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Directorate of Non Public Fund  
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BA/GIS/215

|| Jul 22

The Flag Officer Commanding-in-Chief  
Western Naval Command {for CSO(P&A)}  
Mumbai

The Flag Officer Commanding-in-Chief  
Eastern Naval Command {for CSO(P&A)}  
Visakhapatnam

The Flag Officer Commanding-in-Chief  
Southern Naval Command {for CSO(P&A)}  
Kochi

### **MOU WITH AXIS BANK FOR NGIF HOUSE BUILDING ADVANCE (HBA)**

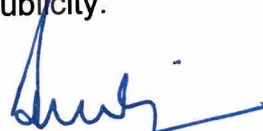
1. Refer to NHQ IG 261 dated 07 Jul 22.
2. **Background.** NGIF provides HBA to its members, which is recovered through EMIs deducted by NAVPAY. The outstanding HBA, attached to terminal benefits, if any, is recovered in full at the time of retirement from their terminal benefits. This problem was brought to the notice of NGIF during AGMs by members. To address the issue, NGIF concluded an MoU on 29 Jun 22 with Axis Bank who agreed to grant credit for acquisition/ construction of house including repurchase and top-up advance.
3. **Applicability of MoU.** The MoU is applicable to serving NGIF members receiving salary through Axis Bank DSP Account. Axis Bank has also extended credit facilities of taking over of NGIF housing loan of eligible members on retirement who would therefore, not be compelled to pay HBA from their savings / retirement benefits at the time of retirement.
4. **Salient Aspects of MoU.** Salient aspects of the MoU are enumerated below:-

Ser	Particulars	Details
(a)	Eligibility	As per the extant guidelines of the Axis Bank.
(b)	Purpose	For acquisition/construction of house (including repurchase).
(c)	Rate of Interest	Applicable rate as per Axis Bank/RBI guidelines. 10 BPS lower from CIBIL score Grid Rate <b>Additional 5 BPS lower from CIBIL score Grid rate for serving women, if they are main applicants.</b>
(d)	Processing Fees	Initial processing fee – Nil. However, out of pocket expenses such as fees payable to Axis Bank approved vendors/advocate/valuer etc are recoverable from borrower, on actuals.

(e)	Margin	Maximum limits of the loan sanctioned are subject to the income/ repaying capacity of the NGIF member and maintenance of LTV Ratio as per RBI/ Axis bank norms. Loan up to Rs.75 lakh – 20% (Loan to Value - 80%) Loan above Rs.75 lakh – 25% (LTV - 75%)
(f)	Security	Equitable/registered mortgage of the property in favor of Axis Bank as per applicable state laws.
(g)	Insurance	In case of take- over of account, one time Group Credit Secure Insurance premium will be added to the housing loan but shall not be mandatory.

5. Copy of MoU is available on NUD. Members are advised to go through it carefully prior applying for loan. Members may also seek any clarifications from Axis Bank on email [ngif@axisbank.com](mailto:ngif@axisbank.com).

6. The contents of this letter may be given wide publicity.

  
 (AP Shaji Kutty)  
 Commodore  
 Cmde (NPF)

**Copy to:-**

The Commanding Officer  
 INS India  
 Africa Avenue  
 New Delhi