

239, Vidhan Bhavan Marg, Nariman Point, Mumbai - 400 021

STAFF CIRCULAR NO. 7136

Date: 27th March, 2020

To All Branches / Offices

AMALGAMATION OF BANKS - HARMONISATION OF STAFF LOANS
FURNITURE LOAN TO AWARD STAFF EMPLOYEES

Consequent to the Amalgamation of Andhra Bank & Corporation Bank into Union Bank of India, various loans provided to Award Staff and Officers in all the three Banks have been harmonized. After due deliberations, the Board has approved the harmonized Loans and Advances for Award Staff and Officers in the Amalgamated Entity.

The salient features of the scheme of "Furniture Loan for Award Staff", effective from the date of Amalgamation, are as under:

PURPOSE OF LOAN : For purchase of Furniture / Home Appliances.


1.	Quantum	Rs. 1,20,000/- for Non Subordinate Staff Rs. 80,000/- for Subordinate Staff
2.	Margin	10%
3.	Eligibility	All confirmed Workmen Staff with satisfactory service of 3 years
4.	Rate of Interest	1 Year MCLR (Simple)
5.	Repayment of Loan	The Principal and Interest of the Loan amount shall be repayable in 60 equal monthly instalments in the ratio of 4:1. In other words, the principal loan amount will be first recovered in 48 instalments and the interest accrued thereon will be recovered in 12 months. If the repayment period of 60 months is not available, the repayment schedule will be fixed according to the available service period in the ratio of 4:1
6.	Sanctioning Authority	The Competent Authorities for sanction shall be informed in due course of time.



7.	General Terms and conditions	<p>I. This loan will be available only twice in the career of the employee and there should be a minimum gap of 5 years between 2 sanctions. The employee will have to avail loan to the maximum extent possible in one go, subject to his repaying capacity.</p> <p>II. On promotion from Sub-Staff to Clerical cadre, the employee will be eligible for higher quantum of loan i.e. the difference between the amount sanctioned earlier and the maximum eligibility in clerical cadre. Such conditional availment of difference amount will be treated as separate attempt.</p> <p>III. Eligible employees can avail the difference amount between the earlier availed and the enhancement in the limit as above in the same cadre. The same shall not be considered as separate attempt</p> <p>IV. Employees shall be allowed to avail 2nd loan after 5 years of the sanction of earlier loan.</p> <p>V. The monthly instalment of loan will be deducted from the salary of the employee through Union Parivaar.</p> <p>VI. The total deductions from the salary of the employee including the proposed instalment of the Furniture Loan should not exceed 60% and resultant take home pay should not be less than 40% of the total emoluments.</p> <p>VII. As far as possible branded items are to be purchased except in case of wooden furniture.</p> <p>VIII. Quotations should be submitted along with the application and Pucca Bills to be submitted within 15 days of the availment of loan to the Sanctioning Authority. <u>Quotation/pucca bill mandatorily should have printed GST Number of the vendor.</u></p> <p>IX. Security Documents pertaining to Consumer Loans viz. DP Note and Hypothecation of Consumer Goods should be obtained by the disbursing branch before disbursement.</p> <p>X. The disbursing Branch/ sanctioning office is required to make post disbursement inspection to ensure that the items are purchased by the Award Staff members as per the application.</p> <p>XI. Misuse of facility will tantamount to misconduct and</p>
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8.	Application / Processing / sanction.	Application / Processing / Sanction will be through Union Parivaar.


 General Manager (HR)
