

**GOVERNMENT OF INDIA
MINISTRY OF LABOUR AND EMPLOYMENT
LOK SABHA**

**UNSTARRED QUESTION NO. 5602
TO BE ANSWERED ON 02.04.2018**

PAYING OF HOUSING LOAN BY EPFO

5602. SHRI P.C. MOHAN:

Will the Minister of LABOUR AND EMPLOYMENT be pleased to state:

- (a) whether the Government proposes to permit the subscribers of the Employee's Provident Fund Organisation (EPFO) to pledge their future and present contribution of Provident Fund to pay housing loan;**
- (b) if so, the details thereof;**
- (c) whether this facility is available to all PF subscribers irrespective of their rank or category and if so, the details thereof;**
- (d) whether EPFO will stand as guarantor to the loan raised by the employees' from the financial institutions like banks, if the scheme is approved and if so, the details thereof;**
- (e) whether the Ministry will allow the subscribers to avail the subsidy given by the Ministry of Housing and Urban Poverty Alleviation; and**
- (f) if so, the details thereof and if not, the reasons therefor?**

ANSWER

**MINISTER OF STATE (IC) FOR LABOUR AND EMPLOYMENT
(SHRI SANTOSH KUMAR GANGWAR)**

(a) & (b): The Government vide Notification No. G.S.R.351 (E) dated 12th April, 2017 has inserted a paragraph 68BD in Employees' Provident Fund (EPF) Scheme, 1952 for withdrawal from the Employees' Provident Fund (EPF) for purchasing dwelling house or flat or construction of a dwelling house.

The withdrawal amount from the Provident Fund shall not exceed ninety per cent of the employer's share of contribution and interest thereon and employee's share of contribution and interest thereon.

The Scheme envisages that a member can authorise monthly installment for the repayment, wholly or partly, of any outstanding principal or interest of a loan obtained in the name of the member or spouse of the member or jointly by the member and the spouse.

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(c): As per paragraph 68BD(3) of EPF Scheme, 1952, no withdrawal under this paragraph shall be granted:-

i) Unless member has membership of the Fund for atleast three years.

ii) More than once.

iii) Unless the share of contribution with interest thereon in the amount standing to the credit in the Fund of the member/or together with the spouse who is also a member, is not less than twenty thousand rupees.

(d): As per proviso to paragraph 68BD(2) of EPF Scheme, 1952, the Commissioner shall not be responsible or liable or make himself liable for the act of the parties to the agreement.

Further as per proviso to paragraph 68BD(4) of EPF Scheme, 1952 when the membership of the member ceases to exist or where the amount standing to in the credit of member's account is not sufficient to pay the monthly instalment for any month, the Commissioner or where so authorized by the Commissioner any other officer subordinate to him shall not be liable to pay the monthly installment or any late fee or interest or other such charges.

(e) & (f): There is no restriction imposed in the Scheme by EPFO to avail subsidy given by Ministry of Housing and Urban Affairs, as per terms of their Scheme.
