

## **Obtaining the information on the settlement of property loan balance obtained by the Public Servants from the Loan Guarantee Fund through the GFLSMS**

The Department of Treasury Operations, as the Government shall settle the outstanding balance of the property loan as at the date of occurring of any of the following, obtained in accordance with Section 11 of Chapter XXIV of the Establishment Code of the officers who died or became totally disabled or has been sent on retirement on medical grounds during the service period , to the bank through the Loan Guarantee Fund.

The GFLSMS has been developed to make easily aware of the updated information related to the process for the relevant parties. Access to this official website can be reached under the Ministry of finance.

Occasions where claims can be made through the guarantee fund;

- Being an officer in the government service or provincial government service who has obtained a property loan from a state bank after the year 2005
- Death of the officer during the active service
- Totally disabled of the officer during the active service
- Retirement on medical grounds

Occasions where claims cannot be made through the Guarantee Fund;

- Resignation, vacation of post, dismissal or suspension of the officer

### **The process of the settlement of Loan balance is as follows.**

- (i) Head of the Institution should collect the necessary details of the officer who is eligible to claim under the Guarantee Fund from his/her spouse/ dependents and forward to the Department of Treasury Operations with the following information
  - A certified copy of National Identity card of the officer
  - A certified copy of the death certificate of the officer
  - A certified copy of the Medical Board report on retirement on medical grounds of the officer
  - A copy of the letter of retirement on medical ground attested by the Head of the institution
  - A certified copy of letter of award of the pension
  - Certification from head of the institution that the officer has not reinstated after the retirement on medical grounds.
  - Affidavit if there is any change in the name of the officer

- Certified copy of the loan application approved by the Head of the Institution in accordance with Appendix 26 of the Establishments Code
- Certificate from the Head of the Institution stating whether the officer has not left the service, has not been dismissed, has not been suspended, on unpaid leave and has not retired from service at the time of death.
- Certified details of monthly remittances made by the employer indicating the principal and interest amounts separately and outstanding balance of the capital as per the following table. (Indicate the installments recovered from the officer, interest recovered from the officer and interest borne by the government - All pages should be certified with official stamp of the responsible officer)

Year	Month	Installment recovered for the loan (Capital)	Interest recovered from the officer	Interest borne by the government	Total
Total					

- Outstanding capital balance of the loan at the time of the death/ retirement (without interest) according to the institutional ledger books.
  - Name, address and telephone number of the spouse / dependents of the officer
  - A certified copy of marriage certificate
  - Documents to prove as dependent
- (ii) After receiving the above information, the following information will be called from the bank by the Department of Treasury Operations.
- Request letter from bank manager on the settlement of loan
  - Request letter from spouse/dependent on the settlement of loan
  - A certified copy of the death certificate of the officer
  - A copy of the letter of retirement on medical grounds attested by the Head of the Institution
  - A certified copy of National Identity card of the officer
  - Details on Bank Account Number related to the loan
  - Certified copy of the loan application approved by the Head of the Institution in accordance with Appendix 26 of the Establishments Code
  - Certified copy of appendix 27 of the Establishments Code
  - Certified copy of the property deed
  - Certified copy of marriage certificate if the property deed belongs to spouse
  - Certified copy of Mortgage bond

- Certification from bank manager that loan has been used as per the estimate if the loan has been given to build house/complete the rest of construction
- Certified details of monthly remittances made by the employer indicating the principal and interest amounts separately and outstanding balance of the capital as per the following table (All pages should be certified with official stamp of the responsible officer)

Year	Month	Installment recovered for the loan (Capital)	Interest recovered from the officer	Interest borne by the government	Total
Total					

- Outstanding capital balance of the loan at the time of the death/retirement (without interest)
- (iii) With the receiving of the completed information and the reports from the Institution and the bank, it will be compared and a cheque will be issued to settle the confirmed minimum outstanding capital balance of the loan as at the date of the officer's death /retirement and send to the bank to credit the loan account in the officer's name.
- (iv) Accordingly, the bank shall release the property deed secured against the property loan to the officer or their spouse/dependents.
- (v) In relation to this process, with receiving a request to settle the property loan of an officer, the relevant information is entered into the GFLSMS system by the Department of Treasury Operations and updated from time to time. The updated information can be checked through the system until the settlement of the outstanding loan balance is completed. Information can be obtained by entering the borrower's National Identity Number into the GFLSMS system.

This GFLSMS system has been developed to facilitate an easy as well as an efficient access to get up-to-date information for the clients/service agencies and lending banks who may claim through the Loan Guarantee Fund.

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