

NHB(ND)/ROD/HFC/Refinance Circular 1/2015-16
Dated : 15-10-2015



To All Housing Finance Companies

Madam / Sir,

Refinance Circular No. 1/2015-16
Eligibility Criteria for Availing Refinance - Clarification

1. One of the eligibility criteria for Housing Finance Companies (HFCs) desirous of availing refinance from NHB is that the HFC should invest at least 75% of capital employed by way of long term finance for housing.
2. It has been observed that the terms 'capital employed' and 'long term finance for housing' are being interpreted differently by different institutions. Therefore, in order to bring uniformity in interpretation of these terms, this clarification is being issued. Accordingly, for the purpose of this eligibility criterion, 'capital employed' and 'long term finance for housing' should be taken to have the following components :

2.1 Capital Employed

- Paid-up capital
- Free reserves as defined under NHB Directions, 2010
- Borrowings made for a period of five years or above
- Deposits with maturity period of five years or above collected from the public and others

as reduced by (i) Intangibles, and (ii) Amount invested in specified asset as stipulated in section 29B of the NHB Act, 1987

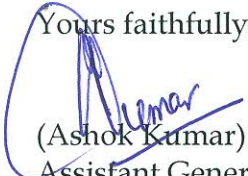
2.2 Long Term Finance for Housing

- Housing loans (whether extended to individuals, builders or others) for a period of five years or above

3. The revised Annexure I to NHB-HFC-01 is attached herewith.

4. Kindly acknowledge receipt.

Yours faithfully,


(Ashok Kumar)
Assistant General Manager
Refinance Operations

Annexure I to NHB-HFC-01

Compliance with Guidelines for Extending Refinance Support to HFCs

As on _____

(i) Amount of capital employed	(₹crore)	
	Paid up capital	_____
Add	Free Reserves ¹	_____
Add	Long Term Borrowings ²	_____
Add	Deposits ³	_____
	Sub Total	_____
Less	Intangibles	_____
Less	Amount invested in specified asset as stipulated in sec. 29B of NHB Act, 1987	_____
	Capital Employed	_____
(ii) Long term Housing Loans ⁴		
	Individuals	_____
	Builders	_____
	Others	_____
	Total	_____
(iii) Housing loans as a percentage of capital employed {(ii) / (i)}		
(In case the percentage is less than 75%, suitable remarks may be furnished as an enclosure)		_____ %

¹ as defined under NHB Directions, 2010.

² Borrowings made for a period of five years or above.

³ deposits with maturity period of five years or above.

⁴ housing loans extended for a period of five years or above.

(Authorized signatory)

Date: