
STAFF LOANS

Common Guidelines:

1. If Clean OD is not availed 25% take home pay is required.
2. If Clean OD is availed 40% take home pay is required.
3. Festival advance is included in category of 4 loans.
4. Retail Loans for staff - Eligibility as per Circular HO/SL&PS/39/2003-04/326 dated 15/12/2003.

(1) STAFF HOUSING LOAN:

a) OSR Provision: Regulation 28

Loans for the purchase of house:

The Bank may grant to an officer confirmed in the Bank's service, a loan for the purchase of land for construction of a house or for purchase or construction of a house, flat or apartment or for extension or renovation of a house, flat or apartment on such terms and conditions as the board may decide generally or with reference to any particular loans having regard to the guidelines of the Government.

b) Bank's Policy/Scheme – Staff Housing Loan:

Nature of Loan Facility

Staff Housing Loan

Circular No.

HO/Est/Per/49/20/92/45 Dt 15/05/1992

HO/Est/Per/58/32/2001/3 Dt 03/04/2001

HRD/ 68 /31 /2010-11/ 308 Dt 29.07.2010

Eligibility:

- i) Confirmed employees with minimum 2 years of satisfactory continuous service in the Bank.
- ii) Ex-servicemen may account their past military service for the purpose of eligibility after confirmation in the Bank.
- iii) If the husband and wife are working in the Bank, either in the same cadre or in different cadres, both of them shall now be eligible to raise Staff house loan as per their eligibility in the respective cadre. The loan thus availed can be either for constructing/purchasing a single dwelling unit or for additional dwelling unit. The repaying capacity shall be adjudged on the each individual's emoluments vis-à-vis amount of loan raised in his/her name.
- iv) A Bank Officer on deputation to a Government Department or on Foreign Service will be entitled for loan from our Bank only.
- v) Employees under suspension will also be eligible for Staff Housing Loan facility subject to furnishing collateral security in the shape of mortgage bond from 2 permanent employees of the Bank in the minimum same rank.
- vi) At present the employees are entitled to Housing Loan only once in their service carrier. However keeping in view the difficulties being faced by employees in accommodating their families in single house or transfer at another place, it is proposed to allow 2nd House Loan under revised Staff Housing Loan Scheme subject to the condition that the previous Staff Housing Loan has been fully adjusted and the employee has sufficient repaying capacity and remaining service for the proposed facility. The employees who have availed the Staff House Loan under earlier Staff HL schemes and the same have since been fully repaid, shall also be eligible for 2nd House Loan for another dwelling unit or for enlargement of existing house subject to fulfilling the other eligibility criteria and remaining service to repay the proposed loan. **The 2nd House Loan under the scheme shall be**

permitted only for genuine purpose and after assessing the need based requirement of the employee and merits of the case by sanctioning authority. In no case, the facility shall be permitted for any speculative purpose.

Amount

Maximum quantum of Loan for purchase of new house/ construction/ purchase of plot & construction thereon, including enlargement/construction of additional floor on the existing house	` 20.00 Lac
Maximum quantum of Loan-for repairs/renovation of existing premises	` 5.00 Lac
Margin	10%

Rate Of Intt. 8.00% p.a. or Bank's base rate (simple), whichever is lower

Repayment:

- The loan together with interest thereon shall be repayable in not more than 300 monthly installments provided that the employee may select to repay in a shorter period if he/she so desires and the emoluments so permit. In case the remaining service of the employee as on date of availing the facility is less than 25 years, the repayment period shall be affixed in such a manner that the principal and interest are repaid during the service of the employee. The residual amount if any shall be deducted from the superannuation benefits/proceeds.
- The amount of Principal should be recovered in 185 and the amount of Interest should be recovered in remaining 115 monthly installments by deducting the amount of installment from the salary of the employee.
- In case of construction of new house, the repayment will commence from the month following the completion of house or 24 months after the date of first disbursement, whichever is earlier.
- In case of purchase of built up house, the repayment will commence from the month following the month of purchase or 6 months after the date of disbursement, whichever is earlier.
- For the purpose of repaying capacity, the employee should have take home salary of minimum 30% of Gross emoluments after taking into consideration the existing deductions as well as installment of the proposed loan. However, in case the employee has availed the staff over draft facility, the net take home should be minimum 30% of the gross emoluments after accounting for the monthly interest on over draft along with other deductions. In case the facility is being utilized for takeover of liability from other Bank/FIs or conversion of general Housing Loan for public availed from our Bank, the existing deduction for the facility being taken over/converted may be added in the net take home and the monthly installment of the proposed Staff Housing Loan shall be accounted for while calculating the 30% ceiling.

