

MASS HOUSING LAW (1)

Law No: 2985

Date of Adoption: 02 March 1984

Official Gazette of Publication: No. 18344 dated 17 March 1984

Purpose and Applicability

Article 1 – This Law governs satisfaction of housing needs, drafting of guidelines and procedures that apply to housing builders, development of machinery and equipment through the agency of industrial construction techniques adaptive to national circumstances and materials, and supporting to be provided by the State. (2)

Revenues, Expenditure and Supervision of Housing Development Administration (3)

Article 2 – (Article Amended by: Art. 7 of Law No.4684 dated 20.06.2001) (4) Revenues of the Housing Development Administration consist of;

- a) Revenues derived from sales and rental of the houses, workplaces, plots and workplaces to be sold by the Administration
- b) Repayments of credits to be opened by the Administration,
- c) Contributions to be received up to maximum 25% of the plot costs of the houses and Workplaces built on Treasury lands,
- d) Credits to be supplied from foreign resources upon approval of the Undersecretariat of Treasury,
- e) Interest revenues,
- f) **(Amended: Law dated 30/12/2004 and numbered 5281/ Article 43, paragraph 16)**¹ from the allocations and fees collected as per Article 1 of the Law² dated 29/06/2001 and numbered 4705,
- g) Donations and aids to the Administration.

Housing Development Administration uses the resources for the following purposes:

a) (Subparagraph as amended by Art. 3 of the Law No. 4966 dated 31.07.2003) (5) Granting individual and mass housing credits; granting credits for projects intended for improvement of rural architecture, transformation of squatter areas, preservation and restoration of historical and regional architecture; and making interest subsidies for credits.

b) Supplying plots of land for mass housing areas

c) Granting investment and operation credits for research, tourism infrastructure, housing infrastructure, schools, police stations, temples, health facilities, sports facilities, post offices, children's parks and so on, and for promoting the housing sector.

d) Supporting by way of credits workplaces and small scale industrial undertakings of tradesmen and craftsmen with a view to creating jobs and employment opportunities.

e) Promoting and supporting housing activities in locations struck by disasters.

Procedures and guidelines regarding the administration resources shall be determined by a regulation to be put into force by the Council of Ministers.

¹ Previous paragraph: "from the allocations"

² "The Law on the Fees to be Collected for Travels Abroad and on the Amendment to the Law Numbered 4481" dated 29/06/2001 and numbered 4705 as promulgated in the Official Gazette dated 12/07/2001 and numbered 24460.

Revenues and costs of Housing Development Administration are subject to the auditing of the Supreme Board for Auditing.

Article 3 – (Revoked Article: Art. 7 of the Law No. 4684 dated 20.06.2001) (6)

Selection of Housing Sites, Expropriation and Cadastre (Amended Law dated 12.05.2004 and numbered 5162 / article 2) (6a)

Article 4 – Mass housing sites shall be selected by governorships within the frameworks of the principles to be laid down by the Board of Mass Housing and Public Partnership. These sites may be nationalized by the Directorate General of Land Plot Office, where deemed necessary. Guidelines as regards performance of cadastre works and preparation of housing plans for Mass Housing sites shall be established by Board of Mass Housing and Public Partnership.

Promotion of Projects

Article 5 – Projects promoted under the guidelines laid down by Board of Mass Housing and Public Partnership shall be subject to the legislation governing promotion.

Article 6 – For the acts to be performed under this Law, Articles 38 and 50 of the Decree No. 70, provisions of the Law No. 1070 on General Accounting Law, the Law No. 832 on Comptroller General, and Public Procurement Law No. 2886 shall not be applicable.

Article 7 – (Revoked article: Art. 7 of the Law No. 4684 dated 20.06.2001) (7)

Article 8 - (Revoked article: Art. 7 of the Law No. 4684 dated 20.06.2001) (8)

Supplementary Articles – I

Supplementary Article 1 – (Provisional Article: Article 1 of the Decree No. 412 dated 09.04.1990) Housing Development Administration attached to Prime Ministry and possessing a legal personality has been established. Duties of the Housing Development Administration are as follows:

- a) Issuing internal and external bonds and any kind of stocks with or without state guarantee.
- b) (Amended subparagraph: Art. 7 of the Law No. 4684 dated 20.06.2001) (9)** Deciding upon receiving credits from foreign resources to be used for the expenditure relating to its scope of activity upon approval of the Undersecretariat of Treasury.
- c) Taking actions aimed at ensuring participation of the banks in financing housing; providing banks with credit to this end; and establishing procedures relevant to enforcement of this provision.
- d) Supporting the industry related to housing construction or those who are involved in this field.
- e) (Amended subparagraph: Art. 4 of the Law No. 4966 dated 31.07.2003) (10)** Establishing companies related with housing sector or participating in those that have already been established. (10a)
- f) (Amended subparagraph: Art. 7 of the Law No. 4684 dated 20.06.2001) (9)**
- g) (Amended subparagraph: Art. 7 of the Law No. 4684 dated 20.06.2001) (9)**
- h) Subcontracting any research, projects and commitments, where deemed necessary,

