

Dated : 19-12-2013

To All Scheduled Commercial Banks,

Sir,

Refinance Circular No. 04/2013-14
NHB Refinance - Reduction in Prepayment Levy

1. The levy on prepayment of refinance has been reduced w.e.f. 12-11-2013. Henceforth, quantum of prepayment levy will depend upon the ageing of the refinance, i.e. the time period which has elapsed between disbursement of refinance and its prepayment.
2. The prepayment levy on refinance shall now be as under :

Time Period between Disbursement and Prepayment	Prepayment Levy
Upto 1 year	1.0% of amount to be prepaid
More than 1 year	0.5% of amount to be prepaid

3. The provision of two months' notice period before prepayment of refinance shall continue unchanged.
4. All other terms and conditions under the refinance schemes as applicable to Scheduled Commercial Banks shall remain the same as communicated from time to time.

Kindly acknowledge receipt.

Yours faithfully,

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