Margin: 10%

Purpose:

- Acquiring a plot and constructing a house thereon
- Constructing a new house on the plot already owned by the official or jointly with his/her spouse or in the name of spouse only subject to the condition that spouse shall stand as co-borrower
- Getting a plot under co-operative scheme of building a house where title will vest on the official before the house is built
- Enlarging the existing house owned by the official or jointly with his/her spouse or in the name of spouse subject to the condition that original cost of existing structure (excluding cost of land) and the proposed additions should not exceed the prescribed cost ceiling.
- The cost ceiling for all the above purposes shall be as under:

- For property falling in Area-I and Major A Class cities: Rs.75.00 Lac
- Others : Rs.50.00 Lac
- In case the cost is beyond the abovementioned ceiling, the case shall be dealt strictly on merits by the General Manager (Mid-Corp) at HO.
- Reconstructing a house by demolishing the existing construction, subject to approvals of local body or the competent authority as the case may be. Such cases shall be considered as New construction and no loan against the said house should be outstanding at the time of sanction of facility.
- Conversion of hire purchase into outright purchase of house/flat from State Housing Boards or State controlled bodies and outright purchase of new ready built house/flat from Govt. / Semi Govt./Local bodies/Housing Boards/Development Authorities/Group Housing Societies and private parties.
- Repayment of loan taken from Bank/NBFC/Private resources for house construction for completed construction as well as under construction units.
- **Takeover of House Loan classified as Standard Regular and raised from other Banks/FI/NFBC etc. at the existing level only, subject to fulfilling the conditions with regard to eligibility criteria, clear and marketable title & valuation of house property etc. After the take-over process is completed and title deeds are deposited with our Bank, the employee may avail further loan for repair/renovation/enlargement within the prescribed ceiling of loan amount as per scheme.**
- Conversion of Loan availed by the employee from our Bank under General House Loan scheme for public
- Construction of residential portion alone of the building on a plot which is earmarked as shop cum residential plot in a residential colony subject to the condition:
 - a) Cost of land, the cost of superstructure of the proposed residential portion and shops should not exceed the ceiling limit
 - b) The entire property including the shops and the residential portion should be mortgaged
 - c) The entire building including shops should be insured against fire, lightning and floods etc.

Conditions:

- The official should not have any house loan outstanding at the time of sanction under Staff Housing Loan; except in case of i) Takeover of liability from other Bank/FI ii) conversion of General House Loan availed under Public Scheme to SHLS or iii) loan is for repair/renovation/enlargement of existing house for which facility under Staff House Loan scheme is availed.
- The title to the property should be clear
- Advance for ready built house or flat is admissible for outright purchase only. The purchase can be made from Govt./ Semi Govt./Local bodies/Housing Boards/Development Authorities/Group Housing Societies and private parties.

Mode of Disbursement:

- a. For purchase of land & construction thereon:
 - For purchase of plot: 50% of the loan sanctioned or 90% of the actual cost of plot falling in Area-I & A Class cities & 40% of the loan sanctioned or 90% of the actual cost of plot falling in other areas, whichever is less. The sanctioning authority shall have the discretion to increase the above ceiling by 10% in genuine cases and in case of direct allotment of plot by Local/State Development Authorities. The margin requirements shall be adhered to throughout the disbursement.
 - For construction of house: The balance loan amount shall be disbursed in 4 equal tranches depending upon the stage of construction and after ensuring end use of previous draws.
- b. For construction only where the land is already owned:

- The loan amount shall be disbursed in 4 equal tranches depending upon the stage of construction and after ensuring end use of previous draws.
- c. For purchase of ready built House/Flat (freehold):
 - In one Lump-sum
- d. For purchase of house/flat from Co-operative Group House Building Societies
 - Maximum 50% of the sanctioned amount for execution of Tripartite Agreement and balance in suitable installments on receipt of demand from the Society subject to deposit of documents of title. The margin requirements shall be adhered to throughout the disbursement. The sanctioning authority however shall have the discretion to increase the maximum ceiling for execution of Mortgage Deed on satisfactory reasons.
- e. The facility for repairs/renovation/enlargement of existing premises shall be disbursed in 2 equal tranches after ensuring end use of previous drawl.

Time Limit for utilization of Advance:

- a. For purchase of land & construction thereon:
 - For purchase of plot: The deal for purchase of plot should be completed and Title Deed should be produced within 3 months of disbursement
 - For construction of house: The sanctioned amount should be availed and construction should be completed as per estimate within maximum 2 years from the date of first disbursement.
- b. For construction only where the land is already owned:
 - The sanctioned amount should be availed and construction should be completed as per estimate within maximum 2 years from the date of first disbursement.
- c. For purchase of ready built House/Flat (freehold):
 - The acquisition of built up House/Flat and deposit of Title Deed should be completed within 3 months of date of disbursement.
- d. For purchase of house/flat from Co-operative Group House Building Societies
 - Creation of valid and legally enforceable charge over the property in favour of Bank should be completed within 3 months of date of disbursement.

Extension of time limit is permissible up to 1 year by the sanctioning authority on submission of genuine reasons and beyond that by GM (HRD) if the work is delayed due to circumstances beyond the control of the employee.
- e. The facility for repairs/renovation of existing premises shall be available after two years of initial construction/original purchase in case of ready built house/flat and shall thereafter be further sanctioned after minimum two years period, on adjustment of the existing repair loan.

