



## **Karnataka Bank Officers' Organisation (Regd.)**

Regd. Office: Mangalore (D.K.)  
(Affiliated to AIBOA)

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Circular No. 18/2015

**READ AND CIRCULATE**

September 23, 2015

Dear Comrades,

### **DEMAND SERVED FOR THE ENHANCEMENT OF HOUSING LOAN LIMIT FOR OFFICERS**

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**SRI ANANTHAKRISHNA, CHAIRMAN, GETS ANOTHER EXTENSION:** We are happy to note that, Sri Ananthakrishna, who has been leading the Board of the Bank creditably as the Non-executive Chairman since 2009, has got another extension for one year from the regulator. We from the KBOO wish him good luck in his endeavours to build a strong and progressive Bank.

**DEMAND SERVED FOR THE ENHANCEMENT OF HOUSING LOAN LIMIT:** Members are aware that at present officers are eligible for a Staff Housing loan of Rs.27 lakhs which was last revised in the year 2012. During all these years, there has been an unprecedented increase in the cost of land and construction costs all over the country which made it very difficult for the officers to own a reasonable house/flat with the existing housing loan limit. We have also received representations from our members that due to sky rocketing of cost of land and construction, it has become highly impossible to purchase a flat/house at the current limit of housing loan available to them.

It is in this background and as decided in our Managing Committee meeting held at Mumbai, on the 2<sup>nd</sup> August 2015, our Organisation has placed a demand with the Management for enhancing the present Housing loan limit to Rs.60 lakhs so that the officers are in a position to secure their accommodation in the current market scenario. We have also demanded a substantial reduction in the rate of interest in consonance with the general fall in the interest rates on loans and advances. Accordingly, a letter has been addressed to the Managing Director today regarding our above demands.

We reproduce here below the text of our letter No .KBOO/123/2015 dated 23-09-2015 addressed to the Managing Director for the information of our members.

Dear Sir,

#### **Sub: Demand for enhancement of Staff Housing loan limit for officers**

The Staff Housing loan limit for the officers was last enhanced in the year 2012 to Rs.27 lakhs. Since then, there has been a sudden spurt in land and building costs throughout. The galloping

cost of construction and land value all over the country has made it extremely difficult for the officers to construct/purchase a reasonable house/apartment with the existing housing loan limit.

In this connection, we have been receiving representations from our members seeking an enhancement of the housing loan limit. Our Managing Committee which met at Mumbai on 2<sup>nd</sup> August, 2015 has taken up this issue and decided to place a demand for an increase in the housing loan limit.

Further, we also note that most of the Banks have adequately raised the Housing loan limits of their officers/employees commensurate with the escalation in the cost of land as well as construction.

Under the circumstances, we are of the considered opinion that the current housing loan limit of Rs.27 lakhs is grossly inadequate compared to the enormous increase in the cost of land and building construction.

In view of the above genuine facts, and also taking into account the enhancement in the salary package consequent upon the signing up of wage accord on the 25<sup>th</sup> May, 2015, we place a demand for the enhancement of Staff Housing loan limit for the officers as follows:

1. Enhancement of the limit to Rs.60 lakhs from the existing limit of Rs.27 lakhs.
2. Substantial reduction in the rate of interest taking in to account the fall in the general rate of interest on loans and advances.

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

Thanking you,

Yours faithfully,

Sd/-

(K. Raghava)

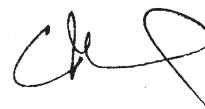
General Secretary

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

With greetings,

Yours comradely,



(K. RAGHAVA)

**GENERAL SECRETARY**