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Home Loans to be dearer if priority tag is removed

Business Line 03.10.2005

The home loans market may lose some of its sheen if RBI accepts the recommendation of its working group on priority sector lending. The group has suggested that home loans, which have been a major profit earner for most of the banks, should be excluded from the priority sector lending. This could have major implications as, faced with higher cost of funds, banks may be forced to hike home loan rates, says bankers.

Dewan Housing to float Rs. 250 cr pvt equity fund

Economic Times 05.10.2005

Dewan Housing Finance Corporation Ltd. intends to float a Rs. 250 crore private equity fund, for investing only in real estate projects. The fund is being floated through its venture capital arm – DHFL Venture Fund. Mr. Kapil Wadhawan, MD, DHFL, informed that the company is targeting banks, financial institutions and high networth individuals for raising this fund.

NHB increases risk weightage for housing finance firms to 75%

Business Standard 05.10.2005

NHB has raised the risk weightage requirement for housing finance companies to 75% from the earlier 50%. With this, the risk weightage of HFCs will be in line with those of banks.

HDFC expects to maintain 30% growth in loans

Business Line 07.10.2005

HDFC expects to maintain a 30% growth in lending in the current fiscal. Mr. Keki Mistry, MD, HDFC Ltd. said that the home loan rates are attractive and there is still plenty of demand for residential housing. He said that the company will continue to focus on retail loans which make up 70% of the portfolio.



Shri P.K. Gupta, CMD, NHB Chairing and delivering a special address in the Parallel session on "Financing Real Estate & Housing on 6th October 2005. This was a part of the FICCI-IBA Conference on "Global Banking : Paradigm Shift" held at Mumbai during 5th - 7th October, 2005.

NHB, RBI extend helping hand to quake hit

Economic Times 11.10.2005

NHB has announced a Rs 100 cr refinance scheme for banks & HFCs for 15 year home loans at 6.5% to quake victims. Mr.P.K.Gupta, CMD, NHB said that refinance would be extended at 5.5%.

**HUDCO to help in quake reconstruction***Pioneer 12.10.2005*

Minister for Urban Employment & Poverty Alleviation, Kumari Selja, has directed all the departments under the Ministry to extend support to the Government of Jammu & Kashmir in earthquake rehabilitation & reconstruction efforts. Accordingly, HUDCO has announced a techno-financial assistance for the affected areas. A sum of Rs. 250 crore has been earmarked for this purpose.

LIC Housing to raise fresh equity this year*Business Line 1.11.2005*

LIC Housing Finance Ltd. (LICHF) plans to raise additional funds through the equity route by the end of this fiscal to short up its capital adequacy ratio. The company has a capital adequacy of 15%. But with the increase in risk weightage to 75% by NHB, LICHF's ratio is likely to fall below 12%.

Cabinet allows trading in securitized debt*Financial Express, 11.11.2005*

The government allowed housing mortgage to be traded as listed securities in the stock markets. This would give a big fillip to housing investment and widen the debt market. It will also increase liquidity, help bank book profits, and further deepen the money markets.

Talks in final stages to acquire NHB's stake in BOB housing finance co*Business Line 12.11.2005*

Bank of Baroda is in final stages of negotiations with the National Housing Bank, its partner in BOB Housing to take over NHB's holding in the housing finance company NHB currently holds 30% stake in the company which has a portfolio of Rs. 500 crore.

DHFL to raise Rs 100 crore via bonds*Business Standard 17.11.2005*

Dewan Housing Finance Limited is in talks with investors, including multilateral agencies such as International Finance Corporation and Asian Development Bank for raising Rs. 100 crore through issue of convertible bonds to fund its business expansion.

DHFL not to raise interest rates*Financial Express 18.11.2005*

Dewan Housing Finance Limited has ruled out any hike in the interest till the end of the financial year. Mr. Kapil Wadhawan, MD, said, "Though interest rates have been raised in the US and with some pressure on liquidity in the domestic market, we expect not to raise the interest rates in the next three-six months.

HDFC sells 2.2% stake in Canfin homes*Business Line, 20.11.2005*

HDFC has sold 2.20% of its stake in the Canara Bank promoted Canfin Homes Ltd. (CFHL). CFHL Managing Director said that the sale of 4.51 lakh shares was to different buyers and were done in the open market.

*“I long to accomplish some
great and nobal task, but it is my chief duty
to accomplish small tasks as if they
were great and noble.”*

- Helen Keller,
American social activist, public speaker and author
(1880-1968)

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