

## 23. <sup>1</sup>THE ALL INDIA SERVICES (HOUSE BUILDING ADVANCE) RULES, 1978

In exercise of the powers conferred by sub-rule (1) Section 3 of the All India Services Act, 1951 (61 of 1951) the Central Government after consultation with Governments of the States concerned, hereby makes the following rules, namely:

**1. Short title and commencement.**-(i) These rules may be called the All India Services (House Building Advance) Rules, 1978.

(ii) They shall come into force on the date of their publication in the Official Gazette.

**2. Definition.**- In these rules, unless the context otherwise requires, "member of the Service" means a member of an All India Service, as defined in section 2 of the All India Services Act, 1951 (61 of 1951).

**3. Regulation of House Building Advance.**-A member of the Service shall be eligible to the grant of House Building Advance at such rates, and subject to such conditions as may be specified by the Central Government from time to time in respect of officers of the Central Civil Services, Group 'A':

Provided that such member may elect to the grant of House Building Advance at such rates subject to such conditions as may be specified from time to time by the State Governments or State Governments on whose cadre he is borne in respect of officers, of the State Civil Services, Class I.

**4. Interpretation.**-If any question arises as to the interpretation of the rules, it shall be referred to the Central Government who shall decide the same.

### GOVERNMENT OF INDIA'S INSTRUCTIONS

#### GOVERNMENT OF INDIA'S INSTRUCTIONS UNDER RULE 3

**1. House Building Advance can be granted by the Central Government to the All India Service officers, who will be absorbed in the Central Administrative Pool:-** As the State Governments are probably aware, assistance in the form of loans is given to the Central Government servants for house-building purposes. A copy of the rules framed in this regard together with the latest amendments are forwarded herewith. These rules are not applicable to All India Services officers serving at the centre, as technically they are officers borne on the State cadres. The Government of India had recently an opportunity to examine the question whether or not the All India Services officers on deputation to the Centre, should also be given assistance in the shape of loans for house-building purposes as in the case of other Central Government servant. They have come to the conclusion that officers of the All India Services who are on permanent deputation to the Centre, i.e. such of those who will be absorbed in the Central Administrative Pool, should be given loans by the Central Government themselves, as these officers will continue to serve at the Centre till retirement. It is also

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<sup>1</sup> The principal rules were notified vide DP&AR Notification No. 29019/1/75-AIS (II), dated 31.05.1978

proposed to give such assistance to the All India Services officers who have been on deputation for a continuous period of 5 years. In regard to other All India Service officers, who are on deputation to the Centre, or are serving under the State Government, the State Government may themselves grant the loans for house-building purposes.

2. I am to request that if All India Services officers are not already entitled to loans for house-building purposes under the rules framed by the State Government, necessary amendments may be made to their rules for grant of loans to All India Services officers also. Such rules could be on the lines of the rules framed by the Government of India in this regard. If, however, the State Government are unable to adopt such rules for want of funds, the Government of India are prepared to advance the necessary funds in this regard. As the State Governments are aware, All India Services officers are allotted to states other than the states of domicile. It is, therefore, necessary to provide in the rules that loan may be granted to the officers for building houses even outside the state to which they have been allotted. Necessary provision to this effect may be made in the State Rules, if such a provision does not exist already.

3. I am to request the State Government may kindly examine the proposal contained in the preceding paragraph and inform the Government of India as early as possible the action taken thereon.

*[Ministry of Home Affairs, Letter No.55/57-AIS(III) dated 11/11/1957]*

**2. In the case of All India Service officers on deputation to the Central Government, applications for House Building Advance shall be processed and the advance sanctioned by the government of the State on whose cadre the officer is borne:-** I am directed to say that under the All India Services (House Building Advance Rules, 1970, a member of an All India Service is eligible to the grant of house building advance either under the Central Government rules or under the State Government rules. The Controller General of Accounts, Ministry of Finance, has suggested that this Department might issue instructions to the effect that in the case of All India Service officers working under the Central Government, the application for house Building Advance should be processed and advance sanctioned by the Government of the State on whose cadre he is borne. The CGA has made this suggestion for the following reasons:-

- (i) The house building advance is recoverable in installments over a period of 20 years. During this period the officer would have served in several capacities/posts under the State/Central Government Departments with Accountant General/Pay and Accounts Officer performing accounting functions.
- (ii) The officer has to enter into relevant agreement and mortgage the property in favour of the government (in favour of President or Governor, as the case may be) which gives the advance and hence it would not be legally and technically permissible to transfer the outstanding balance from Centre to State in the event of the transfer of the officer from Centre to State for facilitating recovery of the advance and maintaining account thereof and further, problem of allocation of interest element between Central and the State Government would crop up.

