Dated **:** 19-12-2013

To All Housing Finance Companies,

Sir,

**Refinance Circular No. 06/2013-14**
**Special Refinance Scheme for Urban Low Income Housing**

**1.** Please refer to our earlier communication dated 15-10-2012 forwarding the Special Refinance Scheme for Urban Low Income Housing (LIH). Based on the feedback received during the operationalization and implementation of the Scheme, a few modifications have since been made in the Scheme so as to make it more responsive to the needs of the retail lending institutions. Accordingly, the salient features of the modified Scheme are as under **:**

**2. Salient Features of the Scheme**

**2.1 Purpose -** To provide refinance assistance in respect of housing loans extended by HFCs in urban areas for **:**

- construction / purchase of new dwelling units
- purchase of existing dwelling units
- extension / upgradation / repairs of existing dwelling units

**2.2 Eligible Loans**

- **Loan size** - *upto* ₹10 *lakhs*
- **Location** - Urban
- **Date of origination of loan** - Loans sanctioned and disbursed on or after 01-01-2012
- **Ultimate borrowers** - Persons having annual household income not exceeding ₹4 lakhs
  *Household income for the purpose of this Scheme shall mean the income of all the co-borrowers taken together. Income shall be assessed / verified by the HFCs to their satisfaction and recorded as such in their credit notes / loan files covering parameters like IIR, LTV, etc. assessing credit worthiness and affordability of the borrowers.*

- **Security for loan** - The housing loan shall be secured by mortgagable title over the land / property. Loans given to urban slum dwellers having mortgagable land title in the form of 'patta' allotted by state governments would be eligible for refinance under the Scheme. There shall not be any requirement for seeking collateral security or guarantee from any third party as additional security.

**2.3 Tenure of refinance** - The tenure of refinance for a particular disbursement shall be co-terminus with the average residual tenure of the pool of housing loans included in that claim for disbursement, subject to minimum tenure of 5 years and maximum tenure of 15 years

**2.4** **Type of Interest Rate** - Refinance under the Scheme will be extended at rates of interest which shall remain fixed for the entire tenure.

**2.5** **Applicable Format of Claim Form for Disbursement**

- Every claim for refinance disbursement shall be made in the format **NHB-HFC-02**.
- In addition, the claim form shall be accompanied by **Appendix V**.

**2.6** **On-lending rates** - The retail lending institutions are expected to provide housing loans to their customers at reasonable rates of interest and thereby ensure that the benefit of concessional rates offered by NHB on this scheme are passed on to the ultimate beneficiaries.

**3.** Other terms and conditions would be as applicable under the Liberalized Refinance Scheme as communicated from time to time.

**4.** The interest rates currently applicable under the Scheme are as under **:**

| Size of individual loans for which refinance is claimed | Rate of Interest (%) |
|---|---|
| ≤ ₹5 lakhs | 8.25 |
| > ₹5 lakhs and ≤ ₹10 lakhs | 8.50 |

**5.** A copy of the application form for making a claim under the Scheme is annexed for your kind reference and use.

Kindly acknowledge receipt.

Yours faithfully,

Sd/-
(A.P. Saxena)
Deputy General Manager
Refinance Operations

**NHB-HFC-02**
**Application for Disbursement of Refinance**

Deputy General Manager
Refinance Operations
National Housing Bank
New Delhi - 110003

Sir,

Refinance may kindly be disbursed in respect of individual housing loans as per the details furnished below. The details required under the specific refinance scheme(s) under which refinance is sought are furnished in the Appendix _____.

<table>
<tr><td>1.</td><td>Date of application</td><td colspan="4"></td></tr>
<tr><td>2.</td><td>Name of institution</td><td colspan="4"></td></tr>
<tr><td>3.</td><td>Year</td><td colspan="4"></td></tr>
<tr><td rowspan="6">4.</td><td rowspan="6">Refinance limit for current year<br>*(tick as applicable)*</td><td colspan="2">**Particulars**</td><td>*Tick if applicable*</td><td>(₹crore)</td></tr>
<tr><td colspan="2">Annual</td><td></td><td></td></tr>
<tr><td colspan="2">Additional</td><td></td><td></td></tr>
<tr><td colspan="2">Carry Forward</td><td></td><td></td></tr>
<tr><td colspan="3">Limit Utilized</td><td></td></tr>
<tr><td colspan="3">Balance Limit</td><td></td></tr>
<tr><td>5.</td><td>Amount requested for disbursement</td><td colspan="4"></td></tr>
<tr><td rowspan="11">6.</td><td>Scheme under which disbursement is sought</td><td>**Scheme Code**</td><td>*Tick if applicable*</td><td>**(₹crore)**</td><td>**Attach Details**</td></tr>
<tr><td>Regular Refinance Scheme</td><td>RH1</td><td></td><td></td><td>Appendix I</td></tr>
<tr><td>Golden Jubilee Rural Housing Refinance Scheme</td><td>RH2</td><td></td><td></td><td>Appendix II</td></tr>
<tr><td>Rural Housing Fund</td><td>RH3</td><td></td><td></td><td>Appendix III</td></tr>
<tr><td>Energy Efficient Housing Refinance Scheme</td><td>RH4</td><td></td><td></td><td>Appendix IV</td></tr>
<tr><td>Special Refinance Scheme for Urban Low Income Housing</td><td>RH5</td><td></td><td></td><td>Appendix V</td></tr>
<tr><td>Refinance Scheme for Installation of Solar Water Heating and Solar Lighting Equipments in Homes</td><td>RH6</td><td></td><td></td><td>Appendix VI</td></tr>
<tr><td>Refinance Scheme for Women</td><td>RH7</td><td></td><td></td><td>Appendix VII</td></tr>
<tr><td>Refinance Scheme for Construction Finance for Affordable Housing</td><td>RH8</td><td></td><td></td><td>Appendix VIII</td></tr>
<tr><td>Urban Housing Fund</td><td>RH9</td><td></td><td></td><td>Appendix IX</td></tr>
<tr><td>**Total**</td><td></td><td></td><td></td><td></td></tr>
<tr><td>7.</td><td>Total individual housing loans outstanding in the books of the HFC as on 31st March, 20__</td><td colspan="4"></td></tr>
</table>

