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## NOTIFICATION

No. D-30212/1/89-LAD, the 22nd May, 1989. Whereas the Government deems expedient to make Rules for the grant of Loan for Social Housing under the Social Housing Schemes of the Government of India, the Governor of Mizoram hereby makes the following rules namely —

Short title, extend and commencement : 1. (1) These Rules may be called the Mizoram State (Grant of Loan for Social Housing) Rules, 1989.

(2) They shall extend to the towns and sub-towns as may be specified by the State Government by Notification in official gazette for the extension of these rules.

(3) They shall come into force at once.

Definitions : 2. In these rules, unless the context otherwise required.

(a) "Approved Estimate" means an estimate for construction of a house approved by the Technical Wing of the Department;

(b) "Construction" means construction of a new house and includes reconstruction of an existing house;

(c) "Department" means the Local Administration Department;

(d) "Government" means the State Government of Mizoram;

(e) "Loan" means an advance granted on condition of repayment with interest accrued thereon;

- (f) "Monthly Income" means the total emoluments drawn by the individual employee immediately preceding the application for these loans in respect of Government employees or employee of other agencies and organisation and the approximate income during the month immediately preceding the day of application for these loans in respect of persons other than the above.

**Kind of Loan :** 3. These shall be granted two kinds of Loan under these Rules, namely :—

- (a) General Loan, which may be sanctioned towards the applicants in an Urban Areas in Aizawl or any other town areas; and
- (b) Rural Housing Loan, which may be sanctioned towards the inhabitants in the Rural areas or sub-towns as may be specified by the Government by Notification in official gazette in this behalf from time to time.

**Eligibility for Grant of Loan :** 4. (1) The General Loan or the Rural Housing Loan, as the case may be, under these Rules may be granted by the Government to the applicants for construction of a house required for the bonafide residence of such applicants within the territorial limit of such towns or sub-towns whose monthly income not less than Rs. 1501 but not exceeding Rs. 2500/- only.

Explanation : For the purpose of sub-rule (1) the total annual income of the applicant shall not include the income of any other member of his/her family.

- (2) Notwithstanding anything contained in sub-rule (1), the Government may sanction Loan to the applicant for the purchase of ready built house.

- (3) The Government may relax the provision of sub-rule (1) on exceptional cases where the Government is satisfied that the house proposed to be built under these rules is required for the bonafied residence of the applicant and that it will not be possible for the applicant to reside in his existing house for reasons other than of its having already been let out on rent or being situated at a place other than the place of his work or business.

**Amount of Loan :** 5. The Amount of Loan to be granted to individual shall not exceed eighty per cent (80%) of an approved estimated cost of construction of the house excluding the cost of development of the land.

**Mode of Application :** 6. Application for the grant of Loan under these Rules shall be submitted in the prescribed Form as Annexure I to be obtained from the Department on payment of five rupees

for each Form together with the Income Certificate duly certified by the Head of Office in respect of the Government employees and employees of other agencies and Income Certificate duly certified by the Superintendent of Taxes in case of MIG Loan applicants and also income Tax Clearance Certificate in cases of applicants who are paying Income tax.

Security:

7. The Land on which the building shall be constructed with the loan under the Rules should be free from all encumbrances and should be mortgaged to the Director of the Department in the prescribed Form as Annexure II till the Loan along with interest accrued thereon is fully repaid.

Condition regarding construction:

8. The house to be constructed with the Loan under these Rules shall conform to the building Plans and Estimates approved by the Technical Wing of the Department and it shall be completed within one year from the date the first instalment of such loan is disbursed to the borrower.

Sanctioning Authority:

9. The power of sanctioning the loans under these Rules including power to reject the applications and to cancel or revise the sanction shall vest with the Government in the Department, Local Administration Department.

Payment of Loan.

10. A Loan sanctioned under these Rules shall be disbursed to the borrower in three instalments according to the progress of the work as shown in the following, namely:-

- (a) First Instalment, the amount of which shall be forty per cent of the total sanctioned amount on execution of a mortgage deed by the borrower;
- (b) Second Instalment, the amount of which shall be forty percent of the total sanctioned amount on completion of the plinth level; and
- (c) The Third Instalment, the amount of which shall be twenty per cent of the sanctioned amount on completion of the roof level and such completion of the plinth level or roof level shall be verified by the Technical personnel of the department and the report to that effect shall be countersigned by the Executive Engineer of the Department.

Insurance:

11. The house do constructed with loan under these Rules shall be insured to any insurance company in the vicinity of the locality of which such house is constructed for the amount the value of the house against damage and destruction by fire, earthquake, flood, storm, landslide, bomb explosion or by any other natural calamities within four months from the date of completion of

the house and the policy must be assigned to the Director, Local Administration Department of the Government of Mizoram.

- Disposal:** 12. The house constructed with the loan shall not be disposed by way of sale, gift, dismantled without written permission officially issued by the concern Department until the loan with interest is fully repaid.
- Interest:** 13. The rate of interest to be charged on the loan shall be as decided by the Government and such interest shall accrue from the date as may be decided by the Government.
- Recovery of Loans:** 14. The loan under these Rules together with interest accrued thereon shall be recovered from the borrower in equated twenty annual instalments after one year of the date the first instalment of such Loan is disbursed to the borrower.
- Summary recovery:** 15. If the Loan or any part thereof advanced under these rules is used by the borrower for any purpose other than the for which the loan is granted or if the house constructed with loan is let out on rent or used for any purpose other than for the residence of the borrower or any default to comply with any of these Rules, the whole amount of the loan advanced together with interest thereon shall at once become due and recoverable from the borrower.

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