

**CIRCULAR**

NHB/ND/HFC(P&D)/1.33/1474/2003

June 2, 2003

To select HFCs approved for refinance assistance  
as per the list enclosed

**Foreign Exchange Management Act, 1999 –  
Providing housing loan in rupees to NRIs/PIOs**

As you are aware, in terms of Regulation 8 of Notification No. FEMA 4/2000-RB dated May 3, 2000 an authorized dealer or a housing finance institution of India approved by the National Housing Bank can provide housing loan to a non-resident Indian (NRI) or a person of Indian origin (PIO) resident outside Indian for acquisition of a residential accommodation in India subject to condition indicated therein.

2. The Reserve Bank of India vide its Circular No. 95 under the A.P.(DIR Series) [copy enclosed] dated April 26, 2003 has now clarified that housing finance institutions referred to above may also grant loans to NRIs / PIOs for purpose of repairs/renovation/improvement of residential accommodation owned by them in India.

3. Please acknowledge receipt.

Yours faithfully

(P. K. Chattopadhyay)  
General Manager