

My No. 40/7/3/1/31
Ministry of Public Administration
and Home Affairs
Independence Square
Colombo - 07.
23rd August, 2005.

Secretaries to Ministries
Chief Secretaries to Provincial Councils
Heads of Departments

Amendment to Section 11 of Chapter XXIV of the Establishments Code

Public Administration Circular No. 08/2005 issued on 31.03.2005 making new provision, in substitution for Section 11 of Chapter XXIV of the Establishments Code, for the payment of Property Loans through banks, is hereby amended by the addition of the following Sections.

02. Public Administration Circulars 08/2005 (1) and 08/2005 (II) issued as amendments to Public Administration Circular 08/2005 are hereby cancelled, and the provisions thereof are added on to this Circular. Appendix 26 and Appendix 28 to the Establishments Code are amended and Appendix 29 and Appendix 30 are inserted as new addition.

11:1. Purpose for which loans may be granted

- 11:1:6. For the purchase of a suitable building site, and the construction of a house in such site.
- 11:1:7. For the construction of a house in a land belonging to the spouse of an applicant / for effecting improvements to a house / for making an addition to a house / for completion of work of a semi-constructed house.
- 11:1:8. For the construction of a house / improvements to a constructed house / any new additions to a house / completion of the remaining work of a semi-constructed house, in a land received as a Swarnabhoomi / Jayabhoomi Grant or a land granted under the Land Reforms Commission.

11:2. Eligibility

- 11:2:3. Where the husband and wife are both Public officers, each of them will separately be entitled to the loan
 - 11:2:3:1. If both spouses are public officers, the officer who has not obtained the loan may obtain, from the same bank from which a loan was obtained by the other, a joint loan for the construction of a house / effecting improvements to a house already constructed / making additions to a house / completion of work of a semi-constructed house, in a land purchased on a loan already obtained from a bank which grants Property Loans. However in the event that the previous loan has been obtained at the rate of interest prevailing prior to the date of issue of this present Circular, such previous loan shall not be entitled to the interest borne by the Government.

11:2:3:2. In the event that both spouses are both Public officers, both may obtain a joint loan for the construction of a house / for the purchase of a suitable building site and the construction of a house / for the purchase of a land with a house flat.

11:2:5. Notwithstanding that the spouse of the applicant for the loan is not a Public officer, a joint loan may be obtained for the construction of the house on a land owned by such spouse.

11:2:6 A loan under the scheme shall be granted only once during one's career.

Officers, who have already obtained the property loan in terms of Chapter XXIV of the Establishments Code for the purposes specified in Section 11:1, shall not be entitled to obtain a further loan under the present scheme.

11:4. Amount of the Loan

11:4:1. The maximum amount of the loan that an officer may obtain shall be 5 years consolidated salary of the officer excluding the allowances or a sum of Rs. 2 Million whichever is less.

11:9. Fees for processing of loan applications

The cost of the documents to be furnished in respect of the loan to be obtained from a recommended bank, viz. the assessment report and lawyers' fees inclusive of travelling, amounting to Rs. 7500/- or 1% of the amount of the loan whichever is less should be paid.

11:9:1. The minimum fee payable by the officer as mentioned in Section 11:9 above shall be added on to the approved amount of the loan and deducted from the monthly installments.

11:9:2. The cost of obtaining folios from the Land Registry, the Report on Title, fees for the Survey Plan and the cost of Title Insurance in the case of any shortcomings in the title shall be borne personally by the officer (in addition to the amount specified in Section 11:9 above)

11:10. General conditions applicable to property loans

11:10:1:3. In approving the maximum amount of the loan to be granted to an officer by the bank, the amount shall be determined considering the possibility of deduction of both the 4% of interest that can be levied from the employee as well as the loan installment from the net monthly salary of the officer, excluding allowances.

11:11. The procedure for forwarding and recommending of loan applications

11:11:1. An applicant for the loan should prepare his application in duplicate in conformity with Appendix 26, with the relevant documents in terms of to Appendix 29 and forward to the Secretary to the Ministry / Head of Department together with the perfected application issued by the bank from which the loan is to be obtained.

