

Public Administration Circular No : 36/96

My No : III/0266/2/68/L/HA-95

Ministry of Public Administration, Home Affairs,
Plantation Industries and Parliamentary Affairs,
Independence Square,
Colombo 07.

31 December 1996

All Secretaries of Ministries
and Heads of Departments

Chapter XXIV of the Establishments Code

Loan as for the construction of a dwelling house or for its completion
Clarification of Public Administration Circulars No.6/92 and 15/94

Your attention is drawn to Public Administration Circulars No. 6/92 of 31.01.1992 and 15/94 of 26.04.1994.

02. Sub Section 11:21 of Public Administration Circular No. 6/92 is hereby amended as shown below.

11:21 Whenever a loan has already been obtained from a lending institution (a Commercial Bank) for the construction of a house, by mortgaging with the bank the land on which the house is built and if another loan is obtained from the Government also to complete the construction of the said house the following information should be supplied namely. the reasons for obtaining the loan from the Commercial Bank, the amount of the loan the date and a certificate in support of the fact that the loan so obtained was spent solely for the said purpose. The name of the Notary Public who attested the said mortgage bond (the name of) the land registry where it was registered and the date, should be forwarded through the lending institution.

Before obtaining the loan from the Government the debtor should mortgage the said property with the Secretary of the relevant Ministry on a secondary Mortgage (annexure 2) and the said deed should be registered in the relevant Land Registry in terms of section 6 (of the Mortgage Act.)

The Loan should be released after the registered original copy has been forwarded to the authority sanctioning the loan The Head of the Department is responsible for the safe custody of the registered mortgage bond.

- 11:21:1 Immediately after the recovery of the loan obtained from a Commercial Bank such Commercial Bank should cancel the said mortgage bond and get the said cancellation registered in the relevant Land Registry. The officer who obtained the said loan should inform the Commercial Bank from which he obtained the loan, of this requirement through the officer who sanctioned the government loan.
- 11:21:2 Whenever a salary loan has been obtained subject to a maximum of 2 years, for the construction of a house or for the acquisition of a housing properly, and another loan is obtained in terms of Public Administration Circular No. 15/94 for the construction of a house on the same land or for the completion of such house, one Power of Attorney as should in Annexure I should be executed for the full amount of the loan obtained on the said two occasions.
- 11:21:3 When action is taken under the above mentioned section 11:21:2, the executed of the Power of Attorney and follow up action should be taken in terms of the section 11:19:1 and 11:19:2 of Public Administration Circular No. 6/92. In this instance the Power of Attorney should be executed in favour of the Secretary of the Ministry from whom the 2nd loan was obtained.

Sgd. R.S. Jayaratne
Secretary
Ministry of Public Administration, Home Affairs,
Plantation Industries and Parliamentary Affairs,

Irrevocable Power of Attorney
(on a 2nd borrowing)

IRREVOCABLE POWER OF ATTORNEY

To all to whom these [resents shall come I,
..... ofsend greetings.

Whereas I have borrowed a sum of Rs. on
.....(hereafter referred to as the 2nd borrowing) to enable me
to construct/complete the house on the property and Premises in the schedule hereto.

An where as previous to the said second borrowing I have borrowed a sum of Rs.
.....(hereinafter referred to as the first borrowing) from
.....to enable me to buy the property and premises
morefully described in the schedule and the balance outstanding as at rate of the
said second borrowing is Rs.

And whereas I have onday ofexecuted an
irrevocable power of Attorney in favour of
Secretaryas representating the Government
of the Democratic Socialist Republic of Sri Lanka (hereinafter referred to as the
Republic) in respect of the 1st borrowing.

And whereas it is propose that I should repay the Principal sums so borrowed by
me from the Republic together with the interest thereon as agreed upon in monthly
instalments to be deducted from the salary pay or emoluments received by me as an
Employee in the service of the Republic.

An whereas I have now been requested to execute an irrevocable power of attorney
in favour of the Secretary to
(the relevant Ministry) in respect of both the 1st and 2nd borrowings so that in the
event of my ceasing to hold office under the said Republic for any cause whatsoever
whilst the said loans or any part thereof remains unpaid it would enable him to sell
the said property and to reimburse the said Republic such amounts of the loans as
shall them remain unpaid and pay what is left over to me or to my heirs executors or
administrators to which I have agreed.