i) (Supplementary subparagraph: Article 4 of the Law No. 4966 dated 31.07.2003)(11) Granting individual and mass housing credits; granting credits for projects intended for improvement of rural architecture³, transformation of squatter areas, preservation and restoration of historical and regional architecture; and making interest subsidies for all such credits, where deemed necessary,

j) (Supplementary subparagraph: Article 4 of the Law No. 4966 dated 31.07.2003)(11) Developing projects both in Turkey and abroad directly or through the agency its participations; carrying out or appointing others to carry out applications for housing, infrastructure and social facilities,

k) (Supplementary subparagraph: Article 4 of the Law No. 4966 dated 31.07.2003) (11) Implementing or appointing others to implement profit-oriented projects to ensure sources to the benefit of the Administration,

l) (Supplementary subparagraph: Article 4 of the Law No. 4966 dated 31.07.2003) (11) Building, promoting and supporting construction of housing units as well as social facilities and infrastructures in locations where disasters take place, if considered necessary,

m) Fulfilling duties imposed by laws and other legislation.

Supplementary Article 2 - (Supplemented Article: Law dated 10/05/1990 and numbered 3645/ Article 1)^{4 5} As an aid to families of those who are martyred during the missions under the scope of Article 64 of the Law on Pension Fund of Republic of Turkey numbered 5434, the Law on Cash Compensation and Salary Provision numbered 2330, the Law on Provision of Cash Compensation and Salary to Certain Public Servants numbered 2566, the Law on Provision of Cash Compensation and Salary to Public Servants on a Mission Abroad numbered 2453, the Law on Compensation for Flight, Parachuting, Submarine, Diving and Frogman Services numbered 2629, and the Law on the Amendment to the Law on the Staff of Turkish Armed Forces numbered 926, and those who are killed during exercises and maneuvers in emergencies or peacetime, their spouses, or their children who are receiving salary benefits if such spouse is dead or married, or their parents who are dependent on him/her are given by the Mass Housing Administration (16) a non-interest loan for housing. The provisions concerning the amount of such loans, the application requirements, non-recourse period and repayment terms are drafted by the Higher Planning Board.

Supplementary Article 3 - (Supplemented Article: Decree with the Power of Law dated 09/04/1990 and numbered 412 / Article 1) The staff of the Mass Housing Administration shall be subject to the provisions of the Law on Civil Servants numbered 657.

The Head of the Mass Housing Administration shall be appointed with a joint decree, and the other staff shall be appointed upon approval by the Head of the Mass Housing Administration.

³ With Article 8 of the Law numbered 5372 as promulgated in the Official Gazette dated 15/11/2004 and numbered 25671, the phrase “take actions and” has been added.

⁴With Article 8 of the Law numbered 5372 as promulgated in the Official Gazette dated 15/11/2004 and numbered 25671, the Supplementary Article 1 name under the title Supplementary Articles II has been amended.

⁵With Article 8 of the Law dated 7/12/2004 and numbered 5273, the numbers of the articles following Supplementary Article 1 inserted by the Decree with the Power of Law numbered 412 are sequenced anew. Former Article 2

The Mass Housing Administration may employ people under contracts in the fields requiring special knowledge and specialization irrespective of the provisions on the employment of people under contract of the Law on Civil Servants numbered 657 and other laws. The people employed under this paragraph shall be associated with the Pension Fund or Social Insurance Agency with respect to social security.

People may be employed under contract by providing counterparts for the Department Physician Position and the positions specified in Article 59 of the Law on Civil Servants numbered 657. They are associated with the Pension Fund of the Republic of the Turkey upon request by them. Of the people who will be employed in this way, the salaries of those obtaining salary from the Pension Fund of the Republic of Turkey shall not be discontinued.

The number of those who will be employed under the third and fourth paragraphs, their upper and lower wages, and other benefits shall be set in compliance with the service contract to be issued by the Council of Ministers.

The Administration may employ the staff of the Prime Ministry and other public bodies and organizations with leave without salary and under contract. Their civil servant positions and related rights and benefits are reserved. The period in which they are on leave is taken into account as actual service with respect to their promotion and retirement, and those who are entitled to promotion during the time they are on leave shall be promoted promptly without any further procedure.⁶

Supplementary Article 4 - (Abolished Article: Law dated 20/06/2001 and numbered 4684 / Article 7.)(12)

Supplementary Article 5 - (Supplemented Article: Decree with the Power of Law dated 09/04/1990 and numbered 412 / Article 1) The provisions of the Law on Public Procurement numbered 2886, Law on Public Accounting numbered 1050, and the Law on Court of Accounts numbered 832 shall not apply to the works which shall be performed under this Law. (See Footnote 5).

