

Net Profit up by 68%; Disbursements up by 59%

National Housing Bank (NHB), the apex housing finance institution, announced its annual results for the financial year ended June 30th 2008. The Bank posted a net profit of Rs.170 crores for the year ended June 2008, an increase of 68% over the previous year. Loan disbursements increased to Rs.9036 crores, a growth of 59%. Loan sanctions increased by 47% to Rs.13,362 crores. During the year, NHB achieved nil Gross Non Performing Asset (NPA) status; net NPA was already nil.

Established in 1988, as a wholly owned subsidiary of the Reserve Bank of India, under the National Housing Bank Act, 1987, the Bank has been operating as the principal agency to promote housing finance institutions and catalyze the flow of institutional finance for housing. While the housing finance sector has been witnessing high growth in the last few years, housing shortage persists mainly in low income categories.

Having played a key role in the institutional framework for housing finance in the country and its rapid growth, the strategic intent of NHB is now directed towards addressing the needs of the housing sector in a holistic manner. Accordingly, the focus of NHB is on addressing the unserved and underserved. NHB seeks to segment the market and develop new customized products to meet their specific needs. NHB conceptualized and introduced the concept of Reverse Mortgage in India, for senior citizens in the country. During the year, NHB advocated tax exemption on payments under Reverse Mortgage which was announced by the Hon'ble Finance Minister in the Union Budget 2008-09. In pursuance of the Bank's capacity building measures aimed at promoting Reverse Mortgage Loan (RML), the Bank has already launched Counseling Programme for Senior Citizens on RML at New Delhi, Hyderabad, Chandigarh. Counseling Programmes at other major cities such as Chennai, Bangalore, Kolkata etc are on the anvil. For the purpose NHB has signed Memorandum of Co-operation with Help Age India and Harmony for Silvers Foundation, leading NGOs.

NHB also launched Refinance Scheme for Top-up loan for Indira Awas Yojana beneficiaries. Equity Participation in New Rural Housing Finance Companies for focused lending to rural housing was introduced during the year and one equity investment of Rs.5.60 crores was approved. NHB also introduced rural housing microfinance, providing housing loans to rural poor through Self Help Groups. NHB also set up a Rural Housing Fund for providing refinance for rural housing which was announced by the Hon'ble Union Finance Minister in the Budget Speech 2008-09. NHB-RESIDEX, the country first official residential property price index was launched by the Hon'ble Union Finance Minister in July, 2007 as a pilot study covering 5 cities is being expanded to other cities in a phased manner. NHB concluded a MoU with UNHABITAT, the U.N. agency responsible for housing and habitat development for co-finance water and sanitation projects related to residential housing for the low income groups.