

Human Resource Administration Division,
Human Resource Department, Central Office, Mumbai

Staff Circular No. 7799

Date: October 4th, 2022

STAFF CONVEYANCE LOAN SCHEME FOR OFFICERS & AWARD STAFF
(Modifications & Reiteration)

HIGHLIGHTS OF CIRCULAR

- Enhancement in Quantum of Staff Conveyance Loan for Officers and Award Staff.
- Introduction of Separate limits for purchase of Electric Vehicle.
- All active Officers/Award Staff of the Bank (including on probation) are eligible for purchase of Staff Conveyance Loan.
- In case 4-wheeler/ 2-wheeler acquired through Staff Conveyance Loan is lost due to theft or the Vehicle gets totally damaged due to accident within 4 years of sanction, the Officer/Award Staff are eligible for avilment of new Staff Conveyance Loan.
- The modifications are effective for the staff conveyance loan applications sanctioned on or after the date of issuance of circular.

Attention of all offices/branches are invited towards below mentioned Staff Circulars numbers vide which Staff Conveyance Loan Schemes for Officers & Award Staff and further modifications/communications regarding the Schemes were circulated:

S.N	Circular Name	Circular No.	Circular Date
1	Amalgamation of Banks-Harmonization of Staff Loans: Conveyance Loan to Award Staff	7133	27.03.2020
2	Amalgamation of Banks-Harmonization of Staff Loans: Loan for purchase of Conveyance for Officers	7134	27.03.2020
3	Sanctioning Authority for Staff loans under amalgamated entity	7176	15.04.2020
4	Revision in rate of interest of Staff Loans	7216	29.06.2020
5	Processing of staff Loans through LAS	7275	26.10.2020
6	Modifications in Maximum Permissible Deductions	7508	05.10.2021

We are pleased to inform that Board in its meeting held on 29.09.2022 approved the enhancement in the quantum of loan and modifications in the Schemes of Staff Conveyance loan for Officers and Award Staff.

In view of the aforesaid the revised limits, modifications in the Scheme and the existing guidelines/clauses pertaining to Staff Conveyance Loan Schemes for Officers and Award Staff are produced/reiterated as under:

1. ELIGIBILITY:

All active Officers and Award Staff of the Bank (including on probation) shall be eligible for purchase of 2 Wheeler (Motor Cycle/Scooter) /4 Wheeler (Motor Car).

2. QUANTUM OF LOAN:

Cadre	2 Wheeler (Motor Cycle/Scooter)	4 wheeler (Motor Car)
Officers	90% of the cost of the vehicle or Rs.2.00 lacs whichever is lower.	Petrol/ Diesel/ CNG Vehicle: 90% of the cost of the vehicle or Rs.15.00 lacs, whichever is lower. Electric Vehicle: 90% of the cost of the vehicle or Rs.18.00 lacs, whichever is lower.
Clerk	90% of the cost of the vehicle or Rs.2.00 lacs whichever is lower.	Petrol/ Diesel/ CNG Vehicle: 90% of the cost of the vehicle or Rs.10.00 lacs, whichever is lower. Electric Vehicle: 90% of the cost of the vehicle or Rs.12.50 lacs, whichever is lower.
Substaff	90% of the cost of the vehicle or Rs.1.50 lacs whichever is lower.	Petrol/ Diesel/ CNG Vehicle: 90% of the cost of the vehicle or Rs.8.00 lacs, whichever is lower. Electric Vehicle: 90% of the cost of the vehicle or Rs.10.00 lacs, whichever is lower.

