

My No: EST/7/LOANS/04/1040
Ministry of Public Administration
and Home Affairs
Independence Square
Colombo 07

26.12.2014

Secretaries to Ministries
Chief Secretaries of Provinces
Heads of Departments

**Provision of Property and Vehicle Loans for Public Officers through
Banks**

Your attention is drawn to the Public Administration Circular 15/2007 dated 18.11.2009 and 15/2007(I) dated 18.11.2009 on the above matter. The interest rates to be recovered for the property and vehicle loans provided through banks shall be revised as follows with effect from 01.01.2015.

Loan Amount (Rs)	Interest rate to be paid by the officer	Interest rate to be paid by the government	Total interest rate to be remitted to the bank
Property Loans			
Up to 500,000	4 %	6%	10%
From 500,001 to 1,000,000	7 %	3%	10%
From 1,000,001 to 3,000,000,000	9%	2%	11%
Vehicle Loans			
Recovery of interest for Vehicle loans	9%	2%	11%

02. As per the above revisions the provisions of Sub Sections 7.4.1 and 11.5.1, Chapter XXIV of the Establishments Code on the interest rates to be recovered for the property and vehicle loans provided through banks shall be revised.

03. The revised interest rates shall be applicable only for the property and vehicle loans provided on or after 01.01.2015 and the interest rates which are effective at present shall be applied for the property and vehicle loans provided before 01.01.2015.

04. This Circular is issued with the concurrence of the General Treasury

Sgd/P.B. Abeykoon

Secretary

Ministry of Public Administration and Home Affairs