

By Speed Post



राष्ट्रीय  
आवास बैंक  
NATIONAL  
HOUSING BANK

NHB (ND)/DRS/ POL-No. 30/2009  
23<sup>rd</sup> September, 2009.

TO ALL REGISTERED HOUSING FINANCE COMPANIES

Dear Sir / Madam,

**Finance for Housing Projects –Incorporating clause in the terms and conditions to disclose in Pamphlets / Brochures /Advertisements information regarding mortgage of property to the HFC.**

Housing Finance Companies in their normal course of business extend credit, inter alia, to private builders on commercial terms by way of loans linked to each specific housing project. They also extend financial assistance to public agencies.

2. In a case which came up before the Hon'ble High Court of judicature at Bombay, a decision was taken that the bank granting finance to housing/development projects should insist on disclosure of the charge/or any other liability on the plot, in the brochure, pamphlets etc., which may be published by developer / owner inviting public at large to purchase flats and properties. It was decided that this obviously would be part of the terms and conditions on which the loan may be sanctioned by the bank.

3. Keeping in view the above, while granting finance to specific housing/development projects, housing finance companies are also advised to stipulate as part of the terms and conditions that:

- a) The builder/developer/company would disclose in the Pamphlets / Brochures etc., the name (s) of the Housing Finance Company/other lenders to which the property is mortgaged.
- b) The builder /developer/company would append the information relating to mortgage while publishing advertisement of a particular scheme in newspapers/ magazines etc.
- c) The builder /developer /company would indicate in their pamphlets /brochures, that they would provide No Objection Certificate (NOC) / permissions of the mortgagee Housing Finance Company for sale of flats /property, if required.

भारतीय रिजर्व बैंक के संपूर्ण स्वामित्व में  
कोर-5-ए, तृतीय तल, इंडिया हैबिटेट सेंटर, लोधी रोड, नई दिल्ली-110003  
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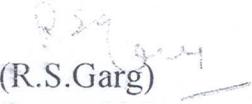
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“बैंक हिन्दी में पत्राचार का स्वागत करता है”

4. Housing Finance Companies are advised to ensure compliance of the above terms and conditions and funds should not be released unless the builder/developer/company fulfils the above requirements.

Yours faithfully,

  
(R.S.Garg)  
General Manager