

The Mercantile Service Provident Society

NOTE TO APPLICANT – MEMBER : Please ensure that the following requirements are complied with and the following documents are furnished to the Society when applying for a Housing Loan.

PURCHASE OF LAND / LAND AND BUILDING

(A) A letter from YOU incorporating the following

- (i). The Purchase Consideration in respect of the transaction which amount will be stated in the relative Deed of Conveyance.
- (ii). That the Title Deed in your favour, and / or in favour of your spouse, will be forwarded to the society within EIGHTEEN MONTHS after the granting of the loan for safe keeping, on receipt from the Land Registry, after Registration.
- (iii). That if the transaction is not completed within one month from the date of granting of the loan, the cheque will be RETURNED to the Society (Failure to comply with this undertaking will debar the member from taking a further loan for a period of 5 years, even if he / she subsequently buys a different property.)
- (iv). That the property purchased will not be mortgaged, alienated or otherwise dealt with or money on the security of the property will not be obtained without prior approval of the Society.

(B) A letter from the Attorney-at-law acting for you in this transaction on the following lines: (This is only a specimen)

The Secretary,
The Mercantile Service Provident Society,
212, De Saram Place, Colombo 10.

(Date)

Dear Sir,

NAME OF LAND / ASSESSMENT NO.

This is to certify that I am acting for Mr./ Mrs./ Miss
in respect of the purchase by him / her of the above Land.

I have made a diligent search on (state date) at the Land Registry
and have to report as follows:

- (a) The land and buildings thereon are absolutely owned by Mr./ Mrs./ Miss
- (b) The land and buildings thereon are free from all encumbrances.
- (c) The land is a divided and defined portion described as follows:
 (“..... description of the land as per the schedule”)
- (d) The purchase consideration to be paid to the Vender is Rs.

I confirm that I will advise the Society within 3 months from today the position regarding this transaction.

Yours faithfully,

(C) Draft Deed

(D) Copy of the owner's Deed

I hereby declare that the above statements are true and accurate to the best of my belief, knowledge and information and I do hereby agree for myself, my heirs, executors, administrators and nominee or nominees, to be bound by the rules and regulations for the time being and from time to time governing the MERCANTILE SERVICE PROVIDENT SOCIETY and as such terms and conditions as the Committee may at any time impose in respect of this application or any loan granted to me in consequence thereof. I further agree to meet all expenses both legal and otherwise which may be incurred in connection with this application and will at no time make any claim from the Society for such expenses.

I especially undertake :-

- (a) to forward to the Society within EIGHTEEN MONTHS of the loan being granted the Title Deed of the relative land and house, and
- (b) to forward within two months of the loan being granted a letter from my Attorney-at-law acting on my behalf, confirming the finalization of the transaction.

Date

Signature of Applicant

I have explained the relevant provisions of the Rules (an extract of which is quoted below) and the consequence of non compliance thereof to Mr./ Mrs./ Miss. -----

Date

**Signature of Attorney-at-law with
an impression of his common seal.**

The following is an extract of Rule 40 (A) (v) (d) of the Society for the information of the MEMBER and the ATTORNEY-AT-LAW :-

“If it shall appear to the Committee that a loan has been granted in reliance upon and incorrect or false statement made by a member or that the loan has not been applied by the member for the purpose for which it was granted the Committee may (on inquiry after reasonable notice affording the member an opportunity of furnishing an explanation in writing) direct that the member shall cease to be a member of the Society as from such date as the Committee may decide and thereupon the member shall cease to be a member of the Society on that date and become a member of the Employees’ provident Fund, to which all monies standing to the credit of a member at the date of cessation of his membership less the unpaid amount of any loan or loans granted by the Contributor under Rule 43 and to the other provisions of the rules shall be transferred provided always that only if such member shall not be eligible for membership of the Employees’ Provident Fund, the Committee may permit such member to remain a member of the Society, but no loan shall thereafter be granted to the member in any circumstances whatsoever.

The provisions of sub-paragraph (v) (d) shall also apply if the member or his wife shall commit a breach of the undertaking referred to in the foregoing sub-paragraph (v) (a) unless the member shall on being called upon to do, repay to the Society the unpaid amount of the loan with all interest thereon”.