11:11:2. The Ministry / Department should take action to enter the loan application concerned in a register, determine the amount of the loan that can be granted in terms of Section 11:10:1, and forward the recommended application within one week to the bank from which the applicant has indicated his consent to obtain the loan.

11:11:5. Where any further clarifications are required by the bank in respect of the loan application recommended to the bank by the Ministry / Department the officer should furnish such clarifications. In the case of any failure to furnish such clarifications within three months, the application will be rejected. This period will on no account be extended and such applications for extension will be treated as a fresh application and placed in the waiting list.

03. Loans may be granted in the year 2005 for any of the purpose mentioned in Section 11:1 and priority should be given to the property loans for the above purposes already approved as at 31.12.2004.

04. The Secretary concerned should furnish to the banks specified in Appendix 28 to which the respective loan applications are recommended and forwarded in terms of Section 11:11:1, a list of designations of the officers of the Departments and Institutions under his Ministry.

Sgd./ D. Dissanayake
Secretary
Ministry of Public Administration
and Home Affairs

Appendix 26
Form of Application for Loan
(11.11.1)

1. Name with initials: Mr./ Mrs./Miss.....
Names indicated by the Initials:.....
Permanent Address:.....
.....
Civil Status:.....
Date and Place of Birth:..... NIC No:
- Telephone No. (Residence).....
Place of work:.....
Designation..... No. of Years in Service
- Telephone No. (Official).....
2. Name of wife/husband in full:.....
Date and place of Birth:..... NIC No:
- Place of work:.....
Address.....
Designation..... No. of Years in Service:.....
- Telephone No. (Official).....
- No. of dependants , their names and age:.....
3. Purpose for which the Loan is applied(Section 11.1):.....
4. Quantum of the Loan: Rs.:..... Repayment Period:.....
5. Legal Description of Property offered as security
Assessment No:..... Extent of Land:.....
Street and Town:.....
Ownership:.....
Purchase Price:..... Cost of Construction Rs:.....
Plan No: Lot No:..... Date of plan:.....
Surveyor's Name :
- Encumbrances if any.....
6. Monthly Income:
- Total salary of Applicant: Rs.....
Total salary of Spouse: Rs.....
Other Income (specify): Rs
- Total Income: Rs.....

7. Bank Accounts:	Name of Branch	Account No.	Type of Account
Name of Bank			
.....
.....

8. Existing obligations as borrower or guarantor

Name of Bank	Org. amount	Present O/S	Security Offered	Purpose for which Loan was taken
.....	Rs.....	Rs.....	Rs.....	Rs.....
.....	Rs.....	Rs.....	Rs.....	Rs.....

9. Herewith I submit the Documents (originals) to be furnished in applying for the Loan in terms of Appendix 29

In the case of a purchase:

Agreement regarding the sale, Copy of Deed and Approved Building Plan, Statement expressing Vendor's written consent to sell (In terms of Appendix 30.)

10. The Law Governing the Applicant:

Common Law/ Kandyan Law/ Tesawalame Law/ Muslim law

I agree to obtain a Property Loan in terms of the Provisions in Section 11 of Chapter XXIV of the Establishments Code, governing the granting of Property Loans and in conformity with the Rules and Regulations enforced by the Bank.

.....

Signature of Applicant

Date:-

To be perfected by the Establishments Branch (of the Ministry/ Department).

1. Date of first appointment:.....
2. Date of birth:.....Age as on the date of application:.....
3. (a). Is the post permanent and pensionable?
(b). If so, from which date?
4. Particulars of any current loans obtained from the Government

Category of Loans	Balance outstanding on

5. Particulars of salary per month

I.	Consolidated salary per month	XXX
II.	Allowances	<u>XXX</u>
III.	Total Salary	XXX
IV.	Total deductions (inclusive of obligatory deductions)	<u>(XXX)</u>
V.	Net Salary	<u>XXX</u>

(Salary particular for the relevant month are attached)

- VI. The maximum amount of loan that can be granted to the officer in terms of the provisions of Section 11.4.1 in Chapter XXIV of the Establishments Code should be determined taking into consideration the deduction of both the 4% of interest that can be levied from the employee, as well as the loan instatement from his/ her net monthly salary.

