

GOVERNMENT OF TAMIL NADU

From:-
Tmt V.Chandralekha, I.A.S.,
Secretary to Government.

Housing and Urban Development
(C1) Department, Secretariat,
Fort St. George, Madras-9.

To
All Collectors.

Letter (Ms) No. 792
Dated:- 10th May 1991.

Sir/Madam,

Sub:- House Building Advance-Sanction of advance for purchase of Ready Built House from the Tamil Nadu Housing Board-Difference in cost between sanctioned amount and cost of flat payable by the loanee-Instructions-Issued.

Ref.- From the Collector of Madurai, Letter No.V6/58025/88 dt.27.11.90. -----

I am directed to state that the Collector of Madurai, in his letter cited, has stated that some of the Government Servants who have to pay huge amount being the difference between the house building advance sanctioned and the cost of the house allotted by the Tamil Nadu Housing Board have represented that eligible house building advance may be released by the Government first, so that they will pay the difference cost to the Housing Board later in easy instalments, for which they do not produce any permission letter from the Housing Board to do so. He has further stated that if the loanee is permitted to remit the balance due to the Tamil Nadu Housing Board in instalments, it is doubtful when and whether the dues will be settled in full by the loanee and if there is any default, then it will create problems to Government, if the loanee does not pay the balance due to the Tamil Nadu Housing Board. He has therefore, requested the Government to clarify whether in the case of Ready Built House allotted by the Tamil Nadu Housing Board, the eligible amount of house building advance may be released first to Government Servants permitting them to pay the difference cost irrespective of the quantum to the Tamil Nadu Housing Board in easy instalments.

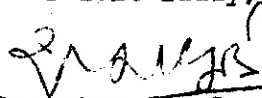
2)As per house building advance rules, advance will be sanctioned for the purchase of ready built house/flat allotted by the Tamil Nadu Housing Board on outright basis only. Advance will not be sanctioned for the purchase of ready built house/flat allotted under hire-purchase. However, if the applicant produces a "No Objection Certificate", converting the hire purchase allotment into outright purchase, then house building advance will be sanctioned, provided the allottee has not started paying instalments to the Tamil Nadu Housing Board. In such cases, the applicant no doubt has to pay the cost of the house/flat to the Tamil Nadu Housing Board in one Lumpsum. The difference between the cost of the house and the advance sanctioned to him has to be paid in one lumpsum by the loanee from his private sources. In such cases, remittance of the balance in instalments may not be permissible, as it will amount to hire purchase remittance. But, if the loanee fails to remit the balance amount to the Tamil Nadu Housing Board, the Board will take penal action to recover the dues and the interest of the Government will suffer.

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3) In the circumstances explained in paragraphs 1 and 2 above, I am directed to state that payment of the dues in instalments towards the balance cost of house/allotted by /flat- the Tamil Nadu Housing Board will amount to payment of hire purchase instalments and that there is no provision for the sanction of house building advance for the purchase of a ready built house/flat allotted by the Tamil Nadu Housing Board under hire purchase. I am therefore, to request you to ensure that the applicant Government Servant pays the entire balance due to the Tamil Nadu Housing Board (i.e) the difference between the cost of the house/flat allotted and the advance sanctioned and produces the proof therefor, after the issue of formal orders and before the release of the sanctioned amount of advance.

4) This letter issued with the concurrence of the Finance Department vide its U.O.No.37621/Sal-I/91-1 dt.12.4.91.

Yours faithfully,



For Secretary to Government.

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