



NATIONAL HOUSING BANK
New Delhi, the 17th June, 2019

Notification No.NHB.HFC.DIR.22/MD&CEO/2019 - In exercise of the powers conferred by Sections 30A and 31 of the National Housing Bank Act, 1987 (53 of 1987) and of all the powers enabling it in this behalf, the National Housing Bank, having considered it necessary in the public interest, and on being satisfied that for the purpose of enabling it to regulate the housing finance system of the country to its advantage, it is necessary so to do, hereby directs that the Housing Finance Companies (NHB) Directions, 2010 (hereinafter referred to as the principal Directions) shall, with immediate effect, be amended in the following manner, namely -

2. Amendment to Paragraph 3

(a) In clause (i) of sub-paragraph (1) of Paragraph 3 of the principal Directions, the following shall be substituted, namely

- (i) a housing finance company having obtained credit rating for its fixed deposits not below the minimum investment grade rating as above and complying with all the prudential norms, may accept public deposits not exceeding three times of its NOF.

(b) In sub-paragraph (2) of Paragraph 3 of the principal Directions, the following shall be substituted, namely -

(2) No housing finance company shall have deposits inclusive of public deposits, the aggregate amount of which together with the amounts, if any, held by it which are referred in clauses (iii) to (vii) of sub-section (bb) of Section 45 I of the Reserve Bank of India Act, 1934 (2 of 1934) as also loans or other assistance from the National Housing Bank, in excess of

- (i) fourteen times of its NOF on or after March 31, 2020;
- (ii) thirteen times of its NOF on or after March 31, 2021; and
- (iii) twelve times of its NOF on or after March 31, 2022.

(c) After sub-paragraph (2) of Paragraph 3 of the principal Directions, the following shall be inserted

Note: NOF for the purpose of determination of the above limits shall mean “net owned fund” as defined under sub-paragraph 1(u) of paragraph 2 of these Directions and with respect to its position as per the audited accounts as on March 31st of the previous year. Infusion of capital after such balance sheet date may, however, be taken into account for determining the limits.

(d) In sub-paragraph (3) of Paragraph 3 of the principal Directions, the following words shall be deleted, namely-

“as on the date of commencement of these directions”

3. Amendment to Paragraph 30

In sub-paragraph (1) of Paragraph 30 of the principal Directions, the following shall be substituted, namely -

(1) Every housing finance company shall, maintain a minimum capital ratio consisting of Tier-I and Tier-II capital which shall not be less than-

- (i) 13% on or before March 31, 2020;
- (ii) 14% on or before March 31, 2021; and
- (iii) 15% on or before March 31, 2022 and thereafter

of its aggregate risk weighted assets and of risk adjusted value of off-balance sheet items.

The Tier-I capital, at any point of time, shall not be less than 10%.

Dakshita Das
Managing Director & Chief Executive Officer