3. PERIODICITY:

- 3.1 Officers & Award Staff are allowed to avail both 4 wheeler and 2 wheeler loans simultaneously/ separately to the extent of limit prescribed for each type of vehicle.
- 3.2 Period of 4 years should lapse for availment of second/ subsequent loan for same type/category of vehicle i.e. one two-wheeler to next two-wheeler loan and one four wheeler loan to next four-wheeler loan separately.
- 3.3 In case 4-wheeler/ 2-wheeler acquired through Staff Conveyance Loan is lost due to theft or the Vehicle gets totally damaged due to accident: In such case, Officers/Award staff will be eligible for availment of Staff Conveyance Loan before 4 years subject to satisfaction of the Sanctioning Authority (Staff Conveyance loan sanctioning authority) as a special case only, subject to submission of proof i.e.

relevant documents (FIR copy, insurance documents, insurance claim submission by Officer/ Award Staff, certificate from qualified Automobile Engineer/Service Station that the vehicle cannot be repaired etc.) & settlement of all Bank's dues related to the outstanding Staff Conveyance Loan in respect of the vehicle lost/damaged.

4. Loan for repair of 2 Wheeler/ 4 Wheeler (Motor Cycle/ Scooter/ Motor Car):

Staff Conveyance Loan for repairs of 2 Wheeler (Motor Cycle/ Scooter)/ 4 Wheeler (Motor Car/ is not allowed.

5. Rate of Interest:

The Staff Conveyance loan shall carry interest at the rate of 5.5% p.a. (Simple).

6. Repayment of Loan:

- 6.1 Loan, together with interest thereon, shall be repayable in not more than 200 monthly installments, in the case of 4 Wheeler (motor car) and in not more than 84 monthly instalments in case of loan for purchase of 2 Wheeler (Motor Cycle/Scooter).

The recovery of loan will be effected in the following manner:

- The principal and interest amount of loan for purchase of 4 wheeler (motor car) which is repayable in 200 monthly instalments, will be recovered in the proportion of 7:3 period. In other words, the principal loan amount will be first recovered in 140 months and interest accrued thereon will be recovered thereafter in the next 60 months.
- In case of loan for purchase of 2 Wheeler (Motor Cycle/Scooter), recovery will be made in 84 monthly instalments in the ratio of 5:1 towards principal and interest respectively. In other words, the principal loan amount will be first recovered in 70 months and interest accrued thereon will be recovered thereafter in the next 14 months.

- 6.2 Instalments towards the recovery of loan shall be adjusted first for recovery of principal amount. Once the principal amount is adjusted, no interest will be charged thereafter.

7. Repayment tenure in case Staff Conveyance Loan is extended beyond retirement date of the employee and upto the age of 70 years:

- 7.1 Officer/Award Staff are permitted to avail Staff Conveyance Loan with repayment period beyond the age of retirement. An Officer/Award Staff has to avail this loan before the date of his/ her superannuation with repayment period upto the age of 70 years or the repayment period as stipulated for the respective two wheeler/ four wheeler loan, whichever is earlier. Retiring Officer/Award Staff should submit their applications for Conveyance Loan preferably 30 days prior to their retirement. No request for granting Staff conveyance Loan shall be entertained after the date of retirement.

- 7.2 Sanctioning Authority while sanctioning the loans with repayment beyond the age of retirement, should be satisfied with regard to the income (pension, regular income from other sources etc.) of the concerned Officer/Award staff.
- 7.3 In case of Officer/Award Staff with less number of years of service than the stipulated repayment period, the repayment period shall be extended up to maximum 70 years of age (including VRS Cases) provided, the Officer/Award Staff should provide deposit equal to the outstanding loan amount from his terminal benefits or where the retiring Officer/Award Staff owns a house acquired by availing Staff Housing Loans, the same shall be held as continuing security towards conveyance loan till its repayment.
- 7.4 If the Officer/Award Staff ceases to be in Bank's services, after availing the staff conveyance loan with repayment tenure beyond the superannuation age, due to resignation or due to Removal/ Compulsory Retirement/ Dismissal or any other reason, he/she will not be allowed to continue the staff conveyance loan and has to adjust the entire loan.
- 7.5 The above extended repayment upto the age of 70 years is applicable to new loans sanctioned after the effective date of amalgamation.
- 7.6 Officers/Award staff who had availed vehicle loan under the loan scheme as available for Public (eg. Union Miles in Union Bank of India or any other Conveyance Loan Scheme of Andhra bank & Corporation Bank for general public), conversion of such loans to Staff Conveyance Loan is allowed after the concerned Officer/Award staff becomes eligible for Staff Conveyance Loan under the scheme, subject to fulfilment of eligibility criteria of the Scheme.

