

UNIVERSITY OF DELHI

HOUSE BUILDING ADVANCE CELL

Rules of House Building Advance (At a Glance)

1. All Permanent officials are eligible for HBA.
2. Only one advance shall be sanctioned to the Government servant during his/ her entire service.
3. The maximum **amount of advance** shall be:
 - i) 34 month's basic pay subject to maximum of Rs.25 Lacs only; or cost of the house/ flat; or the amount according to repaying capacity, whichever is the least for construction/purchase of new house/flat.
 - ii) For expansion of existing house, the amount of HBA will be limited to 34 month's basic pay subject to maximum of Rs.25 Lacs only; or the cost of expansion; or the amount according to repaying capacity; whichever is the least.
 - iii) In Rural Areas: The amount of the advance shall be restricted to 80% of true cost of the land and construction of house or cost of expansion of living accommodation.
Note: This can be relaxed and 100% can be sanctioned if the Head of Department certifies that the concerned rural area falls within the periphery of town or city.

4. **Cost Ceiling Conditions:**

- a) The cost of the house to be built/ purchased (excluding the cost of plot) should not exceed 139 times of the basic pay of the employee subject to a maximum of Rs.1 Crore (Rupees One Crore).
- b) The official should not have availed of any loan or advance for the purpose from any other Government source. However, an official can apply for advance under HBA rules if he undertakes to repay the outstanding loan/ advance with interest in one lump sum.
- c) If the official makes a final withdrawal from his GPF for this purpose, the total amount of the advance and final withdrawal should not exceed the limit in (a) above.
- d) The title of the land should be clear, the land may be owned by the Official or by the Official and Official's wife/ husband jointly.
- e) If the advance is for purchase of ready- built house/ flat from private parties, the house/ flat should be new and un-lived in and the applicant should get it valued at his cost by registered value.
Note: "Private Parties" include Registered Builders, Architects, house Building Societies etc. but not private individuals.

5. **Bank Migration:** Migration of Existing Government Employees who have already taken Home Loans from Banks/ other financial institutions as per Para.2 (VIII) of this Ministry's O.M. No. I-17011/11(4)/2016-H.III dated 9-11-2017 and 31-1-2018 on the above mentioned subject regarding fulfillment of extant conditions.
6. **Interest:** The interest on House Building Advance for the financial year 2017-18 onwards shall be 8.50% p.a. This shall be reviewed every three years to be notified in consultation with Ministry of Finance.
- i) With effect from 9/11/2017, the clause of adding a higher rate of interest@ 2.5% above the prescribed rate during sanction of HBA stands withdrawn.
- ii) With effect from 1/7/2017, the interest rebate available to HBA beneficiaries for promoting small family norms shall cease to exist.
- iii) The rate of interest prevalent on the date of release of advance/ first installment will be applicable for calculation of interest.
7. **Insurance:** Immediately on completion of construction/ purchase of house/ flat, the Government servant shall insure the house, at his cost, with the recognized institution as approved by IRDA for not less than the amount of advance against damage by fire, flood and lightning.
Note: Penal Interest of 2% over and above existing rate of interest will be recovered from the employee for those periods which are not covered by insurance of the house.
8. **Disbursement:** There are different stages at which the installments of advance are to be disbursed:
- i) **Purchasing of Plot and construction of single- storeyed/ Double-storeyed house.**
- Total= 3 Installments*
- (a) On executing the agreement in the prescribed Form No.5 and production of surety bond, 40% of the advance or actual cost will be disbursed for purchase of plot.
- (b) On executing the mortgage deed after purchase of plot.
- (c) On the construction reaching the plinth level.
- ii) **Construction of single-storeyed/ double- storeyed house or enlarging of living accommodation in an existing house.**
- Total= 3 Installments*
- (a) On executing the agreement in the prescribed Form No.5, 30% of the advance for actual cost will be disbursed.
- (a) On executing the mortgage deed.
- (b) On the construction reaching the plinth level.

iii) Enlarging living accommodation in the upper storeys of the house.

Total= 2 Installments

- (a) On executing the mortgage deed.
- (b) On the construction reaching the roof level.

iv) Purchasing a ready-built house.

One Installment

On executing the agreement in the prescribed Form No.5 and furnishing the surety bond in the Form No.6. And should ensure that the house is purchased and mortgaged to the Govt within 3 months of drawal of advance

v) Purchasing / Construction of a new flat

The amount may be disbursed in one or more convenient installments at the direction of the Head of Department. The amount drawn by the employee should be utilized for the purchase/ construction of the flat within one month.

Note: All the documents listed in List of documents are required to sanction the loan; the above said documents are required for disbursement of sanction amount