Supplementary Article 6 – (Supplemented Article: Law dated 29/05/2003 and numbered 4864 / Article 8)(13) The Mass Housing Administration may establish units when necessary in project locations. (Sentence change: Law dated 31/07/2003 and numbered 4966 / Article 5) (14) In these units, the staff from the positions in the organization of the Administration shall be employed; the positions which shall be allocated to these units shall be determined in compliance with the method set forth in the third paragraph of Article 8 of the Decree with the Power of Law numbered 190. When necessary, the staff of the governorates, municipalities and other public organizations may be provisionally commissioned at these units upon request by the Administration. Following the completion of the application, these units are removed and their staff shall be returned to their organizations. (See Footnote 5).

Supplementary Article 7 – (Supplemented Article: Law dated 12/05/2004 and numbered 5162 / Article 4)(15) The Administration may develop projects for the transformation of slum areas, and conduct construction and financing work with a view to renovating the slum areas. To this end, the values of the immovable property owned by real persons and private corporate persons in the slum areas and the immovable property of the beneficiaries under the Law on the Amendment of an Article of the Law on Reconstruction numbered 6785 and Certain Actions for the Building the project. The Administration is authorized to set forth the procedures and principles for such agreements.

The prices of the housing units construction of which is realized by the Administration within the scope of the Slum House Transformation Project may be set below the construction costs when necessary taking into consideration the existing economic situation in the provinces where Violating the Legislation on Reconstruction and Slum

Houses dated 24/02/1984 and numbered 2981 shall be assessed by the Administration and the Administration may conclude agreements with such people within the framework of such projects are implemented, natural disasters, applicable house prices and the income levels of the people living in the slum areas, and shall be publicly announced. The Minister to whom the Administration is subordinated is authorized to determine, upon recommendation by the Head of the Mass Housing Administration, the house prices, the payment terms and conditions under this Article. (See Footnote 5).

Supplementary Article 8 – (Supplemented Article: Law dated 12/05/2004 and numbered 5162 / Article 4)(15) The provisions of the Law on Counseling Fees for Lawyers and Other People Launching Public Actions dated 02/02/1929 and numbered 1389 shall be applied by comparison for the distribution of the counseling fees collected from the other party as a result of the actions and enforcement orders won by the Administration to the legal consultants, lawyers and civil servants working in legal services. (See Footnote 5).

Supplementary Article 9 – (Supplemented Article: Law dated 15/12/2004 and numbered 5273 / Article 9) The construction permits shall be issued based on the preliminary designs to the building to be constructed by the Mass Housing Administration within fifteen days following the application without requiring additional documents provided that such buildings are allocated to the intended use in reconstruction plans, they are not in violation with the application reconstruction plan and legislation, and the Administration assumes architectural, static, installation and all kind of scientific responsibility and documents the ownership.

Provisional Articles

Provisional Article 1 – a) Provisions of the Law No. 2487 shall apply to the projects financed on credit in accordance with the Mass Housing Law No. 2487 within the framework of the principles to be laid down by the Board of Mass Housing and Public Partnership.

b) Projects obtaining rights under the Mass Housing Law No. 2487 shall benefit the provisions of the same law within the framework of the principles to be laid down by the Board of Mass Housing and Public Partnership.

Provisional Article 2 – (Provisional Article: Art. 2 of 3645 dated 10.05.1990)

Interest-free housing credit shall be granted to the relatives of those who fall under the Supplementary Article 1 and have lost their lives prior to the date of entry into force of this Law, in accordance with the provisions of the Supplementary Article 1, provided that they file their applications as of the date of entry into force of this Law.

Provisional Article 3 - (Provisional article: Art. 9 of the Law No. 4864 dated 29.05.2003)

(17) Housing Development Administration shall supply credit for the cooperatives and houses to be built on own-possessed plots of land and plots of land to be acquired as a result of concentration by owners of seriously damaged and ruined houses as determined by the delegates of Ministry of Public Works and Housing, who are victims of the earthquake that took place around Afyon on 03.02.2002. Moreover, credit shall be supplied by the Housing Development Administration to the house or workplace cooperatives 70% of which has been completed, which were ruined or severely damaged during the earthquake, in proportion to their damages, to the extent that maximum one house or workplace is given to each of their members. Ministry of Public Works and Housing Development Administration shall jointly determine the guidelines and procedures applicable to granting the credit in

question, and these guidelines and procedures shall enter into force upon approval of the Prime Minister.

Article 21, provisional article 2 and 10 of the Law No. 7269 dated 15.5.1959 may apply to supplying plots and lands in the areas where victims will build houses or workplaces. Plots and lands supplied and allocated as such shall be deemed to have been assigned to the Directorate General of Plots Office free of charge. Such plots and lands shall be assigned by the Directorate General of Plots Office to the cooperatives to be financed under paragraph one above on the value of the costs. Calculation of the value of costs shall assume one fifth of the value constituting the basis for charging as the value of acquirement.

