



Work is Worship

# STATE BANK OF INDIA OFFICERS' ASSOCIATION (LUCKNOW CIRCLE)

Registered Under Trade Union Act 1926 Registration No. 9488 (U.P.)  
(Affiliated to ALL INDIA STATE BANK OFFICERS' FEDERATION)  
8<sup>th</sup> Floor, State Bank of India, Administrative Building, SBI LHO, Moti Mahal Marg, Hazratganj, Lucknow - 226 001

**CIRCULAR NO. 14**

**DATE : - 12.06.2019**

To All Comrades,

We reproduce hereunder the text of AISBOF Letter No. 6528/38/19 dated 11.06.2019 addressed to the Dy. Managing Director & CDO, State Bank of India, Madame Cama Road, Mumbai-400021 contents of which are self-explanatory for information of the members.

  
(PAWAN KUMAR)  
GENERAL SECRETARY

## TEXT

### Staff Welfare Activities - Individual Staff Housing Loans Realty Increase in construction period for staff and relaxation in ceiling

At the outset, we would like to draw your attention to some of the anomalies prevailing in Individual Staff Housing Loan of our officers, which needs to be addressed.

2. Realty scheme of the Bank has been launched for public for purchase of land and subsequent construction of house thereon. The initial construction period was 2 years and consequent to the feedbacks received from the customers, Bank had revised the construction period from 2 to 5 years vide Circular No. NBG/REH&HD-HL/40/2016 – 17 dated 23.11.2016.

3. However, the construction period for Individual Staff Housing Loan scheme (IHLS), as per the HR Handbook Vol 3, is still 24 months. Since the IHLS can be availed after 2 years of confirmed service, many officers are availing this facility for purchase of land. But with the increasing cost of land, considerable amount is needed for construction of house. In addition to this, as per the present scheme, an officer is allowed to avail 50% of his overall eligibility for purchase of land. So, as per the scheme, maximum loan amount of Rs.30 lakh can be availed by an officer for purchase of land out of his total eligibility of Rs.60 lakh.

### Anomalies

- As per the present scheme, an officer is restricted to purchase a land with limited amount of eligibility and with present soaring cost of land, getting a land in suitable place is becoming an issue.
- With the reduced construction period, many times, officers are forced to pay penalty/make compromise on his/her dream project as allocated budget after purchase of land is found be inadequate.

Basic pay	DA (60%)	Total Eligibility 60%(after all deduction)(PF @6%)& NPS)	Per lakh EMI(for 20 years)	Total Eligibility	For Purchase of Land
30000	18000	21000	595	35 lakh	17.50 lakh

From the above table, it is apparent that with the given amount of Rs.17.50 lakh, it would be difficult to purchase a suitable land at his/her choice and his/her income and savings growth may not be sufficient to complete the house construction with the remaining amount of eligibility. He/she needs to pay penalty for non-completion of house within the stipulated period.

### **Suggestions**

- To increase the construction period from 2 to 5 years as in the case of public, which will allow the officers to have a breathing space to complete the construction and without having to pay penalty.
- Considering the steep rise in the cost of land, a relaxation from the existing 50% ceiling in overall eligibility for acquiring land should be allowed. If the construction period is increased to 5 years, an officer will be able to complete the construction as his/her eligibility increases due to salary hike and the increased personal savings, which can be utilized in bridging the gap in loan amount and the cost of construction. Also, if an officer produces sufficient proof that he can construct house with his own funding, a relaxation of upward revision in the existing ceiling should be allowed.

Our employees are our internal customers and they should definitely receive the same benefits available to our customers, if not more. Hence, we request you to look in to the anomalies stated above and we hope the matter will be resolved in due course.

With regards,

Yours sincerely,

**Sd/-**

(Soumya Datta)

General Secretary