Sanctioning Authority

Place of posting of the employee availing the Loan	Sanctioning Authority
All Branches/ RO(other than RH)/ Service Branch/ STC (other than STC, Noida)/ Currency Chest/ COPEC/ Data Centre/ Regional Inspectorates (other than RI at New Delhi & RI Heads)	Regional Head
All Staff posted at Head Office/ STC,Noida/ Regional Inspectorate Heads/ Regional Heads	DGM(Mid-Corporate Credit) or in his absence DGM(Corporate Credit) at Head Office

Other Conditions:

- The construction should be exactly according to the approved plan and specifications on the basis of which the advance was sanctioned. For purchase of Built house, the same should be verified by the Valuer and in case of loan for new construction, the Architect's certificate on completion of the house be obtained. Prior approval from

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- the concerned authority, local body/municipal council etc. is necessary for any deviation.
- On completion of construction/purchase of built house the property should be insured against Fire/Flood/Lightning etc. for the full value of the construction and cost thereof shall be borne by the employee. The insurance Policy shall be kept along with the loaning documents.
 - The house should be maintained in good condition at the owners cost.
 - The revised scheme shall be applicable to all the employees irrespective of their designation and the date of joining, subject to fulfilling the other conditions of eligibility
 - The employee who has availed Staff Housing Loan in the previous cadre shall now be eligible for the enhanced amount of loan as per his existing cadre and the enhanced amount may be availed for enlargement of existing house/purchase of second house after adjustment of previous loan/repaying the liability of our Bank/other Banks/FIs availed under General Housing Loan Scheme for Public.
 - In case of acquisition of property from Co-operative House Building Society, the sanctioning authority shall examine the local laws prevailing in relation to creation of charge on the property by earmarking lien on the plot/house/flat in the books of such co-operative society and deposit of original share certificate and it must be ensured that Bank's interest is safeguarded as far as creation of legally enforceable security is concerned. In all other cases, the security shall be charged by way of deposit of title deeds/registered mortgage, as the case may be.
 - The Branch In-charge/Loans In-charge of the loan disbursing Branch shall make pre-sanction as well as post sanction visit to the place of house/flat constructed/enlarged/purchased/repared & renovated out of Bank funds and submit his report on end use of funds. The report of visiting officials shall be kept with Loan documents.
 - **The facility under the scheme be permitted only for genuine purpose and in no case the bank's funds under the scheme shall be permitted to be used for any speculative purpose.**
 - In case the employee disposes of the plot purchased for construction of house by availing the facility under SHLS without cogent reasons, commercial rate of interest shall be charged from the date of disbursement upto the date of adjustment. However, on repayment of loan, he/she shall be eligible for loan under SHLS as per his/her eligibility at the time of sanction and previous loan (repaid on commercial ROI) shall not be reckoned as facility availed under SHLS.
 - Employees who have availed HL under existing schemes may switch-over to new scheme for bringing their present o/s under revised interest rate.
 - No time limit is fixed for availing the additional loan by employees who have availed Staff HL under existing schemes. However, at the time of sanction of additional loan under revised guidelines, the employee must be fulfilling all the eligibility criteria and the liability has to be repaid during the remaining service after fulfilling the take-home salary norms as per scheme.
 - In case the employee opts for additional HL as per revised amount ceiling for repair/renovation/enlargement of existing house, his/her previous loan shall also attract revised interest rate from the date of first disbursement of the loan under revised scheme.
 - In case the house is being constructed by a Govt Authority/Co-op Society/PvtBuilder, the time limit for completing construction shall be 24 months. However, in case the circumstances beyond control of the employee and keeping in view merits of the case, the sanctioning authority shall be competent to extend such period beyond 24 months with reasonable time limit. In such cases, the repayment shall commence on expiry of the 24 months from date of first disbursement of the loan under SHLS.
 - In case death of employee, house loan under SHLS is outstanding, the liability shall either be repaid out of superannuation benefits of the employee or the legal heirs shall have option to convert the outstanding into General Public House Loan in case

- their income (including pension benefits) and repaying capacity are sufficient on the date of such conversion.
- Requests for takeover of loans from other Banks/FIs and conversion of loan raised by the employee from our Bank under House Loan Scheme for General Public should be submitted within 6 months of date of implementation of the revised guidelines.
 - **This policy shall supersede all previous guidelines related to Staff House Loan scheme from its effective date i.e. 29th July 2010.**

(2) CONVEYANCE LOAN:

a) OSR Provision:

Regulation 27:

Loans for the purchase of the Conveyance:

The Bank may grant to an officer confirmed in the Bank's service, loans for the purchase of motor car or other conveyance, subject to such terms and conditions as the Board may decide either generally or with reference to any particular loan having regard to the guidelines of the Government.

b) Bank's Policy/Scheme – Conveyance Loan:

1. VEHICLE LOAN: 'CAR LOAN'

Nature of Loan	Vehicle Loan - Car
Base Circular No.	HO/EST/PER/54/44/97/35 dt 1-5-1997
Eligibility	HRD/ 68 /43 /2010-11/ 454 dated 27.09.2010 Confirmed employees with minimum 3 years of continuous satisfactory service in the Bank If the husband and wife are working in the Bank, both of them shall be eligible for separate/joint loan (quantum of loan clubbed as per each individual's eligibility) facility, subject to fulfilling individual eligibility criteria.
Amount	Officer Cadre: Rs.7.00 Lac Clerical Cadre: Rs. 5.00 lac
Rate of Interest	8% p.a. (simple) or base rate, whichever is lower.
Repayment	Loan together with interest repayable in not more than 180 Monthly installments (principle in 126 months and interest in remaining 54 months)
Margin	10%

The monthly installment shall be deducted by the salary disbursing office and shall be remitted to the Branch where the loan facility is maintained. The Loan shall be continued to be maintained at the Branch where the same was initially disbursed.