TL 70 trillion required for credits of the houses and workplaces to be provided as required by paragraph one shall be transferred to the Housing Development Administration; and TL 50 trillion required for infrastructure and concentration procedures shall be transferred to the disaster scheme under the budget of Ministry of Public Works and Housing to be used within the framework of the protocol to be established among Directorate General of Disaster Works, Directorate General of State Highways and Directorate General of Bank of Provinces.

Unexpended balance of the mentioned amounts as well as repayment of the credits granted shall be pursued by the Housing Development Administration and Directorate General of Disaster Works, and, upon repayment, shall be deposited in the account of the Directorate of Central Accounting Department of Ministry of Public Works and Housing to be recorded to the disaster scheme under the budget of Ministry of Public Works and Housing. Bidding procedures, contracts, licenses and other procedures relating to the buildings to be reconstructed or repaired in accordance with the articles, and any declarations, commitments to be given and contracts to be concluded by the beneficiaries of this implementation shall be exempt from any taxes, duties and charges.

Provisional Article 4 – (Provisional article: Art. 10 of the Law No. 4864 dated 29.05.2003)(18) As per the Decision No. 200112202 of Council of Ministers dated 28.03.2001, rights and liabilities regarding the acts and procedures concerning the assets assigned to the Presidency of Housing Development Administration by Turkish Bank of Real Properties while in the state of Dissolution shall be on the part of the Bank for the period prior to 14.12.2001 and on the part of the Presidency for the period after this date.

Provisional Article 5 - (Provisional Article: Law dated 15/12/2004 and numbered 5273) The regulations which shall be issued by the Mass Housing Administration based on this Law and upon recommendation by the Ministry of Finance concerning the implementation of the Law numbered 1164 shall be entered into force within one year since the promulgation of this Law. Until these regulations enter into force, the existing regulations issued under the Law numbered 1164 shall be applied.

Provisional Article 6 - (Provisional Article: Law dated 15/12/2004 and numbered 5273) The lands and fields requested by the Treasury for public service purposes from the lands and fields which have been transferred by the Treasury to the General Directorate of Land Office under Article 7 of the Law numbered 1164 shall be returned to the Treasury free of charge.

Entry Into Force

Article 9 – This Law shall enter into force from the date it is published.

Enforcement

Article 10 – Provisions of this Law shall be enforced by the Council of Ministers.

Provisions not incorporated into the Law

Provisional articles of the Decree No. 412 dated 09.04.1990

Provisional Article 1 – Financial Expenditure of Housing Development Administration incurred for the year 1990 shall be met by the budget of Mass Housing and Public Partnership.

Provisional Article 2 – Until the Housing Development Administration established by this Decree is organized, its services shall be performed by the Administration of Public Partnership.

Provisional Article 3 – References made in other legislation to the Administration of Housing Development and Public Partnership shall be considered to have been made to the relevant provisions of the regulations of the Administration of Public Partnership and the Housing Development Administration.

The Expression, Supreme Board of Planning in the Law No. 2985 shall be changed into “Housing Development Administration”.

Supplementary Article 2 - (Supplementary article: Article 1 the Decree No. 412 dated 09.04.1990) Personnel of the Housing Development Administration shall be subject to and treated under provisions of the Law No. 657 on Public Servants.

President of the Housing Development Administration shall be appointed upon a joint decree and other personnel shall be appointed upon approval of the President of the Housing Development Administration.

In the Housing Development Administration, for the issues entailing special knowledge and expertise contractual personnel may be employed with no regard to the provisions of the Law No. 657 on Public Servants and other laws regarding employment of contractual personnel. Those who will be employed under this subparagraph shall be associated with Turkish Pension Fund or Social Insurance Institution for social security.

Contractual personnel may be employed in lieu of the staff of the titles mentioned in Article 59 of the Law No. 657 on Public Servants and in lieu of Department Physician. Should these members of the personnel wish, they might be associated with the Turkish Pension Fund. Since they will be employed on the basis of a service contract, pensions of those who receive pensions from Pension Fund shall not be discontinued.

Number of those who are to be employed in accordance with the paragraphs three and four, highest and lowest wages as well as their other financial rights shall be set out according to the provisions of the service contract as will be issued by the Council of Ministers.

In this Administration, Prime Ministry, and other public agencies and organizations may employ the personnel on the basis of unsalaried leave and service contract. Public Servanthood of these persons and any other rights and liabilities relating thereto shall be reserved. The time for which they are on leave shall be added to calculation of promotion and retirement as actual service; and those who become entitled to promotions shall be promoted without need for any other procedure.