Now therefore know ye and these presents witness that I, the said.....
.....
in pursuance of the said request and in consideration of the said total sum of Rupeesborrowed by me do hereby irrevocably nominate constitute and appoint
.....the Secretary his successors in office and or the person for the time being holding the said office as my Attorney to sell transfer and convey the said property in the schedule hereto particularly described at such price and in such manner as shall appear to the said Attorney desirable or necessary.

Upon receipt of the said money as my act and deed to execute in favour of the owner thereof and his heirs executors; administrators and assigns or otherwise as the said owner or his aforesaid shall direct all necessary or proper conveyances and assurances of the said property.

To do every other thing whatsoever which may be deemed necessary proper or expedient for fully and effectually vesting and transferring the said property and the rents, issues and profits thereof and all my estate right title and interest therein or thereto in and to the said owner his heirs, executors administrators and assigns as fully to all intents and purpose whatsoever as I myself might have to do if personally present and this Power of Attorney had not been made.

And I hereby direct and declare that all and every, the receipts releases, conveyances; instruments and assurances and acts deeds, matters and things which shall be by him my said Attorney given made executed or done for the aforesaid purposes shall be as good valid and effectual to all intents and purposes whatsoever as it the same had been signed, executed, delivered given or made or done by me in my own proper person.

This Power of Attorney being given for valuable consideration shall be irrevocable until such time as all monies due on the said loans shall have been repaid.

And I hereby undertake from time to time and at all times to ratify and confirm whatsoever my said Attorney shall lawfully do or cause to be done in or concerning the premises by virtue of this Power or Attorney.

The previous power or attorney executed in respect of the first borrowing obtained by me shall be rendered invalid and ineffectual for all purposes with effect from the date hereof and this Power of Attorney will take effect in respect of the total sum of money borrowed (the 1st and 2nd borrowings) by me from the said Republic.

In witness whereof I have hereunto set my hand at
.....thisday of19.....

.....
Signature

Instrument of Loan Mortgage
Know All Men by These Presents

I,of
.....being the grantee of loan having applied for a
loan of Rupeesin the lawful money of Sri Lanka from
.....(name of officer holding or acting in the post)
Secretary to the Ministry ofor his successors representing
the Democratic Socialist Republic of Sri Lanka (hereafter referred to as the
Republic) being the granter of the loan I have counted and accepted the said
money today properly and truly.

Therefore having renounced the benefit of the statement that I have not
counted and accepted the money I being the grantee of the said loan do hereby
certainly promise and bind myself on behalf of me and my heirs, executors,
administrators, attorneys and assigns that I will pay the amount of loan and the
interest to be added to it at the rate ofper cent per annum from
this date upto the date of settlement of loan in full (conditional clause to be
included here viz. on demand or in instalments of Rs.once in
.....months together with the interest added to the principal sum
before the lapse offull years or before the lapse of
.....months after due notification etc.) to the Republic, the creditor
of the said loan or to their heirs, executors and administrators.

Further as security for payment of the said loan and the interest
accured to it as described above I do hereby bind and give to the Republic and
its successors being the owners of the said loan, the land called
described in the schedule below with everything that stands thereon which I have
been occupying undisputedly on lawful right and claims, subject to the original
or first deed or mortgage No19.....together with all my rights claims and
powers exercised by me, the borrower by executing as second mortgage free from
any encumbrance whatsoever other than the said first mortgage.

I further do hereby certify that I the borrower have the legal power
to bind this mortgaged property and also reveal that I have not committed any
act which will alienate the land. I also promise and bind myself to protest
this property and also reveal that I have not committed any
act which will alienate the land. I also promise and bind myself to protect
this property bound by this mortgage avoiding all types of activities which
will cause devaluation of the property or destruction of its present condition
binding further myself my heirs with the Republic and its successors being the
owners or the principal loan.

The schedule referred to above

In witness whereof

Signed the present and two other copies of the same tenor and date on the
.....day ofin the year One Thousand Nine Hundred and
.....

.....
Signature

Witness: