



New Delhi, 08th December 2017

Notification No. NHB.HFC.DIR.20/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 6

In sub-paragraph (ii) of Paragraph 6 of the principal Directions, after the clause (g), the following clauses shall be inserted, namely:-

- “(h) the form should solicit the details of the bank account of the depositor or depositor/s in case of deposits accepted in joint names.
- (i) at the end of application form but before signature of the depositor, the following consent clause by the depositor shall be appended. “I hereby give my explicit consent to the housing finance company to duly renew principal / renew principal and interest / pay, in entirety, the principal and interest to my designated Bank Account mentioned herein on maturity of the deposit.”

Explanation:

In the case of any revision in the maturity instruction by the depositor, the due amount will either be automatically renewed or paid on maturity;

Provided that in the case of maturity for the second tenure (post first auto renewal), the amount will be automatically remitted to the designated bank account at maturity, in absence of any specific instruction from the depositor otherwise.”

2. Amendment to Paragraph 12

- (i) In Paragraph 12 of the principal Directions, the sub-paragraph (iv) shall be substituted by the following, namely:-

“(iv) It is obligatory on the part of a housing finance company to intimate the details of maturity of the deposit to the depositor at least fourteen days before the date of maturity of the deposit. However, in the absence of any specific maturity instruction, the maturity amount shall be remitted to the designated bank account maintained in the name of the depositor/s.”

(ii) Sub-paragraph (vi) of Paragraph 12 of the principal Directions, shall be substituted as under –

“(iv) (a) Provided that, in the event of death of a depositor, the public deposit shall be paid prematurely, to the surviving depositor/s in the case of joint holding with the survivor clause, or to the nominee or legal heir/s of the deceased depositor, on the request of the surviving depositor/s/nominee/legal heir/s of the deceased depositor, on the request of the surviving depositor/s/nominee/legal heir, and only against submission of proof of death, to the satisfaction of the Company, with interest at the contracted rate up to the date of repayment.

(b) Provided further that in order to meet certain expenses of an emergent nature, subject to the satisfaction of the housing finance company concerned about such circumstances –

1. ‘Tiny deposits’ may prematurely be paid to individual depositors, at the request of the depositor, before the expiry of three months from the date of acceptance of such deposits, in entirety, without interest;
2. In case of other public deposits, not more than fifty per cent of the amount of the principal sum of deposit or ₹5 lakh, whichever is lower, may be prematurely paid to individual depositors, at the request of the depositors, before the expiry of three months from the date of acceptance of such deposits, without interest; the remaining amount with interest at the contracted rate shall be governed by the provisions of the extant Directions as applicable for public deposits;

Provided further that in cases of critical illness, hundred percent of the amount of the principal sum of deposit, may be prematurely paid to individual depositors, at the request of the depositors, before the expiry of three months from the date of acceptance of such deposits, without interest.

Explanation:

1. For the purpose of sub-paragraph (vi) (b), expenses of an emergent nature includes medical emergency or expenses due to natural calamities/disaster as notified by the concerned Government/authority.
2. For the definition of ‘Critical illness’, HFCs shall be guided by the IRDAI (Health Insurance) Regulations, 2016 and the guidelines issued thereunder, as amended from time to time.
3. The amount of these provisions shall also apply to the existing deposit contracts wherein the individual depositor does not have a right to premature withdrawal of the deposit before the expiry of three months.”

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