Supplementary Articles – II

Supplementary Article 1 – (Supplementary article: Art. 1 of 3645 dated 10.05.1990)

Housing Development Administration⁴ shall give interest-free credit, for the purpose of owning a house, to the widow spouse, or if the spouse is not alive, or s/he is married, to the children jointly, and in the absence of children, to the mothers or fathers of those who lose their lives due to duties under Article 64 of the Law No. 5434 on Pension Fund, Law No. 2330 on Compensation in Cash and Salaries, Law No. 2566 on Granting Compensation and Salaries to Certain Public Servants, Law No. 2453 on Granting Compensation and Salaries to Personnel Serving Abroad, Law No. 2629 on Compensation for Flight, Parachute, Submarine, Diver and Frogmen Services, and Law on Amendment to the Law No. 926 on Personnel of Turkish Armed Forces, and those who lose their lives during operations and maneuvers in peacetime and extraordinary events.

Amount of such credit, application principles and payless period, and term of payment shall be determined by the Supreme Board of Planning.

Provisional Articles

Provisional Article 1 – a) Provisions of the Law No. 2487 shall apply to the projects financed on credit in accordance with the Mass Housing Law No. 2487 within the framework of the principles to be laid down by the Board of Mass Housing and Public Partnership.

b) Projects obtaining rights under the Mass Housing Law No. 2487 shall benefit the provisions of the same law within the framework of the principles to be laid down by the Board of Mass Housing and Public Partnership.

Provisional Article 2 – (Provisional Article: Art. 2 of 3645 dated 10.05.1990)

Interest-free housing credit shall be granted to the relatives of those who fall under the Supplementary Article 1 and have lost their lives prior to the date of entry into force of this Law, in accordance with the provisions of the Supplementary Article 1, provided that they file their applications as of the date of entry into force of this Law.

Provisional Article 3 - (Provisional article: Art. 9 of the Law No. 4864 dated 29.05.2003)⁵

Housing Development Administration shall supply credit for the cooperatives and houses to be built on own-possessed plots of land and plots of land to be acquired as a result of concentration by owners of seriously damaged and ruined houses as determined by the delegates of Ministry of Public Works and Housing, who are victims of the earthquake that took place around Afyon on 03.02.2002. Moreover, credit shall be supplied by the Housing Development Administration to the house or workplace cooperatives 70% of which has been completed, which were ruined or severely damaged during the earthquake, in proportion to their damages, to the extent that maximum one house or workplace is given to each of their members. Ministry of Public Works and Housing Development Administration shall jointly determine the guidelines and procedures applicable to granting the credit in question, and these guidelines and procedures shall enter into force upon approval of the Prime Minister.

Article 21, provisional article 2 and 10 of the Law No. 7269 dated 15.5.1959 may apply to supplying plots and lands in the areas where victims will build houses or workplaces. Plots and lands supplied and allocated as such shall be deemed to have been assigned to the Directorate General of Plots Office free of charge. Such plots and lands shall be assigned by the Directorate General of Plots Office to the cooperatives to be financed under paragraph one above on the value of the costs. Calculation of the value of costs shall assume one fifth of the value constituting the basis for charging as the value of acquirement.

⁴

TL 70 trillion required for credits of the houses and workplaces to be provided as required by paragraph one shall be transferred to the Housing Development Administration; and TL 50 trillion required for infrastructure and concentration procedures shall be transferred to the disaster scheme under the budget of Ministry of Public Works and Housing to be used within the framework of the protocol to be established among Directorate General of Disaster Works, Directorate General of State Highways and Directorate General of Bank of Provinces.

Unexpended balance of the mentioned amounts as well as repayment of the credits granted shall be pursued by the Housing Development Administration and Directorate General of Disaster Works, and, upon repayment, shall be deposited in the account of the Directorate of Central Accounting Department of Ministry of Public Works and Housing to be recorded to the disaster scheme under the budget of Ministry of Public Works and Housing. Bidding procedures, contracts, licenses and other procedures relating to the buildings to be reconstructed or repaired in accordance with the articles, and any declarations, commitments to be given and contracts to be concluded by the beneficiaries of this implementation shall be exempt from any taxes, duties and charges.

Provisional Article 4 – (Provisional article: Art. 10 of the Law No. 4864 dated 29.05.2003) ⁶ As per the Decision No. 200112202 of Council of Ministers dated 28.03.2001, rights and liabilities regarding the acts and procedures concerning the assets assigned to the Presidency of Housing Development Administration by Turkish Bank of Real Properties while in the state of Dissolution shall be on the part of the Bank for the period prior to 14.12.2001 and on the part of the Presidency for the period after this date.

Entry Into Force: Article 9 – This Law shall enter into force from the date it is published.

Enforcement: Article 10 – Provisions of this Law shall be enforced by the Council of Ministers.

Provisions not incorporated into the Law

Provisional articles of the Decree No. 412 dated 09.04.1990

Provisional Article 1 – Financial Expenditure of Housing Development Administration incurred for the year 1990 shall be met by the budget of Mass Housing and Public Partnership.

Provisional Article 2 – Until the Housing Development Administration established by this Decree is organized, its services shall be performed by the Administration of Public Partnership.

