THE STATUTORY BODIES FAMILY PROTECTION FUND ACT

Regulations made by the Minister, on the recommendation of the Board, under section 21 of the Statutory Bodies Family Protection Fund Act

1. These regulations may be cited as the Statutory Bodies Family Protection Fund (Personal Loan Scheme) Regulations 2011.

2. In these regulations –
   “lending institution” has the same meaning as in the Borrower Protection Act;
   “scheme” means the scheme set up under regulation 3;
   “spouse”, in relation to an associate, means the person to whom he is civilly married.

3. There shall be set up from the assets of the Fund a scheme to give loans or financial assistance to associates for personal expenses, on such terms and conditions as may be determined by the Board.

4. Every loan granted under the scheme shall be secured by the personal guarantee of another associate acceptable to the Fund and shall be witnessed by an appropriate deed drawn up at the borrower’s cost.

5. (1) Subject to paragraph (2), the amount of loan that may be granted to an associate shall be determined by either the sole earnings of the associate, or, where applicable, the combined earnings of the associate and his spouse, and the repayment capacity of the
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5. (1) Subject to paragraph (2), the amount of loan that may be granted to an associate shall be determined by either the sole earnings of the associate, or, where applicable, the combined earnings of the associate and his spouse, and the repayment capacity of the associate.
(2) The amount of loan that may be granted under the scheme shall not exceed the amount specified in the First Schedule.

6. (1) Every loan under the scheme shall be granted for a period of 3 years and any amount due on a loan shall be repaid by the associate before his retirement date.

(2) The repayment of the loan shall be effected by equal monthly instalments deducted at source from the salary of the associate.

(3) The monthly repayment under paragraph (2) shall not exceed 25 per cent of the net earnings of the associate or of the combined net earnings of the associate and his spouse, as the case may be.

7. The annual rate of interest for a loan under the scheme for the duration of the loan shall be the rate specified in the Second Schedule and may, on reasonable grounds, be adjusted by the Board for additional or future loans.

8. Where the whole amount of a loan under the scheme is repaid before its maturity date, the associate shall not be eligible for another loan until the expiry of the maturity date.

9. An associate whose loan application has been favourably entertained shall, before the loan is granted to him, take out a single premium decreasing term life insurance policy which shall be assigned in favour of the Fund to cover the full amount of the loan, interests and other accessories.

10. An associate who has obtained a loan under the scheme shall immediately notify the Board in writing of the particulars of any subsequent credit facility which he obtains from any other lending institution.
11. Where an associate who has obtained a loan from the Fund ceases to be an associate, the Board may —

(a) request the immediate repayment of the total amount due and outstanding on the loan, including the accrued interests;

(b) reschedule the repayment terms of the loan at the request of the borrower; or

(c) where the borrower gives his written consent, set off the amount due from any contribution payable to him from the Fund.

12. The Board shall not grant a loan to an associate who is proceeding on leave without pay or against whom disciplinary proceedings have been instituted or are being contemplated by his employer.

13. (1) Where an associate fails to repay a loan under the scheme in accordance with the terms and conditions determined by the Board under regulation 3, the Fund may initiate legal proceedings against the associate and his guarantor.

(2) Where legal proceedings are instituted under paragraph (1), the associate and the guarantor shall bear all the costs, charges and commissions which may be incurred by the Fund in respect of such proceedings.

14. These regulations shall come into operation on 7 November 2011.

Made by the Minister, on the recommendation of the Statutory Bodies Family Protection Fund Board, on 7 November 2011.
FIRST SCHEDULE
[Regulation 5]
Maximum loan 100,000 rupees

SECOND SCHEDULE
[Regulation 7]
Rate of interest 9% per annum