MANUSCRIPT SERIES

FINANCE (LOANS AND ADVANCES CELL) DEPARTMENT

G.O.No.445, DATED 10th September, 2009

(Aavanii-25, Thiruvalluvar Aandu 2040)

INTEREST - Rate of interest for House Building Advance sanctioned by the State Government – Interest rates for the year 2009 -2010 – Orders issued.

Read the followings :-

1. G.O.Ms.No.96/H&UD Department, dated 17-6-2009.
2. From the Ministry of Urban Development, Government of India, New Delhi letter F.No.1-17011/11(5)/2009-H-III,dated 12.7.2009.

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ORDER:

In the Government order first read above, orders were issued enhancing the ceiling of House Building Advance to All India Service Officers and State Government employees.

2. In the reference 2nd cited, it has been informed that the rate of interest for House Building Advance to Central Government Employees during the financial year 2009 -2010 will continue to be at the same level for the year 2003 – 2004 .

3. The Government, after careful consideration, has decided to adopt the interest rate as prescribed by Government of India up to Rs,7,50,000/. For advances beyond Rs.7,50,000, interest may be charged at 9.50%. The applicable rate for House Building Advance for 2009 - 2010 shall be as shown below.

	House Building Advance	**Rate of Interest**
(a)	For Loans up to Rs.50,000/-	**5.00%**
(b)	For Loans from Rs.50,001/- to Rs.1,50,000/-	**6.50%**
(c)	For Loans from Rs.1,50,001/- to Rs.5,00,000/-	**8.50%**
(d)	Above Rs.5,00, 000/-	**9.50%**

4. In the Government order 1st read above, it was ordered that employees who have already availed House Building Advance at the old rate and not completed the construction of the house can now avail the difference amount in the enhanced ceiling for construction / ready built house / flat on production of revised estimate subject to eligibility. For such employees who have already availed House Building Advance and are now availing an additional amount on account of the increased

limit, the second advance will be considered as part of the original advance and the interest rates applicable to the additional advance will be the higher slabs applicable for the combined amount as illustrated below.

Illustration:

If an employee had taken Rs.5 lakhs earlier and post revision, if he takes another Rs.3 lakhs, the interest on the Rs.3 lakhs will be computed as if his total advance is Rs.8 lakhs and the interest on the entire loan will be as follows:

(a) Till Rs.5 lakhs (original loan) - as per original sanctions.

(b) Next Rs.3 lakhs (now availed) – 9.5% (interest slab applicable for advance above Rs.5 lakhs).

5. As given in the previous years, the benefit of a rebate of 0.5% in the rate of interest will be allowed to All India Service Officers for promoting small family norms to the extent admissible as per Department of Personnel and Training, Ministry of Personnel, Public Grievances and Pension, Government of India's Letter F.No.14018 /4 / 2008-AIS(II), dated 7.8.2008.

(**BY ORDER OF THE GOVERNOR)**

K. GNANADESIKAN,
PRINCIPAL SECRETARY TO GOVERNMENT

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