Provisional Article 3 – References made in other legislation to the Administration of Housing Development and Public Partnership shall be considered to have been made to the relevant provisions of the regulations of the Administration of Public Partnership and the Housing Development Administration.

The Expression, Supreme Board of Planning in the Law No. 2985 shall be changed into "Housing Development Administration".

(1): a - As per Article 5 of the Decree with the Power of Law dated 28/12/1987 and numbered 304, the terms "Mass Housing and Public Partnership Board", "Coordination Board" and "Public Partnership Board" in this Law have been changed to "Higher Planning Board", and afterwards, this provisions has been legalized under the Law numbered 3701.

b - Before the Law numbered 3701, as per Provisional Article 3 of the Decree with the Power of Law dated 09/04/1990 and numbered 412, the term "Higher Planning Board" has been changed to "Mass Housing Administration."

(2): The phrase here "... formation of and utilization from a Mass Housing Fund for ..." was abolished to be effective as of 01/01/2002 under Article 7 of the Law numbered 4684 and dated 20/06/2001 as promulgated in the Official Gazette dated 03/07/2001 and numbered 24451.

(3): The heading "Mass Housing Fund" was amended as shown in the text to be effective as of 01/01/2002 under Article 7 of the Law numbered 4684 and dated 20/06/2001 as promulgated in the Official Gazette dated 03/07/2001 and numbered 24451.

(4): For the Article abolished to be effective as of 01/01/2002 under Article 7 of the Law numbered 4684 and dated 20/06/2001 as promulgated in the Official Gazette dated 03/07/2001 and numbered 24451, see History 1.

(5): For the subparagraph amended to be effective as of 07/08/2003 under Article 3 of the Law numbered 4966 and dated 31/07/2003 as promulgated in the Official Gazette dated 07/08/2003 and numbered 25192, see History 2.

(6): For the Article abolished to be effective as of 01/01/2002 under Article 7 of the Law numbered 4684 and dated 20/06/2001 as promulgated in the Official Gazette dated 03/07/2001 and numbered 24451, see History 3.

(6a): For the Article amended to be effective as of 12/05/2004 under Article 2 of the Law numbered 5162 and dated 05/05/2004 as promulgated in the Official Gazette dated 12/05/2004 and numbered 25460, see History 11.

(7): For the Article abolished to be effective as of 01/01/2002 under Article 7 of the Law numbered 4684 and dated 20/06/2001 as promulgated in the Official Gazette dated 03/07/2001 and numbered 24451, see History 4.

(8): For the Article abolished to be effective as of 01/01/2002 under Article 7 of the Law numbered 4684 and dated 20/06/2001 as promulgated in the Official Gazette dated 03/07/2001 and numbered 24451, see History 5.

(9): For subparagraphs (f) and (g) abolished and subparagraph (b) amended to be effective as of 01/01/2002 under Article 7 of the Law numbered 4684 and dated 20/06/2001 as promulgated in the Official Gazette dated 03/07/2001 and numbered 24451, see History 6.

(10): For the subparagraph amended to be effective as of 07/08/2003 under Article 4 of the Law numbered 4966 and dated 31/07/2003 as promulgated in the Official Gazette dated 07/08/2003 and numbered 25192, see History 7.

(10a): For the subparagraph amended to be effective as of 12/05/2004 under Article 3 of the Law numbered 5162 and dated 05/05/2004 as promulgated in the Official Gazette dated 12/05/2004 and numbered 25460, see History 10a.

(11): It was supplemented to be effective as of 07/08/2003 under Article 4 of the Law numbered 4966 and dated 31/07/2003 as promulgated in the Official Gazette dated 07/08/2003 and numbered 25192.

(12): For the Article abolished to be effective as of 01/01/2002 under Article 7 of the Law numbered 4684 and dated 20/06/2001 as promulgated in the Official Gazette dated 03/07/2001 and numbered 24451, see History 8.

(13): It was supplemented under Article 8 of the Law numbered 4864 and dated 25/05/2003 as promulgated in the Official Gazette dated 06/06/2003 and numbered 25130.

(14): For the sentence amended to be effective as of 07/08/2003 under Article 5 of the Law numbered 4966 and dated 31/07/2003 as promulgated in the Official Gazette dated 07/08/2003 and numbered 25192, see History 9.

(15): It was supplemented under Article 4 of the Law numbered 5162 and dated 05/05/2004 as promulgated in the Official Gazette dated 12/05/2004 and numbered 25460.

(16): The phrase here "... from the Mass Housing Fund ..." was changed to "... by the Mass Housing Administration ..." to be effective as of 01/01/2002 under Article 7 of the Law numbered 4684 and dated 20/06/2001 as promulgated in the Official Gazette dated 03/07/2001 and numbered 24451.

