3. As per BIS DGO order No. BIS/DGO(433)/2015 dated 22.04.2015 regarding Delegation of Powers, the powers to sanction Car Advance and House Building Advance is with DDGRs and Powers to sanction Scooter Advance and Festival Advance is with Heads of BOs/Labs/NITS. These powers will continue and the advances can be sanctioned at ROs/BOs level as per above delegation. However, the disbursement of these advances will now be made by HQ as given in Para 2 above.
4. Heads of ROs/BOs are advised to send the scanned copy of sanction of HBA, Car Advance, Scooter Advance, Computer Advance and Festival Advance along with details of concerned employee through e-mail to Finance Department (fin@bis.org.in) so as to facilitate timely payment of HBA, Car Advance, Scooter Advance, Computer Advance and Festival Advance through Direct Bank Transfer to the bank account of concerned employee like GPF Advance/Withdrawal by HQ.

5. Internal Auditors in their past reports of some BOs, had pointed out regarding non-submission of registration papers and invoice of the vehicle in case of Advances for Car/Scooter and Invoice in case of Computer Advance, which leads to violation of Conveyance/Computer Advances Rules. As per Rules, the registration papers and invoice of vehicle and invoice of computer should be submitted within the prescribed time failing which penal interest @ 2.5% interest may be charged. Accordingly, Heads of ROs/BOs are also advised to obtain registration papers and invoices of all the vehicle advances and Invoice of Computer Advances paid in the past. Henceforth, in case the employee concerned does not submit the registration documents and invoice etc. within 2 months time as per rules, the information be sent to HQ in Salary Events so that the said advance could be recovered from his/her salary in lumpsum with penal interest

This issues with the approval of Competent Authority.

Sd/

(Gurpreet Singh)
Director (Accounts)

Our Ref: FIN/2:24
Date : 11th June 2015

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