Purpose:

- Purchase of new vehicle from an authorized dealer.
- For purchase of 2nd hand vehicle, the vehicle should not be more than 5 years old and should be free from all encumbrances at the time of purchase.
- **The purchase of vehicle should be strictly for personal/family use of the employee and not for any commercial use. An undertaking to this effect shall be obtained from the employee at the time of sanction of facility.**

Sanctioning Authority

Place of posting of the employee availing Vehicle Loan(Car)	Sanctioning Authority
All Branches/RO(other than RH)/Service Branch/STC (other than STC, Noida)/Currency Chest/COPEC/Data Centre/Regional Inspectorates (other than RI at New Delhi & RI Heads)	Regional Head
All Staff posted at Head Office/STC,Noida/Regional Inspectorate Heads/Regional Heads	DGM(Mid-Corporate Credit) or in his absence DGM(Corporate Credit) at Head Office

2. CAR REPAIR LOAN:

Nature of Loan Facility

Car Repair Loan

Base Circular No.

HO/EST/CIR/PER/40/43/83/178 dt. 16/5/1983
HRD/ 68 /43 /2010-11/ 454 dated 27.09.2010

Eligibility

Confirmed employee and must own a car registered in his name.

Amount

` 0.20 Lac (Once in 3 years)

Rate of Interest

8% p.a. (simple) or base rate, whichever is lower.

Repayment

60 month. Principle in 50 month and interest in not more than 10 month period

Margin

10%

Purpose/Security/

For repair of Car, extension of charge of hypothecation on Existing car already hypothecated with the bank or fresh Charge if car is owned but no loan is taken for car.

Reference & Remarks

3. VEHICLE LOAN (TWO WHEELERS)

Nature of Loan Facility

Vehicle Loan (Two Wheelers)

Base Circular No.

HO/EST/PER/54/44/97/35dt.1-5-1997, HO/Per/23/57 dated 21-11-89

HRD/ 68 /43 /2010-11/ 454 dated 27.09.2010

Eligibility

All confirmed employees

Amount

` 0.75 Lac*

Rate of Interest

8% p.a. (simple) or base rate, whichever is lower.

Repayment

Loan together with interest repayable in not more than 84 Monthly installments (principle in 68 months and interest in remaining 16 months)

Margin

10%

Frequency

Three year period should have elapsed from previous sanction for availment of second/ subsequent loan . The condition of 3 years will not apply if it is changeover i.e. from four-wheeler to two-wheeler.

Purpose/Security/

For purchase of new motorcycle/scooter/moped or second hand vehicle (not more than 5 years old) may be allowed provided a certificate of fitness and value is provided duly issued by a reputed surveyor.

Reference & Remarks

Sanctioning Authority

Posting of the employee availing Vehicle Loan(2-wheeler)	Sanctioning Authority
Employees posted at Branch Offices(except Branch Incumbents)/Regional Offices/HO/Regional Inspectorates(except RI Heads) / Service Branches/ Currency Chests/Extension Counters/Stationary Godowns/Staff Training Colleges(Except Principals)	Branch Incumbent where the salary account of the employee is being maintained at the time of sanction
Branch Incumbents	Regional Head/2 nd man at RO
Regional Heads/RI Heads/Principals of STCs	GM/DGM (Mid Corporate) at Head Office

Other Conditions for all Conveyance Loans:

- The new vehicle shall be purchased from an authorized dealer, and the same shall be got registered jointly in the name of the borrower and Bank. Payment of the vehicle, by way of disbursement of Loan and margin shall be directly remitted to the seller.
- Disbursement of 2nd hand vehicle shall be made in favour of the seller, on production of proof of registration in his/her name, and present value of the vehicle should be got certified from a reputed auto dealer/garage/valuer. It shall also be ensured that all taxes/fees etc are paid at the time of purchase of vehicle and insurance policy should be in force. The name of the Bank as financier should be got entered in the Registration certificate of the vehicle within reasonable time of purchase of vehicle. Further, loan against 2nd hand vehicle shall be sanctioned on the basis of preset assessed market value stated in the valuation report OR the sum assured by the Insurance Company, whichever is less. For this purpose, the employee has to submit a copy of the insurance cover of the old vehicle or a certificate from an Insurance Agent, stating the amount for which such vehicle would be insured, apart from the valuation report of the auto dealer/garage/valuer.
- Employees who have availed vehicle loan facility under General scheme may be allowed to convert the facility into revised vehicle loan subject to fulfilling the other eligibility criteria.
- Employees who have availed vehicle loan under earlier schemes will have the option to switchover the outstanding loan to the new scheme with regard to interest rate only, after submitting specific request to this effect to the respective sanctioning authority. The revised interest on the existing Vehicle loan shall be applicable on outstanding principal amount only from the date of sanction and there will be no change in the interest already charged prior to date of sanction of revised ROI. There will be no change in the repayment schedule of the existing Vehicle loan.
- Take home salary of the employee, after taking into consideration all the existing deductions, installment of the proposed loan and monthly interest on OD (limit amount), should be not less than 30% of the gross emoluments at the time of sanction. Deduction in respect of loans availed by the employee where there is any moratorium and repayment is to commence from a future date, shall also be taken into account while deriving the take home salary.
- Employees, who have availed the facility for 2-wheeler, can avail the facility for Car by continuing the 2-wheeler loan, subject to their total liability (existing principal outstanding and proposed loan) not to exceed the maximum eligibility of the Car loan in respective cadre, at the time of sanction.
- No prior permission from HRD Deptt is required by an officer employee in case the vehicle is new and is proposed to be purchased from an authorized dealer.

