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**NHB REVERSE MORTGAGE COUNSELLING PROGRAMME
INAUGURATION BY SHRI PAWAN KUMAR BANSAL,
THE HON'BLE UNION MINISTER OF STATE FOR FINANCE**

The Hon'ble Union Minister of State for Finance, Shri Pawan Kumar Bansal shall be launching National Housing Bank's Reverse Mortgage Counselling Centre at Chandigarh in a function scheduled to be held on Saturday, July 26, 2008. The objective of NHB's Reverse Mortgage Counselling Programme is to provide independent advice on Reverse Mortgage Loans to senior citizens primarily to assist them in understanding the nature of the loan. Under the Programme, NHB will set up counselling centres across the country, initially in 8 cities- Delhi, Chandigarh, Hyderabad, Chennai, Bengaluru, Mumbai, Pune and Kolkata. The Programme is being implemented in partnership with reputed Non-Government Organisations involved with the senior citizen segment. In this regard, a Memorandum of Cooperation has been signed between NHB and HelpAge India for extending counselling services on reverse mortgage to senior citizens throughout the country. Three Counselling Centres are already functioning at the Head Offices of NHB and of HelpAge India in Delhi, and another at Hyderabad.

Reverse Mortgage is an innovative Scheme which enables house owning senior citizens to get periodic payments and live in dignity and with self respect. The loan is not to be repaid during the lifetime of the senior citizens as long as they are in occupation of their house property. In the Union Budget 2008-09, the Income Tax Act was amended to exempt payments under Reverse Mortgage from tax. It is expected that after this senior citizen friendly measure of the Govt. of India, the Reverse Mortgage Scheme will be taken advantage by senior citizens in the country.

Considering that the concept of Reverse Mortgage Loan is significantly different from that of conventional mortgage loans, it is essential that the senior citizen homeowners understand the various issues and aspects of reverse mortgages. In this connection, counselling for RML assumes significance. Globally, counselling is one of the most important consumer protections built into the reverse mortgage program. It requires an independent third-party to make sure the

homeowner understands the program and reviews alternative options before the homeowner applies for a reverse mortgage. It is in this context that NHB has taken the initiative of establishing Reverse Mortgage Counselling Centres for the benefit of the senior citizens.

Incidentally, Reverse Mortgage Counselling is mandatory for reverse mortgage loan borrowers in countries such as U.S.A., U.K., Australia, New Zealand etc. The current initiative of the National Housing Bank is also a step in this direction and aimed at developing trust and reputation necessary for senior citizen borrowers to avail of reverse mortgages.

The National Housing Bank (NHB) is a principal agency established under an Act of the Parliament viz. the National Housing Bank Act, 1987, as a wholly owned subsidiary of Reserve Bank of India. The objective of NHB, inter alia, includes the development of Indian Housing Finance System, in a holistic manner for promoting a sound, healthy, viable and cost effective housing finance system for catering to all segments of the population; and for integrating the housing finance system with the overall financial system.

(For additional information/details please contact Shri. Sanjeev Srivastava, Regional Manager, National Housing Bank. (Cell No. 09868155017)