



Circular Letter No. 08/2022

READ AND CIRCULATE

30-07-2022

Dear Members,

DEMAND SERVED FOR ENHANCEMENT OF LIMIT UNDER STAFF HOUSING LOAN, ADDL. HOUSING LOAN, 2ND HOUSING LOAN AND CLEAN LOAN SCHEMES

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Members are aware that at present Officers, Clerical and Sub-Staffs are eligible for a Staff Housing loan of Rs.54 lakhs, Rs.32 lakhs and Rs.22 lakhs respectively which was last revised in the year 2015. We have received representations from our members that due to sky rocketing of cost of land and constructions, it has become very tough to purchase a flat/house at the current limit of housing loan available to them at their place of choice. It is in this background, our Associations had placed a joint demand with the Management for enhancing the existing housing loan limits, Addl. housing loan limits and 2nd housing loan limits as well as substantial reduction in the rate of interest for staff housing loans.

We reproduce here below the text of our letter OR No. 279/2022 dated 29-07-2022 addressed to the Managing Director, for the information of our members.

Dear Sir,

Sub: Enhancement sought in the existing Staff Housing Loan, Staff Additional Housing Loan and Staff 2nd Housing Loan facilities to Officers and Award staff members.

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As of now, in accordance to the understanding arrived at between the Management and our Associations, the Officers and Award staffs are entitled for the following staff Housing Loan (HL) facilities in our bank:

Category	Staff HL w.e.f. 01-11-2015	Staff Addl. HL w.e.f. 08-12-2015	Staff 2 nd HL w.e.f. 08-12-2015
Officers	Rs.54 Lakh	Rs.18 Lakh	The quantum of 2 nd HL shall be the difference between the revised staff HL limit and the limit already availed by the members under the previous HL scheme including the amount taken under Addl. HL scheme.
Clerical Staffs	Rs.32 Lakh	Rs.12 Lakh	- Do -
Sub-Staffs	Rs.22 Lakh	Rs.8 Lakh	- Do -

Since the revision of aforesaid staff housing loan facilities in the year 2015, there has been enormous increase in the value of land, cost of construction materials like cement, steel, bricks, stones, tiles, wood, paints and labour charges etc. Hence, existing HL limits has become insufficient to cater to the requirement of our members to acquire / construction of decent house/ flat at their place of choice.

In this connection, we have been receiving several representations from our members seeking revision of existing HL facilities at the earliest. Moreover, on account of revision of salary upon the signing of wage accord on 11-11-2020 has substantially increased the repaying capacity of our members.

Further, we also note that many of the Banks have raised HL limits in commensurate with the escalation in the cost of acquiring / construction of house / flat. Moreover, they have also substantially reduced rate of interest on staff HL schemes considering fall in rate of interest to general public and reduction in cost of funds.

In view of the above facts, we are of the considered opinion that the existing Staff HL schemes need revision to cater the needs of our members. Therefore, we request you to enhance the limit in the existing staff HL schemes as follows:

1. Enhancement sought under existing staff HL schemes:

Category	Staff HL	Staff Addl. HL	Staff 2nd HL
Officers	Rs.90 Lakh	Rs.30 Lakh	As per 2 nd HL Scheme
Clerical Staffs	Rs.54 Lakh	Rs.20 Lakh	- Do -
Sub-Staffs	Rs.37 Lakh	Rs.13 Lakh	- Do -

2. Substantial reduction in the rate of interest on staff HL schemes taking in to account of the fall in the general rate of interest on loans and advances and reduction in the cost of funds.

In this regard, we request your goodselves to invite us for a joint discussion in the matter so as to arrive at an amicable settlement of the issue at an early date.

With regards,

Yours faithfully,

Sd/-
(Paneendra K G)
GEN. SECRETARY, AIKBEA

Sd/-
(Suresha Hegde S)
GEN. SECRETARY, KBOO

ENHANCEMENT SOUGHT IN STAFF CLEAN LOAN FACILITIES:

At present our members are entitled for Staff Clean loan facilities w.e.f. 15-09-2018 as detailed in our demand letter dated 29.07.2022 and as per the understanding entered into between the Management and the Associations dated 11-09-2018.

Over a period of last 4 years there has been a steep increase in the cost of all consumer goods and also a phenomenal increase in the marriage/educational expenses etc. We have received several representations from our members seeking revision of existing clean loan facilities at the earliest to meet their needs. Under the circumstances, we have placed a demand with the Management for an enhancement in the Staff Clean Loan limits with substantial reduction in the rate of interest.

We reproduce here under the excerpts of our above said letter OR No. 278/2022 dated 29-07-2022 addressed to the Managing Director, for the information of our members.

Dear Sir,

Sub: Enhancement sought in the existing Staff Clean Loan Scheme extended to our members

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As of now, in accordance to the understanding arrived at between the Management and our Associations, the Officers and Award staffs are entitled for the following staff clean loan facilities w.e.f. 15-09-2018:

Category	One year of confirmed service	On completion of 5 years of service including prob. period
Officers	Rs.1,50,000/-	Rs.3,75,000/-
Clerical Staffs	Rs.1,00,000/-	Rs.2,70,000/-
Sub-Staffs	Rs. 65,000/-	Rs.1,50,000/-
Part-time Employees on scale wages	Pro-rata basis of sub-staff limit	Pro-rata basis of sub-staff limit

Over a period of nearly 4 years, there has been a steep increase in the cost of all consumer goods and also a phenomenal rise in the marriage/educational expenses etc. Further, during this period inflation in the economy has also made the existing loan amount inadequate.

Further, we have been receiving several representations from our members seeking revision of existing clean loan facilities at the earliest to meet their needs. Moreover, on account of revision of salary upon the signing of wage accord on 11-11-2020 has substantially increased the repaying capacity of our members.

Further, we also note that many of the Banks have raised clean loan limits to their staffs in commensurate with the escalation in costs/expenses. Moreover, they have also substantially reduced rate of interest on clean loan considering fall in the rate of interest to general public and reduction in the cost of funds.

Therefore, we are of the considered opinion that the existing Staff clean scheme needs revision to cater the needs of our members and we request you to enhance the limit in the existing staff clean loan scheme as follows:

1. Enhancement sought under existing staff clean loan scheme:

Category	One year of confirmed service	On completion of 5 years of service including prob. period
Officers	Rs.3,00,000/-	Rs.7,50,000/-
Clerical Staffs	Rs.2,00,000/-	Rs.5,40,000/-
Sub-Staffs	Rs.1,30,000/-	Rs.3,00,000/-
Part-time Employees on scale wages	Pro-rata basis of sub-staff limit	Pro-rata basis of sub-staff limit

2. Substantial reduction in the rate of interest on staff clean loan scheme taking in to account of the fall in the general rate of interest on loans and advances and reduction in the cost of funds.

In this regard, we request your goodselves to invite us for a joint discussion in the matter so as to arrive at an amicable settlement of the issue at an early date.

With regards,

Yours faithfully,

(Sd/-)
(Paneendra K G)
Gen. Secretary, AIKBEA

(Sd/-)
(Suresha Hegde S)
Gen. Secretary, KBOO

We note to inform the developments in this regard to the members.

With greetings,

Yours comradely,


(Paneendra K G)
GENERAL SECRETARY, AIKBEA


(Suresha Hegde S.)
GENERAL SECRETARY, KBOO

AII INDIA KARNATAKA BANK EMPLOYEES' ASSOCIATION	ZINDABAD
KARNATAKA BANK OFFICERS' ORGANISATION	ZINDABAD
OFFICERS - WORKMEN UNITY	ZINDABAD