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26/2/08
ভারতীয় স্টেট ব্যাঙ্ক
भारतीय स्टेट बैंक
State Bank of India

স্থানীয় প্রধান কার্যালয়

গ্রামীণ ব্যবসা বিভাগ

সমৃদ্ধি ভবন

1, স্ট্রান্ড রোড

কলকাতা - 700 001

তার : সার্কিউটপ

ফোন নং : 033 2242-4106

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PS
26/2/08
2/2/08

RB/144

Date: 2nd February 2008.

Dear Sir,

BASIC SERVICES FOR THE URBAN POOR (BSUP)
AND INTEGRATED HOUSING SLUM DEVELOPMENT PROGRAMME (IHSDP)

We write with reference to the discussion Shri Ashish k Roy ,our Dy. General Manager, Rural Business Unit, had with you at your office on the 25th January 2008 on the above subject

2. Our Siliguri Branch was the first bank branch to have been associated with the above housing development projects. We are now considering taking up similar proposals at a few other centres. In this connection, we reiterate our deep commitment to these important schemes of the Govt. of West Bengal.

3. The model that we propose to follow is summarized below:

- Selection of Beneficiary** - Slum dwellers as per formal sponsoring / recommendation of the local Corporation/ Municipality.
- Loan Corpus** - 20% of the capital cost, 80% being met by the Government, subject to a maximum amount of Rs. 20,000/-
- Rate of Interest** - 4% p.a. simple
- Documents** - A suitably drafted document.
- Repayment Period** - 10 years
- Processing charges** - Nil
- Security** - Primary – Equitable mortgage of the land

Other Documents

- A standard MOU between the sponsoring Corporation / Municipality and the concerned Bank branch, covering the roles and responsibilities of various parties.

4. Recalling our experience in Siliguri, we are confident that our terms and conditions will be acceptable to you. Should you need clarification on any issue, we may discuss it further. Once we agree on the terms, the same model may be rolled out by our Bank at all other centres.

5. In this regard, we have the following observations to make:

- i) All funds received by the Corporation / Municipality under the scheme should reasonably be parked in the financing branch.
- ii) Whether there is any interest subsidy component in these projects?

6. We shall be extremely glad to receive your response in the matter at an early date. We shall also be grateful if you may please provide to us a write-up containing the highlights of the schemes and the plans / targets that you have.

Yours faithfully,



(J.K. Sinha)
Chief General Manager