- In all other cases, the officer employee shall seek permission from HRD deptt. at HO, as per guidelines and practice in vogue.
- The employees shall be eligible for availment of new loan after fully adjusting the previous loan, but not earlier than 3 years from the date of availment of previous loan. This clause shall however not be applicable for first time availing the loan for Car where the loan for 2-wheeler is already availed and whether the same is outstanding or stands fully repaid.
 - In case the remaining service of the employee at the time of sanction of facility is less than the maximum repayment period proposed, the total repayment period of the loan shall be reduced accordingly with pro-rata liquidation of principal and interest amount in such manner so as to fully liquidate the liability by way of uniform monthly deduction from the salary during the service period.
 - There is no ceiling on cost of the vehicle proposed to be purchased. However, the employee shall contribute the additional margin from his own/liquid sources. Permission from Personnel Deptt at HO shall be required (For Car loan only) in case the margin contribution is from sources other than own liquid funds and/or contribution from spouse.
 - Facility for repair of Car may be credited to the account of the official, subject to submission of proof of expenses incurred on repair of the vehicle.

APPLICATION FOR STAFF VEHICLE LOAN

**The Regional Manager,
Oriental Bank of Commerce,
Regional Office,**

Through Proper Channel

Dear Sir,

I intend to purchase for my own use a scooter/motor car/moped of _____ make at a price of ` _____. I understand that the amount of loan granted will be _____ of the invoice value of the vehicle/depreciated value of the vehicle on the list price of the vehicle/market value of the vehicle. As required I give below the necessary information about the vehicle intended to be purchased by me:

1. Date of registration of the vehicle with the RTO :
(for second hand vehicle only)
2. List price of the vehicle / market value of vehicle / :
depreciated value of the vehicle

I, therefore, request you to kindly grant me the loan for an amount of ` _____ permissible to me under the rules.

I undertake that I will pay the same to the Bank by _____ equal monthly instalments and you are authorised to deduct out of my salary an amount of ` _____ per month on account of monthly instalment towards the adjustment of the said loan & interest thereon, until the full amount of loan is finally paid back to the Bank.

I also undertake to keep the vehicle in good repair and not to sell or otherwise dispose off the same during the pendency of the loan that may be granted to me as above.

I will produce to you for your verification and record the original payment receipt after the purchase of the vehicle.

In the event of my leaving the Bank Service for any reason whatsoever, before this loan and interest thereon are fully repaid, you are authorised to dispose off my vehicle for the adjustment of

the loan amount and you are also authorised to deduct the balance amount with interest on outstanding against me in the said loan account out of the money due to me from the Bank like Gratuity etc.

I also confirm that no disciplinary action whatsoever is pending against me.

Yours faithfully,

(Signature)

Name:

_____ PFNo: _____ Designation: _____

Date of Birth : ___/___/_____ Date of Appointment: ___/___/___ Details of Salary:

Gross: _____ Deductions: _____ Net _____ Details of loans already

availed _____ Details of Staff OD availed: Limit Sanctioned: _____ Date

of Sanction: ___/___/___ Details of previous vehicle loan: Date of

Sanction: ___/___/___ Sanctioned amount: _____ Present

outstanding _____

(3) CLEAN - OVERDRAFT LIMIT TO STAFF MEMBERS:

For any bonafide purpose, which is not speculative in nature and to facilitate to staff to meet their funds', needs more judiciously and for those who have completed five years of confirmed service in the bank, the scheme has been introduced. The Salary of the Staff member is to be credited directly into this account to ensure regular recovery of the interest component.

1. The maximum amount of clean overdraft facility that can be granted to the employees / officers shall be in proportion to the scale / wages drawn by them.
2. The carry home pay of an employee should not be less than 40% of his gross emoluments. In case the take home pay goes below the stipulated level of 40% due to any reason, the eligible amount of Overdraft limit shall be replaced pro-rata in such a way that the take home pay (after taking into account estimated monthly interest on the limit to be sanctioned) does not fall below the stipulated level of 40%.
3. Permissible Overdraft limits:

Cadre	Length of Service in the Bank		
	5-8 YEARS	8-10 YEARS	10 Yrs & above
Officers	Rs. 2.00 Lacs	Rs. 2.50 Lacs	Rs. 3.00 Lacs
Clerical	Rs. 1.50 Lacs	Rs. 1.75 Lacs	Rs. 2.00 Lacs
Sub-Staff	Rs. 0.50 Lacs	Rs. 0.75 Lacs	Rs. 1.00 Lacs

Part time permanent employees are also eligible subject to the following conditions:

The maximum amount of clean overdraft facility can be granted to such employee shall be in proportion to the scale/wages drawn by them.

