

GOVERNMENT OF ANDHRA PRADESH  
ABSTRACT

LOANS AND ADVANCES – Extension of the facility to the Government employees for obtaining loan from the Financial Institutions on the second mortgage for other purposes, other than House Building, on the house property or flat acquired through the Government loans – Orders – Issued.

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FINANCE (A&L) DEPARTMENT

G.O.Ms.No. 38

Dated:11-02-2014

Read the following:-

1. G.O.Ms.No.356, Fin & Plg (FW:A&L) Department, dt.18-10-1994.
2. From the General Administration (OP.I) Department's  
U.O.No.27316/OP.I/2013-3, dt.01.11.2013.

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ORDER:

In the reference first read above, Government have issued orders permitting the Government employees who were sanctioned House Building Advance from the Government to create a second mortgage on the house property towards meeting the balance cost of house / flats by the recognised Financial Institutions subject to certain conditions mentioned therein.

In the reference second read above, the General Administration (OP.I) Department have forwarded a request for consideration of relaxation of rules to enable the Govt employee who obtained HBA, to go for second mortgage of house to the Financial Institutions for other purposes also other than House Building to use the amount for the needs of their children education and daughters' marriage, due to their poor financial condition of family and thereby they could be permitted to meet such important personal needs from their own sources of income. It would amount to no financial implications on the exchequer of State Government for this facility created to the Govt employees to go for second mortgage of property for obtaining loans from financial institutions such as LIC, Nationalised Banks, Cooperative Banks etc.

Government after careful consideration hereby order to extend this facility of second mortgage on the property provided to avail for education purpose of their children and also for daughters' marriage, in addition to loans granted for meeting the balance cost of house / flat by the recognised financial institutions. This will enable the Govt employees to lead the normal socio economic life without any financial troubles. The second mortgage permitted now is however, subject to the following conditions:-

- (i). The existing conditions to create second mortgage for house / flats that are obtained through sanction of House Building / flat loans from Govt will be applicable for education and marriage purposes also, on which the Govt employees intended to create second mortgage;
- (ii). It is the responsibility of financial institutions to arrive at the ceiling of maximum loan amount to be sanctioned to the Govt employee concerned, based on the value of property mortgaged, after taking into account the loan amount already obtained from the Government for house property and interest payable thereon at the time of sanction of loan;
- (iii). Any court litigations that may arise, if the Govt servant fails to comply with the terms and conditions of financial institutions after availing loans, the responsibility lies with the Govt employees to face the situation created by the Financial Institutions and also before the Court of Law, and no responsibility lies on the Government either directly or indirectly either from loan sanctioning institutions or from the Government employee's side; and

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(iv).The documents mortgaged to the Govt., on HBA shall be released only after the Govt loan is cleared.

These orders shall come into force with immediate effect.

Necessary amendments to the H.B.A Rules will be issued separately

These orders are available on Internet and can be accessed at the address <http://www.apfinance.gov.in> and <http://www.goir.ap.gov.in>  
(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

Dr D.SAMBASIVA RAO,  
PRINCIPAL SECRETARY TO GOVERNMENT (FP)

To  
The Accountant General, Andhra Pradesh, Hyderabad.  
The Director of Treasuries & Accounts, AP, Hyderabad.  
The Pay & Accounts Office, Hyderabad.  
All Departments of Secretariat.  
All Heads of Departments.  
SF/SCs.,

//FORWARDED::BY ORDER//

SECTION OFFICER