
**MUNICIPAL CORPORATION OF HYDERABAD (GRANT OF
LOANS TO INDIVIDUALS FOR RE BUILDING HOUSES
DAMAGED ON ACCOUNT OF NATURAL CALAMITIES) RULES,
1972**

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1972**

20th MARCH, 1972

1. Short Title :-

These rules maybe called the Municipal Corporation of Hyderabad (Grant of Loans to Individuals for Re-building houses damaged on account of natural calamities) Rules,1972.

2. Eligibility :-

(1) Persons, whose houses were damaged in the heavy rains and floods that occurred in September, 1970 or are damaged on account of any natural calamity occurring after the commencement of these rules, in the local limits of the Municipal Corporation of Hyderabad, shall be eligible for the grant of long term loans by the said Corporation

(2) Every application for the grant of a loan shall be accompanied by (1) a certificate from the concerned Assistant City Planner of the Municipal Corporation of Hyderabad which shall specify the extent of the damage caused, and (2) a certificate of income from the Head of the Department in the case of an applicant who is a

Government employee or from the appointing authority in the case of non-Government employee and from the Income Tax Officer concerned in the case of any other applicant.

(3) The applicant must be a citizen of India and be competent to contact or be represented by his guardian.

(4) The applicant shall express his willingness to provide funds to an extent of at least 20% of the estimated cost of the reconstruction of the house.

(5) The applicant shall mortgage in favour of the Corporation, the site and the undamaged structure of the house proposed to be reconstructed and also the structure proposed to be constructed in such form as may be approved by the Government of Andhra Pradesh. He shall also furnish such additional security, as the Commissioner, Municipal Corporation of Hyderabad may deem fit for ensuring the payment of the loan.

3. Conditions for the grant of loans :-

(1) The amount of loan that may be granted for reconstructing a damaged house shall not exceed 80% of the estimated cost of the reconstruction of that house or Rs.10,000(Rupees ten thousand only) whichever is less.

(2) The application for grant of a loan shall be addressed to the Commissioner, Municipal Corporation of Hyderabad in the form set out in the Annexure to these rules and shall be accompanied by (a) the detailed estimates together with the plans of the proposed reconstruction, (b) copies of the title deeds and a non-encumbrance Certificate covering the previous 12 years, and (c) the certificates referred to in sub-rule (2) of Rule 2.

4. Authority competent to grant loan :-

The loan shall be sanctioned by the Commissioner or any other officer of the Corporation authorised by him in that behalf and disbursed in two instalments as mentioned below:-

(1) the first instalment of 25% of the amount sanctioned shall be disbursed, on the loanee's mortgaging the property in favour of the Municipal Corporation of Hyderabad.

(2) the balance of the loan amount sanctioned shall be disbursed on completion of the re-construction including plastering, white washing, etc. and on furnishing a certificate from the City Planner

to that effect.

5. Repayment of loan :-

(1) The loan amount is repayable to the Municipal Corporation of Hyderabad in 25 years either in equal annual instalment or in equal monthly instalments as per the undertaking given by the loanee in writing. The first annual or monthly instalment shall fall due on the expiry of 12 months from the date on which the 1st instalment of loan is disbursed to the applicant. The loanee may repay the loan or balance thereof in a lumpsum together with the interest thereon.

(2) The rate of interest chargeable on the loans granted under these rules shall be 5-1/2% p.a. simple interest. Penal interest at the rate 9% p.a. shall be chargeable however on all over due instalments of principal or interest from the due date till the date of payment.

(3) In case of default by a loanee in complying with the conditions of the grant of loan, penal interest at 9% per annum, shall be chargeable on the amount due from him.

(4) The amount due shall be recovered by the Corporation as arrears of Property Tax.

6. Conditions Governing the construction of houses :-

(1) Plans, specifications, designs and estimates shall be approved by the City Planner, Municipal Corporation of Hyderabad before the loan is sanctioned to the applicant.

(2) Plans, specifications, designs and estimates so approved shall not be varied without the prior concurrence of the Commissioner or such officer as may be authorised by the Commissioner in that behalf. Before drawing the second instalment of loan, the loanee shall insure the house and the house materials lying within the premises thereof against damage by fire, flood and lightening, at his own cost for a sum not less than the amount of the loan sanctioned and shall keep the house and materials if any insured till the loan is fully repaid.

(3) The entire re-construction work shall be completed within six months from the date on which the 1st instalment of loan is paid. In case of failure to do so the loanee shall repay the entire sum advanced to him together with interest immediately in one lumpsum. An extension of the time limit may be allowed upto six

months by the Commissioner, if the Commissioner is satisfied that the delay is due to circumstances beyond the control of the loanee. The date of completion of the reconstruction of the house shall be reported to the Commissioner by the loanee.

(4) The house reconstructed shall be maintained in good repair at the loanee's cost and the loanee shall pay all municipal and local taxes promptly. He shall also keep the house free from all encumbrances.

(5) Before disbursing the loan to any applicant, the City Planner shall consult the concerned Engineers of the Municipal corporation and satisfy himself that the necessary essential services in accordance with the standards normally applicable to the area in which the house is to reconstructed are available.

7. Maintenance of Accounts :-

The Examiner of Accounts, Municipal Corporation of Hyderabad shall be responsible for the maintenance of Accounts relating to the disbursement of loans sanctioned to individuals and their repayment to the Municipal Corporation of Hyderabad under these rules.

8. Government Powers :-

The Government may from time to time issue such orders as they may deem fit, to give effect to the provisions of these rules and their orders in all such matters shall be final.