4. **Rate of Interest:** @ 10% p. a. w.e.f. 01.09.2008. (HO/HRD/66/29/08-09 - 15.09.2008)

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5. **Others:** the entire outstanding shall be recovered at the time of his retirement. However, the interest whenever applied is fully serviced and the account be kept regular at all time. The salary of the employee shall be credited to the OD account. The earlier schemes i.e. Consumer Loan, Personal Loans, Cycle Loan, Contingency Loan are to be discontinued and no fresh loan shall be allowed.

Clarifications:

1. In respect of employees who are placed under suspension, this facility will not be extended.
2. OD account shall not normally be overdrawn. If for any reason, the OD account remains overdrawn, penal interest @ 2% above applicable interest rate is to be charged on the irregular component for the overdrawn period. If the default is due to suspension of leave without pay duly sanctioned, penal interest may not be levied.
3. **Employees under suspension** who have already been sanctioned Overdraft account will not be allowed to operated / issue fresh cheques from the clean OD account during the period of suspension, till the suspension order is revoked. Subsistence allowance will be credited to the Savings Bank account of the employee and not to the Clean OD account.
4. The interest component charged to OD account (from the date of suspension to the date of reinstatement in service) to be rescheduled and overdrawn amount should be recovered in 12 monthly installments commencing from one month after the revocation of suspension.

(4) HOUSING LOAN - UNDER GENERAL PUBLIC SCHEME:

Circular No. : HO/Per/60/49/2003/174 dated 11-08-2003

Amount : Amount of loan & other guidelines applicable to general public as circulated vice circular no. HO/RD/10/2002/03/112 dated 01-07-2003 with additional conditions:

1. The "carry home" salary of an employee should not be less than 40% of his gross emoluments (as against in case of general public)
2. The loan may be availed by the employee for the purchase/construction of house for his own residential purpose and under no circumstances for commercial/speculative purpose.
3. The terms & condition i.e. rate of interest, compounding factor, repayment period shall be same as extended to the general public.
4. The House-building advance, if any, availed earlier together with interest shall be fully repaid.
5. Staff member shall be eligible for Housing Loan for purchase/construction/addition/renovation of only house under both the scheme i.e. staff Housing Loan Scheme & General Public Scheme. The loan for purchase/construction/ addition/ renovation for 2nd House shall be considered only after liquidation of the loan, if any, availed, even under general public scheme.

However, if spouse of the staff intend to avail Housing Loan under general public scheme, the same may be considered. Staff member may also become co-borrower with spouse even if he/she has availed the housing loan under any scheme after seeking necessary permission from the vigilance department. Staff shall also be eligible for loan for renovation purpose as applicable to general public.

(5) EDUCATION LOAN:

Circular Nos. : HO/SL&PS/80/2004-05/377 dated 05-01-2005

Education loan may be sanctioned to wards of officers staff by the branch within their powers. Prior permission from Vigilance Department is required only when the officer employee stands as guarantor for education loan to his/her dependent ward. However, all these transactions are required to be reported in annual assets/ liability statement.

Loan cases of the wards of senior officers i.e. Scale-IV and above shall be sanctioned by the branch within their powers and be reported to the Board of Directors through Credit Department at Head Office.

Loan shall not be sanctioned for his own ward/relative by any sanctioning authority, such cases shall be referred to next higher authority.

However, in case of workmen staff permission from Regional Office shall be obtained in all cases even if the loan amount falls within the powers of the branch.

Ward of staff means dependent children, spouse or any other member of the family who are eligible to avail LTC/Medical facility as per staff policy.

For loan upto Rs.4.00 lacs no security shall be insisted.

For loan above Rs.4.00 lacs and upto Rs.7.50 lacs collateral in the form of one satisfactory third party guarantee (preferably other family member/close relative) alongwith co-obligation of parent/s be obtained.

For loan above Rs.7.50 lacs staff may offer lien on PF as security; alternately staff may offer tangible collateral security equivalent to loan amount to secure the advance.

(6) LOANS ON COMMERCIAL RATES:

All confirmed Officers/employee can avail loan for purchase/ construction of house as well as car/ scooter/ motor cycle etc under the scheme for General Public on the same terms and conditions with regard to margin, repayment security, etc. on the same rate of interest (compound) as is charged in case of General Public. However, before allowing such type of loan to a staff member, it shall be ensured that after deducting of instalments for various loans (including the proposed loan), provident fund, income tax and other statutory deductions, if any, the carry home pay of the employee is not less than 40% of the gross emoluments.

The competent authority to sanction loan to a staff member under scheme for General Public as above, will be the Regional Head in case of employees posted at the branches and at Regional Offices and in case of staff posted at Head Office, it will be Asstt. General Manager/ Dy. General Manager (Credit).