8. Other Terms and Conditions:

- 8.1 The loan may be granted for purchase of second hand vehicle of not more than 10 years old, in case of 4 Wheeler (motor car) and 5 years in case of 2 Wheeler vehicle (Motor Cycle/ Scooter) provided, loanee satisfies the sanctioning authority about the fitness and valuation of vehicle by producing a fitness certificate from a qualified Automobile Engineer and a Valuation certificate from an approved Surveyor. The margin in respect of 2nd hand vehicle would be 20% under the Scheme.
- 8.2 In case of conveyance loans sanctioned with repayment period upto or before the date of retirement of an Officer/Award Staff, the outstanding balance in loan amount with interest thereon at the time of retirement of the loanee Officer/Award Staff, shall be recovered from the terminal benefits of the concerned officer/Award Staff or any other amount due to him/ his nominee. If the aforesaid amount falls short of the outstanding in the loan account with interest thereon, his/her legal heirs shall be liable to make good the shortfall, in the event of death of the loanee Officer/Award Staff.
- 8.3 The vehicle will be hypothecated to the Bank and will be registered with Regional Transport Office to that effect, till the loan amount is repaid in full with interest.

- 8.4 It is obligatory on the part of the loanee Officer/Award Staff to take full comprehensive insurance of the Vehicle with "Bank Clause".
- 8.5 The loanee Officer/Award Staff shall not sell or part with the vehicle without prior permission of the Sanctioning Authority.
- 8.6 Payment will be made directly to the supplier/ dealer/ vendor of the vehicle and staff should acquire the vehicle maximum within one month from the disbursement of advance.
- 8.7 Before consideration of an application for purchase of same type/ category vehicle for 2nd or subsequent time, the loan taken earlier, together with interest thereon should be fully liquidated. Example: If an Officer/Award Staff has already availed Staff Conveyance Loan for 2 wheeler and wishes to purchase another 2 wheeler through Staff Conveyance Loan, he/she must first liquidate the earlier loan together with interest thereon.
- 8.8 Where an Officer/Award Staff sells his vehicle purchased with Bank's loan and applies for a fresh loan for purchase of another vehicle of the same type/category, apart from fully liquidating the old loan, the surplus sale proceeds must be applied towards purchase of the new vehicle.
- 8.9 If an Officer/Award Staff repays the conveyance loan granted to him/her in the normal course and then applies for a fresh loan for another vehicle of the same type/ category, it will not be necessary for him/her to utilize sale proceeds of the earlier vehicle for purchasing new vehicle.
- 8.10 The amount of fresh loan will be restricted to ceiling provided for in the Scheme for grant of loan for conveyance or the estimated cost of the vehicle, whichever is lower, subject to further adjustment of sale proceeds of the earlier vehicle, wherever applicable. However, requisite margin is to be ensured.

9. Competent Authority for Sanction of Staff Conveyance Loan for Officers and Award Staff:

The Competent Authorities in respect of sanction of loan for purchase of 4 wheeler (motor car) and other conveyance i.e. 2 Wheeler ((Motor Cycle/ Scooter) are as under:

S.N	Category	Sanctioning Authorities
1	Officer/Award Staff working at Small/ Medium/ Large/ Service branches/ MICR centres including Branch Manager	Chief Manager (Cr.) at respective RO or Authority above him.
2	Officer/Award Staff working at all branches viz. VLB/ ELB/ Premiere/ LCB/ MCB/RLP other than the Branch Heads	In charge of the branch in the respective branches or Senior Manager (Cr.) or Authority above him in respective branches.
3	Officer/Award Staff working at all administrative offices including RO/FGMO/RAO/STC/RVC/ZVC/ MSME Loan Point (MLP)/ Audit Offices/	Chief Manager (Cr.) of respective RO/FGMO or Authority above him at RO/FGMO.