- (iii) Retirement Benefits of All India Service officers are paid by the State Government/State Accountant General concerned and in large number of cases the outstanding balance of the advance is required to be recoverable in one lump-sum from the gratuity etc payable to the officer. In such cases, if the Central Government had sanctioned house building advance, there is likely to be delay in finalizing the pension case.
- (iv) The Department have carefully considered the suggestion made by the Controller General of Accounts, Ministry of Finance and it is proposed to accept the same and issue instructions to all concerned to the effect that in the case of All India Service officers on deputation to the Central Government also, applications for House Building Advance shall be processed and the advance sanctioned by the government of the State on whose cadre the officer is borne. I am to request that the comments of the State Government in this regard may kindly be communicated to this Department immediately.

*[Department of Personnel and Administrative Reforms, Letter No. 14018/3/80-AIS(II) dated 26/11/1980]*

**3. Members of the All India Services on Central deputation may be granted HBA from the Central Ministries/Departments in which they are working in accordance with the existing rules and the interest rates. However, the balance of the HBA in respect of such officers, on their repatriation to the parent State Cadre shall, as a one time transaction, be debited to the concerned State Government and credited to the Central Government-** I am directed to say that under the All India Services(HBA) Rules, 1978, a member of an All India Service is eligible to the grant of HBA either under the Central Government rules or under the State Government rules, as opted by him. Prior to issuance of the aforesaid rule the issue of grant of HBA to the members of the All India Services was considered by the Central Government and a decision was taken in this regard which was conveyed to the State Governments in its letter No. 55/57-AIS(III) dated 11<sup>th</sup> November, 1957 (copy enclosed). At that time it was decided that officers of the All India Services who are on permanent deputation to the Centre, i.e. such of those who will be absorbed in the Central Administrative pool, should be given loans by the Central Government themselves, as those officers would continue to serve at the Centre till retirement. It was also decided to give assistance to the All India Services Officers who would have been on deputation for a continuous period of 5 years. In regard to other All India Services officers who were on deputation to the Centre or were serving under the State Government, the State Government concerned may grant the loans for house building purposes.

2. The aforesaid decision was reviewed by the Central Government on the basis of suggestion made by the Controller General of Accounts, Ministry of Finance and it was decided that in the case of All India Services officers working under the Central Government, the application for HBA should be processed and advance sanctioned by the Government of the State on whose cadre the officer was borne. This decision was issued in this Department's letter No. 14018/3/80-AIS(II) dated 26<sup>th</sup> November, 1980, a copy of which is enclosed.

3. As decided above members of the All India Services have been granted HBA from the State Government concerned and the Central Government has been giving

assistance to the State Government in the form of reimbursement of their expenditure. However for the last so many years the amount of expenditure met by the State Government in grant of HBA to the members of the All India Services has been increasing but the Central assistance has not been increased to the tune. Resultantly we are not making reimbursement of cent percent expenditure met by the State Governments due to non-availability of adequate budget provision for the purpose. Of late, it has been felt that due to financial hardships in most of the State Governments, the members of the All India Services have been denied HBA from the State Government.

4. Representations from the individual All India Services officers have been received in this Department which have been considered in consultation with the Ministry of Finance(Department of Expenditure). It has been decided that the members of the All India Services who are serving at the Centre on Central deputation may be granted HBA from the Central Ministries/Departments in which they are working in accordance with the existing rules and the interest rates with the stipulation that the balance of the HBA in respect of such officers, on their repatriation to the parent State Cadre shall, as a one time transaction, be debited to the concerned State Government and credited to the Central Government. As regard grant of HBA to the members of the All India Services who are working with the State Government concerned, the State Government concerned will grant HBA to them as per existing practice.