(17): For the Provisional Article 3 amended to be effective as of 01/01/2003 under Article 9 of the Law numbered 4864 and dated 25/05/2003 as promulgated in the Official Gazette dated 06/06/2003 and numbered 25130, see History 10.

(18): It was supplemented under Article 10 of the Law numbered 4864 and dated 25/05/2003 as promulgated in the Official Gazette dated 06/06/2003 and numbered 25130.

HISTORY

HISTORY 1: The text of the Article amended under Article 7 of the Law numbered 4684 and dated 20/06/2001 as promulgated in the Official Gazette dated 03/07/2001 and numbered 24451

Article 2 - A "Mass Housing Fund" has been established before the Central Bank of the Republic of Turkey for the performance of the services provided for in this Law.

The resources of this Fund consist of:

a) An amount which is deduced from the production tax and which is calculated with a ratio of maximum 15% of the production tax basis of alcoholic and non-alcoholic drinks, tobacco products, spirits and spirituous drinks produced by real and corporate persons other than the Monopoly Administration and the Monopoly Agency as well as alcoholic and non-alcoholic drinks used in the production of drinks (in case the production tax of these materials is not sufficient to cover the amount to be paid to the Fund or in case the production tax is not in question, the amount to be calculated as shown above shall be paid to the Fund by the real and corporate persons other than the Monopoly Administration and the Monopoly Agency),

b) (Abolished Paragraph: Law dated 14/06/1989 and numbered 3571/Article 16),

c) the monies which shall be allocated to the Mass Housing Fund under other laws and decrees,

d) (Amended Paragraph: Law dated 01/07/1992 and numbered 3827/Article 1) An amount in Turkish Liras corresponding to maximum 100 US Dollars to be deduced for travels abroad, and an amount in Turkish Liras corresponding to maximum one-fourth of such amount to be deduced for travels to Turkish Republic of Northern Cyprus, Turkmenistan, Georgia, Azerbaijan, Kazakhstan, Tajikistan, and Uzbekistan (The travels made once in a year by the immigrants who are nationalized as Turkish citizens to their origin countries shall be exempt from this fee),(*)

e) the repayments to the Fund made by the beneficiaries of loans provided under Article 3,

f) the incomes from the sales of the Treasury-support bonds in foreign currency or Turkish Liras to be issued with a view to providing resources to the Mass Housing

Fund (the amount of the bonds to be issued shall not exceed the limit set forth in the law on budgeting),

g) the donations and grants to the Fund,

h) the contribution share to be taken up to maximum 25% of the land cost prices of the housing units or workplaces built on the lands belong to the Treasury,

i) the loans obtained by the Fund,

j) the funds taken from the materials imported by the Monopoly Administration,

k) (Supplemented Paragraph: Law dated 01/05/1985 and numbered 3189/Article 1) an amount up to 10% of the sales price per kilowatt for the power energy consumed (**).

(Amended Paragraph: Law dated 01/05/1985 and numbered 3189/Article 1) The Council of Ministers is authorized to set, decrease or increase the rates and amounts stated above.

(*) Under the Resolution by the Council of Ministers dated 21/03/1996 and numbered 96/7887, no Mass Housing Fund fee shall be taken for travels abroad starting from 01/04/1996 (See Official Gazette dated 31/03/1996 and numbered 22597).

(**) It was abolished under the Resolution by the Council of Ministers dated 10/05/1992 and numbered 92/3019.

HISTORY 2: The text of subparagraph (a) of paragraph 2 of amended under Article 3 of the Law numbered 4966 and dated 31/07/2003 as promulgated in the Official Gazette dated 07/08/2003 and numbered 25192:

a) Provision individual or mass housing loans or provision of interest subsidies for housing loans.

HISTORY 3: The text of the Article abolished under Article 7 of the Law numbered 4684 and dated 20/06/2001 as promulgated in the Official Gazette dated 03/07/2001 and numbered 24451:

Article 3 - (Amended Paragraph: Law dated 20/06/1987 and numbered 3397/Article 1) The Mass Housing Fund is used for provision of individual and mass housing loans, provision of interest subsidies for housing loans, provision of lands for mass housing projects, research, provision of investment and operational loans for fostering the housing sector and such facilities as tourism infrastructure, housing infrastructure, schools, police stations, praying facilities, health facilities, sport facilities, post offices, kindergartens, similar facilities, supporting artisans and craftsmen and small businesses through loans for creating job opportunities and employment, and provision of disaster services.

The manner of utilization from the Fund is governed by the buy-laws issued by the Council of Ministers taking into consideration the suggestions from the Mass Housing Administration.

(Supplemented Paragraph: Law dated 28/05/1986 and numbered 3291/Article 10) The procedures and rules for obtaining interest incomes from the fund balances partially or completely in banks other than the Central Bank of the Republic of Turkey shall be set forth by the Council of Ministers.

