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स्टेट बैंक ऑफ इण्डिया ऑफिसर्स एसोसियेशन
State Bank of India Officers' Association (Patna Circle)

All Letters to be
Addressed to the
General Secretary

Regd. No. 1872 of 1975
(REGISTERED UNDER TRADE UNION ACT - 1926)

State Bank Building
West Gandhi Maidan
Patna - 800 001

CIRCULAR NO. 16 /2020

DATE : 22.01.2020

TO,
ALL MEMBERS

Staff Personal Loan/Current Account OD to e-AB/e-BMB Employees covered under NPS

We reproduce hereunder the text of the **AISBOF Circular No. 16** dated 22.01.2020, the contents of which are self-explicit.

With warm greetings,

(Ajit Kumar Mishra)
GENERAL SECRETARY

OUR UNITY : ZINDABAD-ZINDABAD
S.B.I.O.A. : ZINDABAD-ZINDABAD

Text

Staff Personal Loan/Current Account OD to e-AB/e-BMB Employees covered under NPS

We have sent a communication to the DMD (HR) & CDO, State Bank of India, on the captioned subject.

A copy is enclosed for information.

Yours comradely,

(Soumya Datta)
General Secretary

No.6705/08/20

Date : 22.01.2020

The Dy. Managing Director (HR)
& Corporate Development Officer
State Bank of India, Corporate Centre,
Madam Cama Road,
Mumbai 400021

Dear Sir,

Staff Personal Loan/Current Account OD to e-AB/e-BMB Employees covered under NPS

This is to draw to kind attention to the fact that Staff Personal Loan/Current Account OD facility was extended to e-Associate Officers, who were covered under National Pension System (NPS) vide Circular No.CDO/P &HRD/86/2018-19 dated 14.02.2019. As per provisions of the said circular Staff Personal Loan/Current Account OD can be availed by e-AB and e-BMB officers, who do not have PF account by providing adequate collateral. In this context, we wish to bring to your kind attention about two major conditions in this circular, which we feel needs to be revisited.

02. It is evident that at the time of merger of e-Associate banks and e-BMB bank, almost all the e-AB and e-BMB officers covered under NPS had opted for SBI Terminal benefits as they felt that it was more beneficial. Thus, from 01/04/2017 onwards, individual PF account was opened for each officer and salary deductions commenced subsequently. It is apparent that none of the e Associate/e BMB officers covered under NPS, who had opted for SBI terminal benefits will be benefited from the above mentioned circular, as all were now having PF accounts and the balance of such accounts is around Rs 2 lakh on an average. The circular also stipulates that the loan should be collaterally supported by tangible security having 125% value of loan amount, which also would be out of reach of such officers. Hence, we feel that the margin for the loan can be covered by this balance in PF account and the loan can be given with 100% LTV for Collateral.

03. In the light of what has been stated in the foregoing, we feel that the extant provisions may be amended to incorporate the following:

- a. "Those who are not having PF account" may be amended as "*those who are not having sufficient balance in PF account*"
- b. Value of collateral security may be reduced from 125% to 100%

If the said provisions are incorporated it will be hailed as another landmark HR initiative of the bank which would provide an opportunity to those officers, who are now unable to avail of the Staff Personal Loan/Current Account OD.

With regards,

Yours sincerely,



(Soumya Datta)
General Secretary