8. **We agree and undertake that :**

   (i) No refinance / finance has been taken against these loans from NHB or any other institution and these loan accounts would remain unencumbered during the pendency of refinance.
   (ii) The refinance sought is in respect of housing loans granted as per the eligibility criteria prescribed under the respective scheme and the proposal conforms to the general policy and principles laid down and communicated to us from time to time, by NHB.
   (iii) The loans for which refinance is being sought are existing loans in the books of the Bank and conform to the details furnished in this form.
   (iv) The housing loans granted to the constituents have been utilized by them for the purpose for which the loans have been granted.
   (v) The housing loans covered under NHB refinance are classified as Standard Assets as defined by the National Housing Bank.
   (vi) We will properly identify all loans for which financial assistance is obtained from NHB and maintain a list of all such loans. All information pertaining to such accounts will be kept readily available with us. Individual housing loans once flagged against NHB's refinance will be changed only with prior approval of NHB and will remain in the books of the Company and distinctly identifiable. We undertake to provide a list of such book debts to NHB on demand. Further, the branches will be having the list of NHB refinanced loans at their end for easy identification during inspection.
   (vii) All information/statements as may be required by NHB from time to time shall be submitted promptly.

9. The refinance amount may be credited into our account no. ________________ having IFSC Code _______________ maintained with _________ (Name of the Bank / Branch / Place).

10. The interest on refinance will be compounded monthly and paid quarterly.

11. We undertake to repay the refinance as per the repayment schedule furnished by NHB.

(Authorized Signatory)

**Appendix V to NHB-HFC-02**

**Details of Claim under**
**Special Refinance Scheme for Urban Low Income Housing (RH5)**

<table>
<tr><td>1.</td><td>Scheme under which refinance claimed</td><td>Special Refinance Scheme for Urban Low Income Housing (Scheme Code - RH5)</td></tr>
<tr><td rowspan="2">2.</td><td rowspan="2">Amount claimed<br>(₹crore)</td><td><<in figures>></td></tr>
<tr><td><<in words>></td></tr>
<tr><td>3.</td><td>Tenure for which refinance claimed (5 years to 15 years)</td><td><<years and months>></td></tr>
<tr><td>4.</td><td>Type of interest rate</td><td>Fixed</td></tr>
<tr><td>5.</td><td>Size-wise break-up of housing loans included in refinance claim</td><td>
<table>
<tr><th rowspan="2">Loan Size</th><th colspan="2">Loans covered under Risk Guarantee Fund</th><th colspan="2">Loans not covered under Risk Guarantee Fund</th></tr>
<tr><th>No. of Units</th><th>Amount (₹crore)</th><th>No. of Units</th><th>Amount (₹crore)</th></tr>
<tr><td>Upto ₹2 lakhs</td><td></td><td></td><td></td><td></td></tr>
<tr><td>₹2 lakhs to ₹5 lakhs</td><td></td><td></td><td></td><td></td></tr>
<tr><td>₹5 lakhs to ₹10 lakhs</td><td></td><td></td><td></td><td></td></tr>
<tr><td>Total</td><td></td><td></td><td></td><td></td></tr>
</table>
</td></tr>
<tr><td>6.</td><td>Annual income-wise break-up of borrowers included in refinance claim</td><td>
<table>
<tr><th>Annual Income</th><th>No. of Units</th><th>Amount (₹crore)</th></tr>
<tr><td>Upto ₹1 lakh</td><td></td><td></td></tr>
<tr><td>₹1 lakh to ₹2 lakh</td><td></td><td></td></tr>
<tr><td>₹2 lakh to ₹3 lakh</td><td></td><td></td></tr>
<tr><td>₹3 lakh to ₹4 lakh</td><td></td><td></td></tr>
<tr><td>Total</td><td></td><td></td></tr>
</table>
</td></tr>
</table>

We certify that **:**

(i) the information furnished in this application is true and correct and may be verified from our books;

(ii) the loans included in this refinance claim have been disbursed on or after 1st January, 2012;

(iii) the loans disbursed in urban areas for which refinance is being sought under the Special Refinance Scheme for Urban low Income Housing have been properly classified and the dwelling units are located in urban areas;

(iv) the beneficiaries under the Scheme fulfil the household income criteria as laid down under the Scheme. The same has been verified to our satisfaction and recorded as such in our respective appraisal files.

(v) A list of loans containing name of beneficiaries, address of property, amount of loan, rate of interest being charged, residual maturity and the security for the loan, is attached in Annexure to Appendix V.

(Authorized signatory)

**Annexure to Appendix V**

**Details of Loans Included in Claim under**
**Special Refinance Scheme for Urban Low Income Housing**

| **Loan Account No.** | **Name of Borrower** | **Address of Property** | **Loan Sanctioned** (₹) | **Loan Disbursed** (₹) | **Rate of Interest** (%) | **Residual Maturity** (years) | **Security** |
|---|---|---|---|---|---|---|---|
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