HISTORY 4: The text of the Article abolished under Article 7 of the Law numbered 4684 and dated 20/06/2001 as promulgated in the Official Gazette dated 03/07/2001 and numbered 24451:

Article 7 - The audit of the Mass Housing Fund is subject to the principles of the the Decree with the Power of Law on Higher Audit Board of the Prime Ministry dated 20/10/1983 and numbered 72.

HISTORY 5: The text of the Article abolished under Article 7 of the Law numbered 4684 and dated 20/06/2001 as promulgated in the Official Gazette dated 03/07/2001 and numbered 24451

Article 8 - The Law on Mass Housing numbered 2487 is abolished. The balance of the "Public Housing Fund" has been transferred to the "Mass Housing Fund."

HISTORY 6: Subparagraphs (f) and (g) abolished and subparagraph (b) amended under Article 7 of the Law numbered 4684 and dated 20/06/2001 as promulgated in the Official Gazette dated 03/07/2001 and numbered 24451

b) to decide on obtaining domestic or foreign loans to use in utilization fields of the Mass Housing Fund

f) to implement the Law on Provision of House Acquisition to Working and Retired Civil Servants and Workers numbered 3320, and to perform any procedures and transactions related to this Law,

g) to manage the Mass Housing Fund and the Development and Support Fund,

HISTORY 7: The text of subparagraph (e) amended under Article 4 of the Law numbered 4966 and dated 31/07/2003 as promulgated in the Official Gazette dated 07/08/2003 and numbered 25192

e) To participate in the house construction companies, particularly in the regions with development privileges.

HISTORY 8: The text of the Article abolished under Article 7 of the Law numbered 4684 and dated 20/06/2001 as promulgated in the Official Gazette dated 03/07/2001 and numbered 24451

Supplementary Article 3 - (Supplemented Article: Decree with the Power of Law dated 09/04/1990 and numbered 412/Article 1) The budget of the Mass Housing Administration shall consist of the amount to be provided from the Fund and not exceeding 1% of the Fund.

HISTORY 9: The text of the sentence amended under Article 5 of the Law numbered 4966 and dated 31/07/2003 as promulgated in the Official Gazette dated 07/08/2003 and numbered 25192

The staff from the Prime Ministry may be commissioned in these units.

HISTORY 10: The text of the Article amended under Article 9 of the Law numbered 4864 and dated 25/05/2003 as promulgated in the Official Gazette dated 06/06/2003 and numbered 25130

Provisional Article 3 (Supplemented Article: Law dated 27/06/2002 and numbered 4767/Article 1)

The Mass Housing Administration shall provide loans to the cooperatives of the victims of the earthquake which hit Afyon and its environs on 03/02/2002 who are owners of heavily damaged or destroyed houses in municipal areas as determined by the science delegations from the Ministry of Redevelopment and Reconstruction for the housing units to be built on their own lands or the nationalized lands.

The procedures and rules concerning the utilization from this loan shall be set forth jointly by the Ministry of Redevelopment and Reconstruction and the Mass Housing Administration, and are enforced upon approval by the Prime Ministry.

An amount of 70 trillion TL required for the cooperatives to be established by the victims who are owners of heavily damaged and destroyed houses shall be transferred to the Mass Housing Administration, and an amount of 50 trillion TL required for infrastructure and collection transaction shall be transferred to the disaster order in the budget of the Ministry of Redevelopment and Reconstruction for utilization within scope of the protocol concluded by and between the General Directorate of Disaster Affairs, the General Directorate of Highways, and the General Directorate of Provincial Bank.

The amount not spent from these funds as well as repayment of loans shall be followed up by the Mass Housing Administration and the General Directorate of Disaster Affairs, and they shall be deposited to the account of the Directorate of Central Accountancy of the Ministry of Redevelopment and Reconstruction as a special allocation to the disaster order in the budget of the Ministry of Redevelopment and Reconstruction within one month following collection.

The tenders, contracts, licenses and other transactions concerning constructions or repairs under this Article as well as declarations, letters of undertaking, and contracts concluded by the beneficiaries under this Article shall be exempt from any taxes, duties or levies.

HISTORY 10a: The text of the subparagraph amended under Article 3 of the Law numbered 5162 and dated 05/05/2004 as promulgated in the Official Gazette dated 12/05/2004 and numbered 25460

e) (Amended Paragraph: Law dated 31/07/2003 and numbered 4966/Article 4) To establish or participate in housing companies.

HISTORY 11: The text of the Article amended under Article 2 of the Law numbered 5162 and dated 05/05/2004 as promulgated in the Official Gazette dated 12/05/2004 and numbered 25460

Determination of Reconstruction Fields, Nationalization and Cadastral Processes

Article 4 - Mass housing reconstruction fields shall be determined by governorates within the framework set forth by the Mass Housing and Public Partnership Board. These fields may be nationalized by the General Directorate of Land Office when necessary. The Mass Housing and Public Partnership Board shall set forth the rules for the cadastral processes and preparation of reconstruction plan for mass housing reconstruction fields.