



<<To all eligible Housing Finance Companies>>

Madam / Sir,

**Special Refinance Scheme for Flood Affected Areas of Jammu & Kashmir  
Refinance Circular No. 01/2014-15**

1. Torrential rains and floods which have affected large parts of Jammu & Kashmir have displaced large segments of the population and resulted in large scale destruction of property. Rebuilding of the ravaged dwelling units and rehabilitation of the affected people will be a mammoth task requiring multi-pronged action, with involvement of all stakeholders. The financial sector is expected to play a major role in this massive effort through innovative financial products customized to optimally serve the needs of the people.
2. As an effort in this direction, the National Housing Bank (NHB), with the support of the Government of India and the Reserve Bank of India, has launched **Special Refinance Scheme for Flood Affected Areas of Jammu & Kashmir** with the objective of improving the flow of housing finance at concessional rates to the residents of J&K to help in construction of new dwelling units and repairs, renovation and up-gradation of existing dwelling units.
3. **Salient Features of the Scheme**
  - 3.1 **Purpose** - The Scheme will provide refinance assistance to primary lending institutions in respect of their direct housing loans extended in the state of J&K for the following purposes
    - construction of new dwelling units
    - acquisition of existing dwelling units
    - repairs / renovation / up-gradation of existing dwelling units
  - 3.2 **Eligible Loans**
    - **Loan size** - ₹10 lakhs
    - **Eligible loans** - Housing loans satisfying all of the following criteria would be eligible for refinance under the Scheme :
      - Direct housing loans to individuals
      - Not exceeding ₹10 lakhs
      - Disbursed on or after 1st October, 2014
      - Extended in respect of dwelling units located in flood affected districts of Jammu & Kashmir

भारतीय रिज़र्व बैंक के संपूर्ण स्वामित्व में

कोर 5-ए, चतुर्थ तल, इंडिया हैबिटेट सेंटर, लोधी रोड, नई दिल्ली-110003  
दूरभाष नं. पी. बी. एक्स-011-2464 9031-35 फैक्स : 011-2464 6988, 2464 9041  
वेबसाइट : www.nhb.org.in ई-मेल : ho@nhb.org.in तार निवास बैंक

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Core 5-A, 4th Floor, India Habitat Centre, Lodhi Road, New Delhi-110003  
Phone : PBX 011-2464 9031-35 Fax : 011-2464 6988, 2464 9041  
Website : www.nhb.org.in E-mail : ho@nhb.org.in Gram : NIWAS Bank

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- Ultimate beneficiaries - The beneficiaries must satisfy the eligibility criteria as prescribed under the Rural Housing Fund (RHF) or the Urban Housing Fund (UHF)
- 3.3 **Tenure of Refinance** - Refinance under the Scheme will be available for a period not less than 3 years and not exceeding 7 years.
- 3.4 **Interest Rates and On-lending Cap**
- Refinance under the Scheme will be offered at 6.50% p.a. fixed rate.
  - The interest rate shall remain fixed for the entire tenure of refinance without any reset.
  - **On-lending cap** - Refinance under the Scheme will be given only in respect of loans where the rate of interest charged from the ultimate beneficiary does not exceed 8.50% p.a.
4. Other terms and conditions would be as applicable under the Liberalized Refinance Scheme as communicated from time to time.
5. A copy of the Scheme booklet is annexed for your kind reference and use.

Kindly acknowledge receipt.

Yours faithfully,



(V. Vaideswaran)  
Deputy General Manager  
Refinance Operations