S.N	Category	Sanctioning Authorities
	RUSETI/ USK-Hub/ Staff College Bangalore (except Central Office, Mumbai and CO Annex Hyderabad & CO Annex Mangalore)	
4	Officer/Award Staff working at Central Office, Mumbai, CO Annex Hyderabad & CO Annex Mangalore	Chief Manager (HR) of HR Department, Central Office, Mumbai or Authority above him. The sanctioning Authority should be the one notch above the applicant at Human Resources Department at Central Office, Mumbai.
5	Branch Managers	Authority one cadre above the scale of Branch Manager at RO/FGMO.
6	Regional Heads	Field General Manager
7	General Managers/ Field General Managers	General Manager (HR)
8	Chief General Managers	Chief General Manager looking after HR at CO.
9	Officers deputed to RRBs	Chief Manager (Cr.) at Regional Office within whose jurisdiction the HO of the RRB falls. However, the authority should be one scale above the authority of the applicant.

10. Maximum Permissible Deductions:

The maximum permissible deduction as on the date of application of Staff Conveyance Loan after taking into consideration likely instalment of 2 Wheeler (Motor Cycle/ Scooter)/ 4 Wheeler (motor car) is as under:

Monthly Gross Salary (Amount in Rs.)	Maximum permissible deductions	Net Take Home Pay
Upto Rs.75000/-	60% of Gross Salary	40% of Gross Salary
Beyond Rs.75000/- and upto Rs.1,00,000/-	65% of Gross Salary	35% of Gross Salary
Beyond Rs.1,00,000/-	70% of Gross Salary	30% of Gross Salary

No Officer/Award staff will be allowed any concessional loan if the total monthly deductions, of any nature from the salary exceeds the aforesaid prescribed limit.

11. General Instructions:

- 11.1 An Officer/Award Staff deciding to avail the loan shall apply in the prescribed form annexed hereto, to the Sanctioning Authority and produce documents and evidence, as deemed necessary by the Bank.

11.2 Documents for Staff conveyance Loan are as under:

- a) Application as per Annexure
- b) DPN-Demand Promissory Note
- c) Letter of Continuity- AD-09M
- d) Authority Letter for deducting EMI from salary payable.
- e) Letter of authority to the bank to appropriate the Terminal Benefits towards the liability under the Staff Conveyance Loan if the Officer/Award Staff ceases to be in the service of the Bank.
- f) Unstamped undertaking in duplicate from the nominee/s appointed under the PF/Gratuity Fund Rules, to appropriate the terminal benefits towards liability under Staff Conveyance Loan.
- g) SD 10(Modified) - Hypothecation of vehicles agreement
- h) AD-02(A) - letter of general lien and set off
- i) RTO transfer forms - Form- 20, 28, 29, 30 & 35 as applicable in respective States along with the letter from borrower.

11.2 All Branches/ Offices should ensure that Staff Conveyance Loan are processed and sanctioned through Lending Automation Solution (LAS) only.

11.3 Workflow in LAS for branches/ offices other than Central Office will remain as mentioned in Staff circular no. 7176 dated 15.04.2020.

11.4 Delegation for application of staff members posted at Central Office Mumbai, CO Annex Mangalore and CO Annex Hyderabad is vested with HR Department at Central Office, Mumbai. Therefore, on receipt of application from the Officers/Award Staff posted at these locations, Branch will process the application in LAS and will send to Human Resources Department CO-Location Code 999999 for further processing and sanction.

11.5 Processing of Staff Conveyance Loan will be done by nearby branch, where the staff members wish to buy the vehicle, to ensure the post sanction formalities.

11.6 Modified /retrofitted 2 wheeler (Scooter/Motor Cycle) for differently abled Officer/Award Staff can also be sanctioned within the overall limit of 2 Wheeler loan.

11.7 If the loan amount is misutilized or if it is found that the amount of sale proceeds of the vehicle is misrepresented/ misappropriated or not deposited with the Bank within the prescribed time as determined by the Sanctioning Authority while availing second conveyance loan or any rule regarding grant of such loan is violated, the Officer/Award Staff concerned shall be liable for disciplinary action. Besides this, the Bank shall have right to charge commercial rate of interest on the amount outstanding in the loan account.