(7) LOAN AGAINST PROVIDENT FUND:-

P. F. Loan

Purpose of Loan	Amount of Loan/Term of Repayment
a) To pay expenses incurred in connection with the illness of the employee or a member of his/her family. aa) Meeting the cost of higher education, including where necessary, the traveling expenses of any child of the employee actually dependent on him in the following cases, namely:- i. Education outside India for academic, technical, profession or vocational courses beyond the High School stage, and ii. Any medical, engineering or other technical or specialized course in India beyond the	The withdrawal for the purpose shall not exceed three months' pay or the total of the accumulation of contributions and exempted interest lying to the credit of the employee, whichever is less. Repayment: Not more than 24 monthly installments.

<p>High School stage, provided that the course of study is for not less than three years.</p>	
<p>b) To pay for the cost of passage to a place out of India of an employee or any member of his family.</p>	<p>The withdrawal for the purpose shall not exceed three months' pay or the total of the accumulation of contributions and exempted interest lying to the credit of the employee, whichever is less. Repayment: Not more than 24 monthly installments.</p>
<p>c) To pay expenses in connection with marriage, funerals or ceremonies which by the religion of the employee it is incumbent upon him to perform.</p>	<p>Not exceeding six months' pay or the total of the accumulation of exempted contributions and exempted interest lying to the credit of employee, whichever is less Repayment: Not more than 48 equal monthly installments.</p>
<p>d) To meet the expenditure on building a house or purchasing a site or a house and a site and in the case of an employee whose pay does not exceed one thousand and six hundred per month also on additions, substantial alterations or improvements necessary to a house. Provided that the employee furnishes an undertaking the trustees not to encumber or alienate such house or site or house and site, as the case may be. (A withdrawal for additions, substantial alterations or improvements necessary to the house owned by the employee and the spouse may be granted once and in one installment only to an employee whose pay does not exceed rupees one thousand and six hundred per month upto six months basic wages and DA or the employee's own share of contribution with interest thereon or the amount standing to his credit in the fund, whichever is less)</p>	<p>The withdrawal for this purpose - [a] (for any employee whose pay exceeds rupees one thousand and six hundred per month) shall be subject to the following conditions - (i) The amount of withdrawal shall not exceed one half of the amount standing to the employees' credit or the actual cost of the house and/or of the site, whichever is less. (ii) The employee shall have completed ten years of service or is due to retire within the next ten years. [b] (For any employee whose pay does not exceed rupees one thousand and six hundred per month) shall be subject to the following conditions - (i) The amount of withdrawal shall not exceed one half of the amount standing to the employees' credit in the fund OR the employees' basic wages and DA for twenty four months OR the employees' contributions to the fund together with specified %age of the employer's contribution to that fund, with interest there on which ever is more. Provided that the amount of such withdrawal shall in no case exceed the actual cost of house and/or site. Repayment: Not more than 24 equal monthly installments.</p>
<p>e) To pay premia on policies of insurance on the life of the employee or of his wife provided that the policy is assigned to Trustees of the fund or at their discretion deposited with them and that the receipts granted by the Insurance Company for the premium from time to time handed over to the Trustees for inspection by the Income Tax Officer.</p>	<p>The withdrawal for the purpose shall not exceed three months' pay or the total of the accumulation of contributions and exempted interest lying to the credit of the employee, whichever is less. Repayment: Not more than 24 equal monthly installments.</p>
<p>f) To meet the cost of legal proceeding instituted by the employees for vindicating his position in regard to any allegations made against him in respect of any act done or purporting to be done by him to the discharge of his official duty or to meet the cost of his defence when</p>	<p>The withdrawal for this purpose shall not exceed three months' pay or Rs.500/- whichever is greater, but shall in no case exceed half the amount to the credit of the employee.</p>

<p>he is prosecuted by the employer in any court of law in respect of any official misconduct of his part. Provided that the advance under this clause shall not be admissible to an employee who institute legal proceedings in any court of law either in respect of any matter unconnected with his official duty or against the employer in respect of any condition or service on penalty imposed on him.</p>	<p>Repayment: Not more than 24 equal monthly installments.</p>
<p>g) To meet the expenses of the damage caused to the moveable and immoveable property of the employee as a direct result of flood, cyclone, earthquake or other convulsion of nature.</p>	<p>The withdrawal for the purpose shall not exceed three months' pay or the total of the accumulation of contributions and exempted interest lying to the credit of the employee, whichever is less.</p> <p>Repayment: Not more than 24 monthly installments.</p>

Rate of Interest:

1	2
Where the amount is repaid in not more than 12 monthly installments.	One additional installment of 4% on the amount withdrawn.
Where the amount is repaid is more than 12 monthly installments but not more than 24 monthly installments.	Two additional installments of 4% on the amount withdrawn.
Where the amount is repaid is more than 24 monthly installments but not more than 36 monthly installments.	Three additional installments of 4% on the amount withdrawn.
Where the amount is repaid is more than 36 monthly installments but not more than 48 monthly installments.	Four additional installments of 4% on the amount withdrawn.
<p>Provided that at the discretion of the trustees of the fund, interest may be recovered on the amount aforesaid or the balance thereof outstanding from time to time at one percent above the rate which is payable for the time being on the balance in the fund at the credit of the employee.</p>	

Note :

