



# The Mizoram Gazette

EXTRA ORDINARY

Published by Authority

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Vol. V. Aizawl, Tuesday 15th November 1976, Kartika 25, S.E. 1898, Issue No. 42

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Rules regulating the grant of loans under the Middle Income Group Housing Schemes.

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1. Housing building loans under the Schemes may be granted at the discretion of the Govt. for -

- (a) such persons whose annual income does not exceed Rs. 7,200/- under the Low Income Group Housing Schemes; and Rs. 7,200/- and above but not exceeding Rs. 18,000/- under the Middle Income Groups Housing Scheme; or to co-operative such persons for construction of houses. When sanctioning loans, priority shall be given to the requirements of cooperations, if any,
- (b) construction of houses for sale to eligible persons either on cash down or on hire purchase basis.
- (c) construction of houses for renting them out to eligible persons, provided that not more than 50% of the allocation is utilised for this purpose, and not more than 33 1/3% of such rental houses are allotted to the employees of the Central and State Governments etc.
- (d) grant of loans to eligible individuals for purchase of newly built houses subject to certain conditions.
- (e) No loans will ordinarily be granted to those who already own a house anywhere in the country either in their own name or in the name of their husband/wives/minor children/dependants/and/or have applied for or obtained a house building loan under any other Governmental or Semi-Governmental Scheme.
- (f) "Income" of the applicant in this behalf will be the income as assessed for the purpose of income tax.

2. The amount of loans to be granted for a house shall be determined on the following basis:—

I. Under the Middle Income Group Housing Schemes.

- (a) 80% of the cost of construction of a house (including the cost of developed land) or Rs. 27,500-which ever is less, in the case of individuals and their co-operatives, and
- (b) 100% of the cost of construction of a house (including the cost of developed land) subject to a maximum of Rs. 33,000/- in cases where construction is under taken by Local Bodies or State Governments and their designated agencies in terms of para 3 (a)(2) and 3(a) (3) of the Scheme.

II. Under the Low INCOME Group Housing Scheme:—

- (a) 80% of the cost of construction of a house (including the cost of developed land or Rs. 14,500/- whichever is less, in the case of individuals and their co-operatives and,
- (b) 100% of the cost of construction of a house (including the cost of developed land) subject to the maximum of Rs. 18,000/- in cases where construction is undertaken by the Local Bodies or State Governments and their designated agencies in term of para 3(c) of the Scheme.

Provided that:—

- (i) The total cost of construction (exclusive of the developed land) of any house proposed to be built shall not exceed Rs. 42,000/- under the Middle Income Group Rs. 18,000/- under the Low Income Group.
- (ii) The floor all of the house proposed to be built shall not be ordinarily less than 400 sq.ft but not more than 2000 sq.ft under Middle Income Group and shall not be less than 232 sq.ft but not more than 1200 sq.ft under the Low Income Group.
- (iii) no assistance shall be admissible towards cost of land and/or construction of a house in a colony if which the layout etc., has not been approved by the competent authority. That is to say, loan assistance under the Scheme shall be restricted to holders of plots an approved colonies only; and
- (iv) The plot of land in which the house is purposed to be built must be duly settled under Section II of the Mizo District (Land & Revenue) Act, 1956.
- (v) no loan assistance shall be granted in those cases where construction of the house has been commenced before the Loan is sanctioned by Government.

3. Application for loan under the Scheme shall be made on the prescribed form obtainable from the ..... and shall be addressed to the .....

Application should be supported with designs, specifications, estimates and layout plans duly approved by the competent authority having jurisdiction in the matter.

4. (i) The Mizoram Administration may constitute an Advisory Committee for the Middle Income Group Housing Schemes to consider all applications for loan under the Scheme, and in cases deemed for grant of loans, to recommend the amount of loans to be given to each a applicant, keeping in view the repaying capacity of the applicant and other connected factors such as specifications assign and the estimates of the house proposed to be built etc.

(ii) Before recommending any application for loan, the Advisory Committee shall satisfy themselves that the necessary essential services in accordance with the standards normally applicable to the area in which the house is proposed to be built, are available in that area.

5. The loan sanctioned to an applicant will be advanced in three instalments according to the progress of construction as indicated below:—

(a) 20% on the applicant's executing a mortgage bond in the prescribed form mortgaging the plot of land together with the house to be built thereon, with the house to be built thereon, with the Government, (the applicant shall have to satisfy the Government that he possesses clear title to land at the time of executing this mortgage bond).

(b) 50% when the construction has reached plinth level stage and

(c) the remaining portion as last instalment when the construction has reach the roof level stage.

6. The loan will carry interest from the date on which it is advanced. The rate of interest on the disbursed under the scheme will be determined by the Govt. at the time of its disbursement, and is likely to be in the neighbourhood of 5-half%. Defferent instalments of the loan are liable to carry different rates of interest.

7. The repayment of the loan with interest shall be made in annual equated instalment not exceeding 25(twenty five). It will, however, be opened to the loanee to repay the loan in a shorter period, if he so desires.

8. Payment of the loan will commence from the date one year after the date on which the loan (or its first instalment as the case may be) is advanced.

9. The applicant shall complete the construction of the house within one year of the date of the payment of the first instalment of the loan or by a specified date as may be determined by the Govt. at the time of sanctioning the loan.
10. The applicant shall construct the house according to the specifications, designs, estimates and layout approved by the Government and also by any local authority having jurisdiction in the matter.
11. (a) The loanee shall mortgage the plot of land, together with the house to be built thereon, with the Government as security for the repayment of loan. He shall also furnish sufficient collateral security approved and acceptable to the Government or the surety of a suitable person for the amount of loan, which shall be discharged immediately on the completion of the house.
- (b) The Government may at their discretion, require the applicant to furnish additional security where considered necessary. Ordinarily the security as in clause (a) above shall be deemed to be sufficient.
12. If there is no substantial progress in construction within 6 months after the date of advance of the instalments (s) of loans, or if the progress made has no relation to the amount of money advanced or if the applicant fails to observe these rules or any other condition governing the loan, the government shall be at liberty to recover the amount already advanced, in one lumpsum and to withhold the payment of remaining instalment (s), if any.
13. In the event of the house not being completed within the prescribed time limits, or in the event of default of payment of any one instalment on the due date thereof the whole amount entire balance of principal then remaining unpaid shall, together with all accrued interest, become due and payable at once to the Government.
14. The applicant shall utilise the amount advanced under the Scheme for the purpose for which it is advanced and for no other purpose.
15. Except with the previous sanction in writing of the Govt. the applicant shall not transfer by way of sale, gift or mortgage or otherwise the land and the building erected on it or any right or title or interest has been repaid to the Government.
16. The applicant shall maintain regular, accurate, separate and complete account of all expenses incurred and stocks and materials purchased in connection with the construction of said house, and materials purchased in connection with the construction of said house, and shall furnish such return and information

as may be required by the Government from time to time and shall allow any persons or persons authorised by the Government to inspect the same. The applicant shall at all reasonable time permit any person or persons authorised by the Govt to inspect the building uader construction and the building material and stocks, built or purchased with the aid of the loan advanced to him.

17. The loanee shall maintain the house in good repaid, pay and rates and taxes regularly and, for so long as the loan has not been repaid in full, keep the house insured at his own expense, the Indian Insurance Companies Association pool or with any other company to be approved of in writing by Government, against damage by fire and such other risks, if any, as may be prescribed by Government from time to time.

18. When the loan taken by an applicant together with interest due thereon has been fully repaid to the Govt., immediate action shall be taken by the Mizoram Admnistration to release to the mortgage and recovery the property (along with the collateral security, if any) to the loanee or to his sucesor (s) in interest, as the case may be.

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