

NHB (ND)/DRS/Misc. Circular No.8/2012  
June 5, 2012



राष्ट्रीय  
आवास बैंक  
NATIONAL  
HOUSING BANK

All Registered Housing Finance Companies (HFCs)

Dear Sirs,

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

Please refer to our Circular NHB /ND/HFC (P&D)/1.33/1474/2003 dated June 2, 2003 on the above subject. One of the registered housing finance company has sought clarification as to whether it can provide housing loan to a non-resident Indian (NRI) or a person of Indian origin (PIO) in view of the term "housing finance institution in India approved by the National Housing Bank" used in Regulation 8 of Notification No. FEMA 4/2000-RB dated May 3, 2000.

2. In this connection, we invite your attention to the provisions contained in Foreign Exchange Management (Borrowing and Lending in rupees) Regulations, 2000 (Notification No. FEMA 4/2000 - RB dated May 3, 2000) as also A.P(DIR Series) Circular No.95 dated April 26, 2003 and A.P (DIR Series) Circular No. 93 dated May 25, 2004 issued by the Reserve Bank of India which, inter alia, provide for housing loans in rupees to NRIs /PIOs. Reserve Bank of India has, vide its letter dated March 19, 2012, further clarified that the term "housing finance institution in India approved by the National Housing Bank" in Regulation 8 of Notification No. FEMA 4/2000 - RB dated May 3, 2000 may be interpreted as a housing finance institution regulated by the National Housing Bank and for the purpose is registered with the National Housing Bank.

3. We hope this clarifies the position.

Yours faithfully,

(V.Rajan)

Deputy General Manager

भारतीय रिज़र्व बैंक के संपूर्ण स्वामित्व में  
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