

NATIONAL HOUSING BANK BOMBAY  
(Wholly Owned by Reserve Bank of India)  
Bombay 400 023

THE HOUSING FINANCE COMPANIES (NHB) DIRECTIONS, 1989

NOTIFICATION NO.NHB.HFC.DIR.6/CMD-94 DATED FEBRUARY 7,1994

In exercise of the powers conferred by Sections 30 & 31 of the National Housing Bank Act, 1987 (53 of 1987) and all powers enabling it in this behalf, the National Housing Bank being satisfied that it is necessary in the public interest so to do, hereby directs that Housing Finance Companies (NHB) Directions, 1989 shall, with immediate effect, be amended in the following manner, namely:

1. In paragraph 2(1), for clause (c), the following clause shall be substituted:

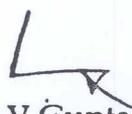
"(c) 'housing finance company' means a company incorporated under the Companies Act, 1956 (1 of 1956) which primarily transacts or has as its principal object, the transacting of the business of providing finance for housing, whether directly or indirectly".

2. In paragraph 9, for clause (b), the following clause shall be substituted:

"(b) pay to any broker for deposits collected by or through him brokerage, commission, incentive or any other benefit by whatever name called, in excess of the rates specified below:

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| i) Where a deposit is for a period of twelve months  | - One percent of such deposits.                            |
| ii) Where a deposit is for a period exceeding twelve months but not exceeding twenty four months | - One and a half percent (not per annum) of such deposits. |
| iii) Where a deposit is for a period exceeding twenty-four months                                | - Two percent (not per annum) of such deposits."           |

3. In clause (iii) of paragraph 10, for the words "six months" appearing after 'expiry of ', the words "three months" shall be substituted.

  
(R V Gupta)  
Chairman