[DOPT letter No. 14018/1/2004-AIS-(II) dated 7/5/2004]

**4. Grant of House Building Advance to members of All India Services on deputation to centre:-** I am directed to say that under the All India Services (House Building Advance) rules 1978, a member of an All India Service is eligible to grant of House Building Advance either under the Central Govt. rules or under the State Govt. Rules. The Controller General of Accounts, Ministry of Finance, has suggested that this department might issue instructions to the effect that in the case of All India Services Officers working under the Central Govt., the application for House Building Advance should be processed and advanced sanctioned by the Govt. of the State on whose cadre he is borne. The C.G.A. has made this suggestion for the following reasons:

- (i) The House Building Advance is recoverable in installments over a period of 20 years. During this period the officer would have served in several capacities / posts under the state/ Central Govt. Departments with Accountant General / Pay & Account Officers performing Accounting functions.
- (ii) The Officers has to enter into relevant agreement and mortgage the property in favour of the Govt. (in favour of President or Governor as the case may be) which gives the advance and hence it would not be legally and technically permissible to transfer the outstanding balance from Centre to the State in the event of the transfer of the officers from centre to State for facilitating recovering of the advance and maintaining account thereof and further, problem of allocation of interest element between Central and the State Govt. would crop up.
- (iii) Retirement benefits of All India Service Officers are paid by the State Govt. / State Accountant General concerned and in large number of cases the outstanding balance of the advance is required to be recoverable in one

lumpsum from the gratuity etc. payable to the officers. In such cases, if the Central Govt. had sanctioned House Building Advance, there is likely to be delay in finalizing the pension case.

2. This Department have carefully considered the suggestion made by the controller General of Accounts, Ministry of Finance and proposed to accept the same and issue instruction to the concerned to the effect that in the case of All India Service Officers of on deputation to the Central Government also, application for house Building Advance be processed and the advance sanctioned by the Government of the state on whose cadre the officer is borne. I am to request that the comments of the State Government in this regard may kindly be communicated to this Department immediately.

*[DOPT Letter No.14018/3/80-AIS(II) dated 26.11.1980]*

**5. Grant of loans for House Building Purposes for officers:-** As the State Governments are probably aware, assistance in the form of loans is given to the Central Government Servants for House Building Purposes. A copy of the rules framed in this regard together with the latest amendments forwarded herewith. These rules are not applicable to All India services Offices serving at the Centre, as technically they are officers borne on the State Cadres. The Government of India had recently an opportunity to examine the question whether or not the All India Services Officers on deputation to the Centre, should also be also be given assistance in the shape of loans for House Building purposes as in the case of other Central Government Servants. They have come to the conclusion that officers of the All India Services who are on permanent deputation to the Centre, i.e., such of those who will be absorbed in the central Administrative pool, should be given loans by the Central Govt. themselves, as these officers will continue to serve at the Centre till retirement. It is also proposed to give such assistance to the All- India Services Officers who have been on deputation for a continuous period of five years. In regard to other All India Services officers, who are on deputation to the centre, or are serving under the State Govt., the State Govt. may themselves grant the loans for House Building purposes.

2. I am to request that if All India Services Officers are not already entitled to loans for House Building purposes under the rules framed by the State Governments, necessary amendments may be made to their rules for grant of loans to the All India Services Officers also. Such rules could be on the lines of the rules framed by the Govt. of India in this regard. If however, the State Government are enable to adopt such rules for want of funds, the Government of India are prepared to advance the necessary funds in this regard. As the State Government are aware, All India Services Officers are allotted to States other than the States of domicile. It is, therefore, necessary to provide in the rules that loan may be granted to the officers for building house even outside the state to which they have been allotted. Necessary provision to this effect may be made in the state rules, if such a provision does not exist already.

3. I am to request the State Govt. may kindly examine the proposal contained in the preceding paragraph and inform the Government of India as early as possible the action taken thereon.