11.8 The Management will have full right to alter the terms and conditions of grant of such loan. Further, the loan under this category, shall be granted, entirely at the discretion of the Management.



- 11.9 While sanctioning Staff Conveyance loan, ER clearance to be obtained and held on record. In case any disciplinary action is pending/ contemplated against any Officer/Award Staff, the sanctioning authority can take a decision based on the nature of the allegations levelled against the Officer/Award Staff.
- 11.10 It is the responsibility of the Sanctioning Authority and the branch head in whose branch, the staff conveyance loan is being availed/maintained, to inform the Salary Section in the concerned Regional Office/ FGMO/Central Office to ensure deduction of the instalments from the salary of the concerned staff member.
- 11.11 Chief General Manager (HR) shall be the Competent Authority for issuing any clarifications with regard to the Scheme.

The modifications are effective for the staff conveyance loan applications sanctioned on or after the date of issuance of circular. The contents of this Circular should be brought to the notice of all concerned.


Chief General Manager (HR)


UNION BANK OF INDIAAPPLICATION FOR LOAN FOR PURCHASE OF 4 WHEELER (MOTOR CAR) /
2 WHEELER VEHICLE (MOTOR CYCLE/SCOOTER)
(NEW/SECOND HAND)

S.N	Particulars	Details
1	Name in full	
2	Employee No.	
3	Designation	
4	Branch/Dept.	
5	Date of Joining	
6	Date of promotion as an Officer	
7	Date of Birth	
8	Present Salary Particulars	

Basic Pay	+	D.A	+	Spl. Allow	+	CCA	+	FPA	+	HRA	=	Gross Earnings	-	Total Ded.	Net Salary

Deductions	P.F Loan	Other Loan	Housing Loan	Festival Advance	Income Tax	Credit Society	Total Deductions

9 (a)	Whether availed Overdraft facility	Yes/No
9 (b)	If Yes, limit	Rs.....
10 (a)	Whether Housing Loan availed	Yes/No
10(b)	If yes, Amt & Date	Rs.....
11	% of Net Salary to Gross Salary	
12	Type of Vehicle (4 Wheeler/2 Wheeler)	
13	Particulars of Motor Car/ Vehicle proposed to be purchases & Evidence Enclosed	
13(a)	Make	
13 (b)	Model & Year of Model	
13 (c)	Estimated Cost	
13 (d)	Amount of Staff Conveyance Loan requested	
14	Fitness Certificate enclosed (in case of 2 nd hand Vehicle)	Yes/No
15 (a)	Loan for Conveyance is availed earlier	Yes/No
15 (b)	If yes, amount and date of availment and Balance outstanding	
16	Reasons for applying for a fresh loan	
17	No. of Staff Conveyance Loan availed so far	



18	Whether Bank's prior permission to sale the Motor Car Vehicle obtained	
19 (a)	Amount realized by way of sale proceeds of the Conveyance purchased with loan from the Bank	
19 (b)	Whether sale proceeds deposited in full with the Bank	

It is agreed that the amount of loan or any part thereof together with interest thereon, which is outstanding or due by me to the Bank, shall be deducted from the salary becoming due or payable to me. On my cessation in the Bank's service, the Bank will be entitled to recover the said loan or any part thereof together with interest thereon, in priority to any other debt of mine, from my superannuation benefits i.e. Gratuity & Provident Fund, Pension or any other amount due to me/ my nominee. If the aforesaid amount falls short of the amount outstanding in the Loan Account, I shall be personally liable and my legal heirs shall be liable to make good the shortfall.

I confirm that the statements made above are true to my knowledge and belief.

Date of Application:

Signature of the Applicant:

We have certified the correctness of the particulars furnished above	FOR USE OF BRANCH ONLY
	Amount of last Conveyance loan availed and date. Rs..... Date..... Balance O/s in the Loan A/c..... Principal Amount..... Accrued Interest.....
FOR UNION BANK OF INDIA	
BRANCH MANAGER (STAMP/SEAL OF THE BRANCH)	