(..... in figures)

(..... in words)

6. Particulars of any charges of misconduct pending against the officer, or any charges of misconduct under investigation:-

Date:

**Staff Officer,
(Establishments)**

Recommendation of the Secretary to the Ministry/ Head of Department

My No. :-
Ministry/ Department :-

Manager
..... Bank
..... Branch

I recommend that the maximum amount of the loan that may be granted to Mr./Mrs./Miss..... at his/ her request, for the purpose of , at the subsidized rate of interest offered by the government, recoverable from the monthly salary is, Rs.

Further I agree to remit monthly to the Bank, in terms of Section 11.7.1, the loan installment calculated by the Bank on his/ her salary as recommended by the Bank, together with the interest at the rate of 4% payable by the officer, being the loan installment inclusive of the interest borne by the government.

Signature:.....
Name:.....
Designation:.....
Official Frank:.....

APPENDIX 28
List of Banks for obtaining Loan
(11.11.6)

1. Peoples' Bank
2. Bank of Ceylon
3. State Mortgage and Investment Bank
4. National Savings Bank
5. Housing Development Finance Corporation of Sri Lanka

APPENDIX 29

Documents to be forwarded to the Bank with the Loan Application.

(11:11:1)

The following documents should accompany the Loan Application

1. The National Identity Card (Original and one (1) photostat copy)
2. Statement of last drawn salary (The statement of last drawn salary certified by the employer)
3. Approved Survey Plan (Original)
4. Title Deeds (Original)
5. Entries for 30 years (Folios from the Registrar of Lands)
6. Documents to be obtained from the Local Authority-
 - Certificate of ownership of property
 - Non-vesting Certificate
 - Street Line and Building Certificates
 - Assessment Notice and receipt for the payment of rates for the last quarter
7. Sketch plan showing Means of Access
8. Valuation report and Cost Estimate
9. Approved Building plan
10. In the case of a purchase, letter from the vendor (In terms of Appendix 30) and vendor's National Identity Card or a legally acceptable Identity Card (e.g. Driving License or a valid Passport)

N.B.: The documents relevant to the amount of the loan applied for, would be adequate.

Appendix 30

Declaration of Property Owner’s consent to sell the Property

(11:11:2)

.....
.....
.....

Date:

.....
..... Bank
Colombo

Declaration of Consent to sell the Property.

I / We residing at the
(Full name of vendor)

above address declare my/our consent to sell the allotment of land/house property described
below owned by me/us and situated within the area of authority of the
.....Municipal Council / Urban Council/
Pradeshiya Sabha, to
(Full name of vendee)

.....
(National Identity Card - Number and date)
residing at.....
(Address of vendee)

1. Deed No./ Court Decree No.....date
Name of attesting Notary

2. Name of Licensed Surveyor who prepared the Survey Plan
Date of Survey Plan
Lot No..... Extent:Acres:.....Roods:.....Perches:.....
Assessment No:.....Name of Street:.....

3. I declare my consent to sell the above property for a sum of Rupees
(in words)
(Rs.....)

In consideration of the sale of this property I have already received a sum of
Rs....., which I acknowledge, I declare my consent to accept, at the time of
attestation of the deeds, any difference between the amount of the loan approved by your
institution and the sale price agreed upon already. I/ We request that the sum of money
payable to me, be credited to my Bank Account, the particulars of which are as follows:

4. Name of Bank Account:.....

Bank/ Branch:.....

Account No:

(In the event that a Power of Attorney has been executed, the particulars of the Bank Account should be those of the Vendor and not those of the Attorney)

5. The Vendor's specimen signature should be attested by one of the following:

1. The Grama Niladhari of the relevant Division 01.

2. An Attorney for the area of Jurisdiction

3. The Chief Priest of a place 02.
of religions worship

4. A Civil List Officer

.....
Specimen signature/s of the
Vendor / Vendors, with Number
and date of the National Identity Card

01.....

02.....

Signature attested by:

Name:.....

Designation:.....

Address:.....

.....

SignatureDate.....

N.I.C. Number