

# STATE BANK OF INDIA OFFICERS' ASSOCIATION

## (BENGAL CIRCLE)

(Registered under Trade Unions Act 1926-Regd. No. 6908)

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IP No. 500077

Circular No. 116/2018

Date : 04.09.2018

### To All Members (Please Circulate)

We reproduce hereunder the Circular No. 97 dated 04.09.2018 issued by the General Secretary, All India State Bank Officers' Federation, the contents of which are self-explicit.

With revolutionary greetings,

**Soumya Datta**  
(General Secretary)

### To all our Affiliates / Members:

#### HOUSING LOAN – SUGGESTION/CLARIFICATION

We have today sent a communication to the Management on the above subject. A copy is enclosed. We note to keep our members advised of further developments in due course.

With greetings,

**(RAMKUMAR SABAPATHY)**  
**GENERAL SECRETARY**

No.6528/41/18

DATE: 04.09.2018

To,  
**The Deputy Managing Director & CDO,**  
State Bank of India,  
Corporate Centre,  
Madame Cama Road,  
**MUMBAI - 400 021.**

Dear Sir,

#### HOUSING LOAN – SUGGESTION/CLARIFICATION

We are happy that the Bank has in the recent past brought in many improvements in respect of Housing loans. However, we would like to suggest further improvements in the area of Housing loans.

1. At many Metro/Major 'A' Centres old apartments are demolished and the society undertakes re-development. The present rules do not provide for adequate clarity in the following cases.

- In case where the flat owned by the officer, is demolished and reconstructed by the builder as part of re-development project, whether the officer shall be eligible for additional Housing loan within the outer limit, to meet the cost of re-development with or without additional rooms.
- If admissible, whether this will be treated as second house, if the officer does not own any Flat other than the one under re-development.
- Whether the earlier loan will have to be liquidated as there will be no security available.

2. Presently, stamp duty and registration on housing loan is not considered as part of project cost if the total project cost exceeds Rs. 10 lacs (earlier bank used to consider). Due to this the staff are finding it difficult to raise fund (charges for stamp duty and registration is very high) in addition to 10% margin they have to bring in for availing housing loan. The rationale behind RBI's guidelines not to consider stamp duty and registration charges as part of the project is that if an account becomes NPA the realisable value is less than the loan outstanding and Banks have to suffer on account of this. This can be made applicable to housing loan for Public. But in case of Staff housing loans the probability of loan becoming NPA is Nil. Also in extreme case the account becomes NPA for whatever reason the realisable value of the flat plus balance available in provident fund and gratuity of staff will be sufficient to recover the Bank's dues.

3. In view of the above, we request for suitable clarification on the issue.

With regards,

Yours faithfully,

**(RAMKUMAR SABAPATHY)**  
**GENERAL SECRETARY**

**Soumya Datta**  
General Secretary  
Mobile : 9830044737