*[DOPT letter No. No. 55/57-AIS (III) dated 11.11.1957]*

**6. Clarification regarding ½% less interest to All India Service Officers for promoting small family norms:-** I am directed to refer to the above subject and to state

that reference from some State Governments were received for clarification on the issue. The matter has been examined in consultation with Integrated Finance Division. As per the All India Service (House Building Advance) Rules, 1978, para (3) under the "Regulation of House Building Advance" - A member of the Service shall be eligible to the grant of House Building Advance at such rates and subject to such conditions as may be specified by the Central Government from time to time in respect of officers of the Central Civil Service, Class I.

2. In view of the above position, it has been decided that the benefit of rebate of (0.5%) in the rate of Interest on House Building Advance may be allowed to the members of All India Services for promoting small family norms in accordance with the provisions laid down in the O.M.No.1/17015/13/79-H.III dated 01.09.1979 and 22.09.1980 (copy enclosed) and further instructions/clarification in this regard issued by the Government of India from time to time.

[DOPT letter No.14018/4/2008-AIS(II) dated 07.08.2008]

**7 Interest Rate applicable on Loans to State Governments to meet the expenditure incurred by them in connection with the grant of House Building Advance to the members of the All India Service:** - I am directed to refer to above cited subject and to say that year wise (beginning financial year 2002-03 up to the current financial year) interest rate and penal rate of interest on Loans and Advances by the Central Government to State Governments are as per the following details :

S.No.	effective for Financial Year(s)	Interest Rate on loan to State Government(s)	Penal rate of interest above the normal rate of interest on which loan sanctioned
1.	2002-2003	11.50%	2.75%
2.	2003-2004	10.50%	2.75%
3.	2004-2005	09.00%	2.75%
4.	2005-2006	09.00%	2.50%
5.	2006-2007	09.00%	2.50%
6.	2007-2008	09.00%	2.50%
7.	2008-2009	09.00%	2.50%

2. All the State Governments are requested to make a note of the above rates as applicable and to make necessary adjustments in respect of Loan from Central Government under "Major Head" 7601-Loans and Advances to State Governments "Sub. Major Head" 01-Loans for Non Plan Schemes 01- All India Services Officers 01.00.55 Loans and Advances (Non-Plan for respective financial year(s)).

**(For the year 2009-2010 the rate of interest may be treated as 09.00% and 2.50% for Interest Rate on Loan to State Government(s) and Penal rate of Interest above the normal rate of interest respectively)**

[DOPT letter No.14018/2/2008-AIS-II dated 26.03.2009]

**8. Cost ceiling limit in r/o House Building Advance:-** I am directed to say that Ministry of Urban Development by its OM No. 17011/11(4)/2008-H.III dated 27.11.2008(coy enclosed) has issued order containing some provisions for House

Building Advance to be in operation pending finalisation of new arrangements in terms of 6<sup>th</sup> Central Pay Commission's recommendations.

2. The applicability of the provisions of aforesaid Office Memorandum of the Ministry of Urban Development to the members of All India Services has been considered. It has been decided that the provisions contained in the aforesaid Office memorandum issued by the Ministry of Urban Development shall be equally applicable **Mutatis – Mutandis** to members of All India Services (House Building Advance) Rules, 1978.

*[DOPT letter No.14018/3/2010-AIS-II dated 26.05.2010]*

**Copy of the O.M. of Ministry of Urban Development dated 27.11.2008**

The undersigned is directed to say that the implementation of the recommendations of the 6<sup>th</sup> CPC relating to interest bearing advances including House Building Advance, granted to Central Government Employees is under consideration of the Government and pending finalisation of the new arrangements, the matter has been examined in consultation with the Department of Expenditure and the following provisions for House Building Advance shall be in operation :

- (a) The maximum limit for grant of HBA shall be 34 month's of pay in the pay band subject to a maximum of Rs.7.50 lakhs or cost of the house or the repaying capacity whichever is the least for new construction/purchase of new house/flat.
- (b) The maximum limit for grant of HBA for enlargement of existing house s hall be 34 month's pay in the pay band subject to maximum of Rs.1.80 lakh or cost of enlargement or repaying capacity , whichever is the least.
- (c) The cost ceiling limit shall be 134 times the pay in the pay band subject to a minimum of Rs.7.50 lakhs and a maximum of Rs. 30 lakhs relaxable up to maximum of 25% of the revised maximum cost ceiling of Rs.30 lakhs.

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