1. "Family" means any of the following persons who are wholly dependent on the employee, namely; the employees' wife, legitimate children, stepchildren, parents, sisters and minor brothers.
2. A second withdrawal shall not be permitted until the sum of first withdrawal has been fully paid except in case of purpose mentioned (d) & (e) above. In case of withdrawal has been obtained for the purposes mentioned (d) and (e) above earlier, further loan may be availed during the currency of earlier loans.
3. Pay includes basic wages with DA, retaining allowance (if any) and cash value of food concessions admissible thereon to which the employee is entitle at the time when the withdrawal is granted or in case an employee referred to in sub-rule (2) of rule 5 of part A of the fourth schedule, the pay (including increments if any) which he would have received, had he not entered the armed forces of the Union or being taken into or employed in the national service)

[Click here to download the Application](#)

HO Guidelines for PF Loan Application: Cir. Dated 25.04.2007: In order to avoid loss of instrument in transit and quick remittance of amount the Bank has introduced new system of release of amount from PF a/c by using electronic mode in lieu of issuance of cheques. The important features/guidelines of the scheme is as under:

1. Always quote staff 14-digit account no. on PF Loan Application form while applying for loan.
2. Always quote Saving Bank a/c no. 01792020000010 in the name of The Board of Trustees OBC (employees) PF Trust' with B/O A Block Connaught Place New Delhi while making repayment, over and above the amount deducted from the salary.

APPLICATION FORM No. 3



ORIENTAL BANK OF COMMERCE
(PF/PENSION DEPTT., HEAD OFFICE, NEW DELHI)

The Trustees,
Oriental Bank of Commerce (Employees) Provident Fund Trust,
New Delhi

Sir,

I beg to apply for a loan of Rs.....against my own contribution of Provident Fund. The loan is required for reason given below under the Provident Fund Rule. I shall repay the said loan in equal instalments or an instalments of Rs.....per month, within a specified period as per PF Rules.

Please state clearly the **reason** for which the PF loan is required:-

I hereby declare that the family member for whom the amount is to be utilized is dependent on me as per PF rules.

Before applying for loan please read the PF rules.

Yours faithfully,

Date of **Previous loan** sanctioned/availed.....

Sex:

M/F

(Signature of Employee)

Name of the **present Branch**:.....

Name:.....

Name of the **previous Branch** :..... PF a/c

no.:.....

Designation:.....

Salary a/c no. (only for **CBS branches**) :-

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Date :.....

Recommended for sanction. His/her emoluments are as under :-

Basic salary----- : Rs.....

Special Allowance : Rs.....

Dearness Allowance :Rs.....

FPA----- :Rs.....

Signature of Branch Incumbent with

Branch Stamp

PQA----- :Rs.....

Name of Branch

Incumbent:.....

Total-----:Rs.....	PA no.....
<p>For use in PF deptt., Head Office :-</p> <p>Loan limit----- : Rs.....</p> <p>Employees own contribution---- : Rs.....</p> <p>Position of Previous loan availed : Rs.....</p> <p>As recommended by the Incumbent of the concerned branch, a loan of Rs.....may please be sanctioned.</p> <p>Sanctioned Chief Manager (PF/PENSION)</p> <p style="text-align: right;">Trustee</p> <p>Trustee</p>	

(8) Festival Advance:

Eligibility:

Festival Advance is allowed to whole-time permanent employees (not probationers). However, directly recruited Officers on probation shall be entitled to Festival Advance on completion of six months of their service in the Bank. At present the amount of Festival Advance is as under:-

Maximum amount permissible:

One Month's emoluments excluding HRA & CCA subject to maximum as under:-

S. No.	Category	Amount
1	Officers Staff	10,000/-
2	Non- Sub. Staff	8,000/-
3	Subordinate	6,000/-

In case of permanent part time employees, the Festival Advance as above may be disbursed in proportion to their scale wages i.e. in case of those permanent part time employees who are working on 1/2 wages, the Festival Advance will be half of that which is to be given to permanent full time employees.

Advance is made only once in lump sum during the financial year upto the limits as above and not in parts and also except Housing Loan and Provident Fund Loan not more than four advances run concurrently in case of an employee. The Festival Advance is payable from the month of April on the applications received from the employees wishing to avail this facility.

Accounting: The advance shall be made from Suspense Account instead of Festival Advance and after the recovery of installments; a fresh entry of balance amount needs to be passed every month by reversing the earlier entry.

Recovery: Further, the advance will be recovered in equal monthly installments ensuring that no amount remains outstanding by the year-end. While allowing the Festival Advance to an employee it shall be ensured that his/her take home salary does not become less than 25% of the monthly gross salary after appropriating of all loans installments including that of Festival Advance to be allowed as above, in the

case of those employees who have not availed Contingency Loan/Clean Overdraft Facility and 40% in the case of those who have availed the same.

In case any employee is not availing of this facility from the month of April and at a later stage applies for availment of such Festival Advance, it may also be paid to him subject to the above conditions, but the adjustment of the advance will have to be made during the remaining period of the financial year April to March by equal monthly installments from his salary so that no amount of the advance remains outstanding in Bank's books as at the end of the year. Before disbursing Festival Advance, it shall be confirmed that there is no amount outstanding on this account for the previous year in the name of any employee.