

GOVERNMENT OF KERALA

Abstract

Advance - House Building Advance to Government Employees - Additional Loans from Recognized Financial Institutions for selected purposes - Creation of second mortgage - Modification - Orders issued.

FINANCE (LOANS) DEPARTMENT

G.O. (P) No:76/08/Fin. Dated, Thiruvananthapuram, 11.02.2008.

Read: -1. G.O.(P)No.436/91/Fin. dt. 31.07.1991.

2. G.O(P) No.1610/99/Fin. dt. 22.07.1999.

ORDER

1. As per Government Order read above, Government have permitted the State Government Employees to obtain an additional loan for house construction purpose from recognized financial institutions and to create a second mortgage on the property already pledged to Government.

2. Now, requests are being received from Government employees to extend the facility to avail additional loans for purposes other than house construction such as education loan by creating a second mortgage on the property already pledged to Government for availing House Building Advance.

3. Government have examined the matter in detail and are pleased to order the following modifications to the G.O read as 1st paper above.

4. The State Government Employees will be permitted to obtain an additional loan for selected purposes such as additional housing loan, educational loan etc. from recognized financial institutions and to create a second mortgage on the property already pledged to Government.

5. In the event of the Government employee availing an additional loan by creating a second mortgage, the documents of title shall be held and retained by Government of Kerala. A tripartite agreement on stamp paper by Government, loanee, and the Financial Institutions to abide by the terms and conditions in this regard, should be executed in the form appended. In the event of complete repayment of liability towards House Building Advance from Government of Kerala and the second mortgage still remaining valid, the documents of title shall be handed over to the Financial institution concerned. The Head of Department will then issue formal orders for transmitting the title documents to the Financial institution.

6. The total amount of House Building Advance sanctioned by Government and the loan raised by Government Servants from outside Institutions by creating second mortgage shall not exceed the cost ceiling limits of 100 times the basic pay subject to a maximum of Rs.10 lakhs.

7. The G.O. read as Ist paper above stands modified to that extend.
8. Necessary amendments to the Kerala Financial Code will be issued separately.

BY ORDER OF THE GOVERNOR

ASHWINI KUMAR RAI
SECRETARY (FINANCE-EXPENDITURE)

To

- The Principal Accountant General (Audit) Kerala, Thiruvananthapuram.
The Accountant General (A&E), Kerala, Thiruvananthapuram.
All Heads Of Departments & Offices.
All Departments (All sections) of the Secretariat.
The Secretary, Kerala Public Service Commission (With C.L.).
The Registrar, University of Kerala/Cochin/Calicut/Kannur (With C.L.).
The Registrar, Mahatma Gandhi University, Kottayam (With C.L.).
The Registrar, Kerala Agricultural University, Thrissur (With C.L.)
The Registrar, Sree Sankaracharya Sanskrit University, Kalady
(with C.L.)
The Secretary, Kerala State Electricity Board (With C.L.).
The Managing Director, Kerala State Road Transport Corporation,
Thiruvananthapuram. (With C.L.).
The Registrar, High Court of Kerala, Ernakulam (With C.L.)
The Chief Regional Manager, State Bank of India, Thiruvananthapuram.
The General Manager, State Bank of India, Thiruvananthapuram.
The General Manager, (Operations), State Bank of Travancore,
Poojappura, Thiruvananthapuram.
The General Manager, Canara Bank, Thiruvananthapuram.
The Senior Manager, Corporation Bank, 25/298(1), Government Press
Road, P.B.No.131, Thiruvananthapuram - 695 001.
The Assistant General Manager, Federal Bank, Regional Office,
M.G.Road, Thiruvananthapuram.
The Senior Branch Manger, Syndicate Bank, Housing Finance Branch,
Opposite Kalpana Theatre, Pattom, Thiruvananthapuram.

The Deputy General Manager, (Kerala) IIDFC House, P.B.No.2288,
Vazhuthacaud, Thiruvananthapuram.

The Deputy General Manager, Indian Bank, Circle Office. No.38/1672
Chittur Road, Pullepady, Ernalulam - 682 035.

All Principal Secretaries/ Secretaries/ Additional Secretaries,/Joint
Secretaries/ Deputy Secretaries and Under Secretaries to
GOVERNMENT.

The Secretary to Governor, Raj Bhavan (with C.L.).

The Principal Secretary to Speaker of the Legislative Assembly.

The Private Secretaries to Chief Minister and other Ministers.

The Private Secretary to the Leader of Opposition.

The Joint Secretary to Chief Secretary.

The Director of Treasuries, Kerala, Thiruvananthapuram.

The Registrar, Kerala Lok Ayuktha.

The Ombudsman for Local Self Government Institutions.

Stock file/Office copy.

Forwarded/By Order


Section Officer

RS

APPENDIX

**FORM OF AGREEMENT TO BE EXECUTED BY EMPLOYEES AVAILING OF
ADDITIONAL LOAN FROM OUTSIDE AGENCY ON SECOND CHARGE**

The agreement is executed on this the day of Two thousand and between the Governor of Kerala (hereinafter referred to as the Government) on the one part and Sri/Smt.(here enter name and home address) now employed as (herein after referred to as the bounden) on the Second Part and M/s. (name of Financial Institutions) (hereinafter referred to as the Financial Institutions) on the third part.

WHEREAS by way of security for the loan amount sanctioned as per G.O(MS) No. dated for the construction of a residential building for his/her own residence (hereinafter referred to as the said building) the bounden has mortgaged to Government the properties comprised in Sy.No.ofVillage Taluk by a mortgage deed dated registered as No. at theSub Registry Office (hereinafter referred to the Security Property) for the due repayment of the above loan with interest.

WHEREAS the bounden has approached the Financial Institution for a loan for the purpose of by creating a second charge over the said property.

AND WHEREAS the Financial Institution has agreed to sanction an additional loan on creation of a second charge over the said security properties.

AND WHEREAS the Government have agreed to the proposal of availing financial assistance by the creation of a second mortgage and ordered as per G.O.No. that the title deeds will be retained by Government of Kerala for the purpose of creating a second mortgage as per the terms and conditions therein and in the Kerala Financial Code contained (hereinafter referred to as the said order which shall form part of this agreement as if incorporated herein.)

Now these presents witness and mutually agreed as follows :-

- (i) The bounden and the Financial Institution shall abide by the terms and conditions prescribed in the said order and in the Kerala Financial Code for the creation of a second charge over the property mortgaged to Government
- (ii) If the Financial Institution takes any step for the recovery of the entire amount due to them before the repayment period of the loan granted by Government that Institution shall only be entitled to such portion of the amount after paying the entire amount due to Government by way of principal and interest.

In witness thereof Sri/Smt. for and on behalf of the Governor and Sri/Smt.the bounded and Sri/Smt. on behalf of the Financial Institution have hereunto set their hands the day and year first above written.

Signed by Sri.

In the presence of witnesses :-

1.
2.

Signed by Sri. (the bounden)

In the presence of witnesses :-

1.
2.

Signed by Sri.(Financial Institution)

In the presence of witnesses :-

- 1.....
- 2.....