

NHB WORKSHOP ON REVERSE MORTGAGE

Shri K.M. Acharya, Secretary to the Govt. of India, Ministry of Social Justice and Empowerment, called upon National Housing Bank and Commercial Bank's as well as Housing Finance Companies to vigorously implement the Reverse Mortgage Scheme for the benefit of senior citizens. Shri Acharya was speaking as the Chief Guest in a workshop on Reverse Mortgage organized by National Housing Bank and HelpAge India for the first time in Kolkata.

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 2008-2009, 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 citizens homeowners understand the various issues and aspects of reverse mortgages. In this context NHB has taken the initiative of establishing Reverse Mortgage Counseling Centers in different cities where independent advice is given free of cost.

NHB is setting up Counseling Centers 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 NGOs involved with the senior citizens. In this regard, a Memorandum of Cooperation has been signed between NHB and HelpAge India. These Counseling Centres are already functioning at the Head Offices of NHB and of HelpAge India in Delhi, Hyderabad, and Chandigarh. A Reverse Mortgage Counselling Centre is setup in the office of HelpAge India in Kolkata which was inaugurated in the workshop.

National Housing Bank is the principal financial institution for housing, established under an Act of the Parliament, as a wholly owned subsidiary of Reserve Bank of India. NHB is also the regulator of housing finance companies. NHB conceived and developed Reverse Mortgage product and piloted the offering of Reverse Mortgage loans by Banks and HFCs.

HelpAge India is a leading NGO dedicated to the welfare of senior citizens. It has its headquarters at Delhi and operations all over the country.