

FAQ's- Finance Department.

1. House Building Advance

Government had been sanctioning House Building Advance to Government Employees under the provisions in Article 244 of Kerala Financial Code (KFC) Vol. 1. This scheme was discontinued as a part of the additional economy measures. Government Employees were constantly demanding the reintroduction of this scheme. In the Budget Speech 2009-10 it was announced that the House Building Advance to Government Employees would be reintroduced. Accordingly in G.O. (P) No. 505/2009/Fin dated 12/11/2009 Government have reintroduced the scheme.

As per G.O (P) No.505/2009/Fin dated 12/11/2009, the admissible amount of HBA shall be 50 times of basic pay subject to a maximum of Rs.10 lakhs. This maximum eligible amount is further limited in such a way that the repayment of each monthly instalment shall not exceed 80% of the basic pay (as per Circular No.38/2010/Fin dated 30/04/2010)

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2. When the repayment of HBA is to be started?

The repayment of House Building Advance is to be started:

1. After the expiry of 9 months from the date of disbursement or date of disbursement of last installment. But for the purchase, the recovery shall commence with the first issue of pay after the disbursement of HBA.
2. But in the case of those with lesser period to retire, the repayment can be started/ is to be started after the next month of encashment of the advance.

3. What is the maximum number of installments possible for repayment of HBA?

As per G.O (P) No.505/2009/Fin dated 12/11/2009, the maximum number of installments allowable for repayment of HBA is 216, depending upon the remaining period of service. These 216 installments include the installments of both Principal and Interest. Again as per Circular No.38/2010/Fin dated 30/04/2010, the maximum installment period of principal shall not exceed 144 months and that of interest shall not exceed 72 months. The interest will be recovered in such a way that each such installment being not appreciably greater or less than the installments by which the principal was recovered as stated in para (xiii) Article 244 C of Kerala Financial Code Vol.I.

4. How many year's encumbrance certificate is required to apply for HBA?

Twelve (12) years' Encumbrance Certificate is required to applying for HBA.

5. Whether HBA can be availed for additional advance/repairs?

In the current Financial Year (2009-2010) the HBA will be sanctioned only for construction/ purchase of a house or flat.

6. Whether prior sanction of Government should be obtained in case of change of plot/purpose of HBA is necessitated?

Government sanction is necessary for change of plot/ purpose of HBA.

7. Whether possession certificate is to be obtained from Tahsildar as mentioned in the Form No.29 for HBA?

Possession Certificate is to be obtained from the Competent Authority (Tahsildar or Village Officer) as the case may be for applying for HBA.

8. In the case of joint loan (joint application for HBA), whether both of the employee should have minimum 5 years of completed service?

In the case of joint application for HBA, each officer should have 5 years of service.

9. In the case of joint loan (joint application for HBA), which HOD should carry out online entry and countersign the statement?

As per Circular No.38/2010/Fin dated 30/04/2010, the joint application should be forwarded from the Head of Department of the elder joint party or else the benefit of age seniority will be lost.

The joint application must be examined and signed by the Head of Department of the co-applicant and forward it to the Head of Department of the main applicant, where online entry has to be made for countersignature. The signature of the subordinate office head is not considered and such applications will be summarily rejected.

10. Whether All India Service Officers are eligible for HBA under this scheme?

No. All India Service Officers are not eligible for this HBA scheme. They have the Central Govt. Scheme.

11. If the HODs themselves are the applicants, what is the method of submitting the application?

If the HODs themselves are the applicants, they should submit the application through AG (A&E) for sanction from Finance Department.

12. Whether an employee having a house but not inhabitable can avail HBA?

If an employee having a house but not inhabitable wants to avail HBA, a certificate from a PWD/Govt.Civil Engineer not below the rank of Executive Engineer should be produced on the condition of the existing building.

13. Whether HBA can be sanctioned if the land is in the name of spouse who is unemployed?

Yes, HBA can be sanctioned even if the land is in the name of spouse who is unemployed, provided consent in stamp paper worth Rs.50/- from the concerned spouse who have clear title over the property is received.

14. How the amount if interest of HBA can be calculated?

The interest rate for HBA is 8% simple interest. The interest payable will be informed by AG (A&E) on consultation after the principal is fully repaid.

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16. Whether the utilization certificate for sanctioned HBA will have to be produced?

Yes.

The loanee (who availed HBA) to the HOD should produce a certificate from the Secretary/Commissioner of concerned LSGI in prescribed format on the following.

- a. The loanee has constructed a new residential building.
- b. The Plinth area of the new building.
- c. The House number assigned to the building.
- d. The assessed building tax and the reference of tax assessment.

The construction should be completed within 12 months from the date of disbursement of loan. Certificate from the LSGI Secretary should be submitted within a month from the completion of construction.

A Government Order on this shall be issued separately.

17. Whether inspection will be conducted for viewing that the house is constructed/ brought as per the sanctioned HBA application?

Yes, the Finance Inspection Wing shall be authorized to conduct inspection to verify whether the house is constructed/ bought as per the sanctioned HBA application.

18. Which is the head of account for drawing the HBA amount?

The head of account for drawing the HBA amount is 7610-0-201-98-HBA.

19. Is the repayment of HBA to be made in cash?

The repayment of HBA will be through salary deduction. For payment of interest, if the period is less, the amount can be remitted by Chelan.

20. Whether the interest of HBA will also be recovered in each installment?

Principal of HBA will be recovered first. After completing the repayment of principal, the interest has to be repaid.

21. Whether HBA can be availed for repair/extension?

Not in this financial year (2009-10). HBA cannot be availed for repair/extension in the current financial year (2009-10).

22. Whether two applications are needed in the case of joint loan (HBA)?

No. In the case of joint loan (HBA), the details of both parties are to be entered in one application form and signed by both parties and both HODs. Service Certificate and DCRG Certificate of both parties are also needed.

23. Whether the seniority of application is considered for the next year's allotment of HBA?

No, Application seniority cannot be considered, as it is not the basis of eligibility for HBA.

24. Whether the aided school/college teachers are eligible for HBA?

No, Aided School/College Teachers are not eligible for HBA.

25. Whether District Collectors can scrutinize the application for HBA in Revenue Department under them and forward the Appendix III to Finance Department?

Yes, District Collectors can scrutinize the application for HBA in Revenue Department under them and forward the Appendix III to Finance Department.

26. Whether pay includes DA also for calculating DGRG for HBA?

Pay includes DA also for calculating DCRG for HBA.

27. What action should the Administrative Departments/Head of Departments take if any designation or name of office found to be not available in the HBA-SEL website during data entry?

If any designation or name of office is found to be not available in the HBA-SEL website, the details should be communicated to Finance (HBA) Department through e-mail from the official email ID of the requesting department to the email address hba@finance.kerala.gov.in. This e-mail address is being protected from spambots. You need JavaScript enabled to view it The request should also contain the name, designation, office name and contact number of the officer requesting the addition.

HoDs also have to update the contact information including official e-mail ID of the department at the respective link of the HBA-SEL programme.

28. What the Administrative Departments/HODs should do once the data entry is complete?

The last date and time of operating website is, 30.01.2010,5 pm. After completing the entry of applications on the website, the Appendix III (Department wise Eligibility List) may be generated from the website. This may be forwarded to Finance (HBA) Department after putting signature of HOD/Sanctioning Authority (with Name, Designation and Office Seal) therein, on 1.2.2010 itself for allocation of Funds.