

No.003/VGL/29  
Government of India  
Central Vigilance Commission  
\*\*\*\*\*

Satarkta Bhawan, Block 'A',  
GPO Complex, INA,  
New Delhi- 110 0023  
Dated the 11<sup>th</sup> March, 2004

**Office Order No.18/03/04**

To

All the Chief Vigilance Officers of PSBs

**Subject: Sanction of Housing loan/Consumer loan by PSBs - procedural lapses regarding.**

The Commission is in receipt of very large number of references from banks regarding irregularities in the grant of Housing loan/Consumer loan viz-

- a) non-verification of genuineness of the identity and records of the borrowers.
  - b) absence of visit to the housing site, independent enquiries with employer of the borrowers.
  - c) Negligence in handing over pay orders to the borrowers instead of direct delivery to the builders/housing societies/housing development agencies.
2. As sanctioning of these loans are being pursued as high priority activities by banks and tough targets are being fixed, unscrupulous elements are taking advantages.
3. All the Public Sector Banks are advised to take urgent remedial and proactive steps to guard against these frauds.
4. CVOs may bring this to the notice of all concerned.

Sd/-  
(Anjana Dube)  
Deputy Secretary