

All Eligible Banks

Madam / Dear Sir,

**Annual Auditor's Certificate
Refinance Circular No. 02/2019-20**

The National Housing Bank (NHB) offers refinance assistance to Banks (SCB/RRB/UCB/SFB) in respect of their housing loans to individuals. NHB has been introducing various refinance schemes from time to time for supporting and incentivizing the lenders in meeting the housing credit needs of the low and moderate income households in the urban and rural areas. Banks submit the list of individual housing loan accounts which are flagged/earmarked to NHB while availing refinance from NHB under various schemes and the same conforming to the criteria prescribed under the respective schemes.

2. On review of the refinance portfolio pertaining to Banks, certain measures as under have been adopted in order to strengthen the monitoring of the loans flagged/earmarked by the Banks to NHB against the refinance availed from NHB:
 - 2.1 Banks availing refinance and having an outstanding with NHB are advised to submit Auditor's Certificate on an annual basis (31st march, each year), confirming that the loans flagged/earmarked to the NHB against Refinance are distinctly identified in the books of the Bank and the same are free of any charge and/or have not been securitized/sold. The format of the Auditor's Certificate to be furnished **within 2 months from the end of the financial year** is enclosed as **Appendix A**.
 - 2.1.a The Auditor's Certificate shall also cover that the flagged/earmarked housing loans are adequate and fully cover the loan contract wise refinance outstanding under respective schemes from National Housing Bank.
 - 2.1.b In case of a shortfall (*i.e. the flagged loan accounts outstanding in the books of the Bank is less than the loan contract-wise refinance outstanding as on 31st march every year*) observed by the Auditor (*the details of the shortfall is mentioned in Annexure I to the certificate*), **Banks are advised to remit the shortfall amount latest by 31st May, every year to NHB.**
3. Banks are advised to provide a Declaration cum Undertaking (*newly introduced*), acknowledging the provision under Section 16(B) and other provisions of National Housing Bank Act, 1987 and their obligations specified thereunder, at the time of submitting list of flagged/earmarked loan accounts for availing refinance facility. Declaration cum Undertaking is enclosed as **Appendix B**.
4. Banks are advised to strictly adhere to all the Circular(s)/Guideline(s) issued by NHB from time to time.

Yours faithfully,



(K. Chakravarthy)
General Manager
Refinance Operations

NHB-SCB/RRB/UCB/SFB-03

Annual Auditor's Certificate

(to be submitted within 2 months of the end of the financial year)

As on 31st March, 20__

Name of Bank:

We hereby certify that:

- (i) (Name of Bank) has availed refinance assistance from National Housing Bank and the outstanding of which as on 31st March, 20__ was Rs. _____
- (ii) The loan accounts flagged/earmarked to NHB against Refinance availed are distinctly identified in the books of the Bank and the same are free of any charge and/or have not been securitized/sold.
- (iii) (Name of Bank) has earmarked adequate amount of housing loans to fully cover the respective outstanding refinance against each loan contract under respective schemes from National Housing Bank. The details of the outstanding of flagged /earmarked housing loans against the loan contract wise refinance outstanding as on 31st March, 20__ is enclosed as Annexure I.
- (iv) There is a shortfall amounting to Rs. _____ crore in the flagged loan outstanding against the Refinance outstanding as detailed in Annexure I.
- (v) The loan accounts flagged/earmarked to NHB for which refinance has been availed under different schemes conform to the criteria prescribed under the respective schemes.

For (Name of Bank)

(Signature of the Auditor of the Bank)

Name of the Auditor:

Firm Registration No.:

Partnership No.:

Date:

Place:



A. Details of the outstanding of flagged /earmarked housing loans against the loan contract wise refinance outstanding as on 31st March, 20__

(in Rs. crore)

No.	Refinance Account No.	Refinance Scheme	Refinance Outstanding as on 31st March, 20__	Aggregate of outstanding housing loans in the books of the Bank as on 31 st March, 20__	(Shortfall)/ Positive Balance
			(A)	(B)	(C=B-A)
1	XXXX	LRS	100	90	-10
2	XXXX	AHF	80	90	10
3	XXXX	UHF	70	65	-5
Total shortfall to be remitted to NHB					15
<p>Note: The shortfall to be remitted to NHB is the summation of only the shortfall arrived at in each Refinance Account in the above table. However, the positive balance (if any) has been not considered. <i>**The above mentioned figures are only for illustration.</i></p>					

B. Details of earmarked/flagged housing loans against each Refinance account

(in Rs. crore)

No	Refinance Account No.	Refinance Scheme	Branch of the Bank	Constituent Account No.	Name & Address of Constituent	Address of Property	Date of Mortgage/ Pledge	Loan outstanding as on 31st March, 20__



DECLARATION CUM UNDERTAKING
(to be submitted along with the claim form seeking disbursement)

To,

NATIONAL HOUSING BANK
Core 5A, India Habitat Centre,
Lodhi Road,
New Delhi-110003

Dear Sir,

In consideration of your having granted and agreed to grant to _____ (Name of the Bank) financial assistance by way of refinance towards the housing loans granted by the Bank to its constituents, We, _____ (Name of the Bank) do hereby undertake to you as under:

- (i) The loan accounts flagged/earmarked to NHB against Refinance to be availed are distinctly identified in the books of the Bank and the same are free of any charge and/or have not been securitized/sold.
- (ii) The earmarked/flagged loan accounts are adequate and fully cover the amount claimed under refinance from National Housing Bank.
- (iii) The loan accounts flagged/earmarked to NHB for which refinance is to be availed under different schemes conform to the criteria prescribed under the respective schemes.
- (iv) Auditor's Certificate as stipulated by NHB shall be submitted on an annual basis within the stipulated timelines.
- (v) Acknowledge the provision under Section 16(B) and other provisions of National Housing Bank Act, 1987 and their obligations specified thereunder.

Yours faithfully,

(Signature of the Authorized signatory of the Bank)

Name: _____

Designation: _____

Place: _____

Date: _____

Seal:

