

The Chief General Manager,  
State Bank of India  
Local Head Office,  
All Circulares.

Dear Sir,

**STAFF : MISCELLANEOUS**  
**INDIVIDUAL HOUSING LOAN SCHEME (IHLS) FOR EMPLOYEES**  
**REPAYMENT AFTER RETIREMENT**

Please refer to our e-Circular No.CDO/P&HRD-IR dated 25th June 2008 where some of the major changes/improvements were advised in respect of Individual Housing Loan Scheme.

2. The Central Human Resources Committee (CHRC) at this office in its meeting held on 06-09-2008 has decided to make the following further relaxations in the Individual Housing Loan Scheme **for the employees above 50 years of age** who want to avail housing loan to reduce the burden of repayment of the loan and the interest thereon which may eat away the major portion of the employees Pension after retirement.

| <b>EXISTING PROVISIONS</b>  | <b>REVISED PROVISIONS</b>  |
|---|--|
| In case of pensioners, the repayment of the loan can be permitted by the sanctioning authority until an employee attains the age of 70 years. Where necessary, the repayment schedule should be modified to satisfy the condition. A letter of authority for deducting the loan instalments from pension should be taken. | In case <u>employees above 50 years of age</u> availing housing loan, the repayment of the loan can be permitted by the sanctioning authority <u>until an employee attains the age of 75 years</u> , subject to following conditions.<br>i) The total repayment period of the loan including principal and interest does not exceed 240 months as provided in the scheme.<br>ii) Instalment towards principal or interest should not be more than 60% of notional pension and DA thereon.<br><br>When necessary, the repayment schedule should be readjusted to satisfy the conditions. A letter of authority for deducting the loan instalments from pension should be taken. |

However, as per Government guidelines, the abovementioned provisions will not be available to employees / officers who joined the Bank on or after 01-01-1991 and they will have to repay all the loans before the retirement from the Bank's service. All other terms and conditions of Individual Housing Loan Scheme will remain unchanged.

3. Please bring the contents of the circulars to notice of all concerned working under your control.

Yours faithfully,

Sd/-

Dy. Managing Director &  
Corporate Development Officer