



NATIONAL HOUSING BANK
New Delhi, the 28th September, 2017

Notification No. NHB.HFC.DIR.19/MD&CEO/2017 - 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 -

1. Amendment to Paragraph 30

(i) In paragraph 30 of the principal Directions, under the Explanation (1), the item description and risk weight given in (2) a), b), c) and e) shall be substituted by the following, namely:-

		<i>Weighted risk assets - On balance Sheet items</i>	<i>% Weight</i>
(2)		Investments:	
	a)	Approved Securities as defined in National Housing Bank Act, 1987 [Except at c) below]	'0'
	b)	Bonds of public sector banks	'20'
	c)	Fixed deposits/certificate of deposits/bonds of public financial institutions	'100'
	e)	Shares of all companies and debentures / bonds/commercial papers of all companies/ units of all mutual funds.	'100'

(ii) In paragraph 30 of the principal Directions, under the Explanation (1), the item description and risk weight given in (3) a) shall be substituted by the following, namely -

		<i>Weighted risk assets - On balance Sheet items</i>	<i>% Weight</i>
(3)	a)	Domestic Sovereign:	
	i)	Fund based claims on the Central Government	'0'
	ii)	Direct loan /credit / overdraft exposure and investment in State Government securities	'0'

	iii) Central Government guaranteed claims	'0'
	iv) State Government guaranteed claims, which have not remained in default / which are in default for a period not more than 90 days	'20'
	v) State Government guaranteed claims, which have remained in default for a period of more than 90 days	'100'

(iii) In paragraph 30 of the principal Directions, under the Explanation (2) B, the following new Item No. (xvi), shall be inserted, namely -

Item No.	Item Description	Credit Conversion Factor
xvi.	Non-fund based claims on the Central Government	'0'

2. Amendment in Schedule II

I. In Schedule II of the principal Directions, in Part D -

(i) In item description, item code and risk weight given in II (a), b), c) and d) shall be substituted by the following, namely -

Item description	Item code	Book Value	Risk weight	Adjusted Value
II. Investments				
(a) Approved Securities as defined in National Housing Bank Act, 1987 [Except at c) below]	221		'0'	
(b) Bonds of public sector banks				
(i) Amount deducted in item 14 in Part A	222		'0'	
(ii) Amount not deducted in item 14 in Part A	223		'20'	
(c) Fixed deposits/certificate of deposits / bonds of public financial institutions				
(i) Amount deducted in item 14 in Part A	224(i)		'0'	
(ii) Amount not deducted in item 14 in Part A	224(ii)		'100'	
d) Shares of all companies and debentures / bonds / commercial papers of all companies / units of all mutual funds				
(i) Amount deducted in item 14 in Part A	225		'0'	
(ii) Amount not deducted in item 14 in Part A	226		'100'	

(ii) In item description, item code and risk weight given in III (f)(i) shall be substituted by the following, namely -

Item description	Item code	Book Value	Risk weight	Adjusted Value
III. Current assets				
(f) (i) Domestic Sovereign:	237(i)			
a. Fund based claims on the Central Government	237(i)(a)		'0'	
b. Direct loan /credit / overdraft exposure and investment in State Government securities	237(i)(b)		'0'	
c. Central Government guaranteed claims	237(i)(c)		'0'	
d. State Government guaranteed claims, which have not remained in default / which are in default for a period not more than 90 days	237(i)(d)		'20'	
e. State Government guaranteed claims, which have remained in default for a period of more than 90 days	237(i)(e)		'100'	

(iii) Item number 4 of 'Notes' shall stand deleted.

II. In Schedule II of the principal Directions, in Part E, after item no. xv the following shall be inserted

Item No.	Item Description	Item Code	Book Value	Conversion Factor	Equivalent	Risk Weight	Adjusted value
xvi.	Non-fund based claims on the Central Government	330		'0'		'0'	

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