

NHB(ND)/ROD/2019-20  
2<sup>nd</sup> June, 2020

To All Eligible Primary Lending Institutions

Madam / Dear Sir,

### Revisions - Special Liquidity Facility (SRF) scheme

In the wake of the COVID-19 pandemic, Reserve Bank of India provided a Special Liquidity Facility (SLF) of Rs.10,000 crore to National Housing Bank (NHB) to enable it to infuse liquidity in the housing sector through Housing Finance companies (HFCs) as also other PLIs at more affordable rates and meet sector credit needs.

2. National Housing Bank launched **Special Liquidity Facility (SRF) scheme** on April 29, 2020. The eligibility norms and other parameters under the scheme are available on Bank's website.
3. The objective of the scheme is to provide short term refinance support to HFCs and other eligible PLIs which will partially mitigate their liquidity risk and improve the much needed liquidity in the overall housing finance system.
4. Reserve Bank of India vide their circular dated 23<sup>rd</sup> May,2020 has extended the regulatory forbearance whereby HFCs and other PLIs can grant moratorium of another three months i.e from 1<sup>st</sup> June,2020 to 31<sup>st</sup> August,2020 to their constituents, in view of the extended lockdown.
5. National Housing Bank (NHB) has revised certain parameters of **Special Liquidity Facility (SRF) scheme**. The revised parameters are details as under:

S.No.	Parameter	Revisions
1	Eligible Institutions	<p>HFCs/ RRBs/SFBs/ SCBs as eligible for Refinance under the LRS Scheme of Refinance including the following :</p> <ul style="list-style-type: none"> <li>• Max Net NPA limit be relaxed to 7.50% (vs 3.5%)</li> <li>• <b><u>Ratio of Individual Housing Loans to Total Assets is relaxed up to a maximum of 10% i.e., minimum of 41% (vs 51%).</u></b></li> <li>• This relaxation is applicable only for the purpose of SRF.</li> <li>• The HFC/ PLI should have extended moratorium to its customers and this should have adversely impacted at least 15% of the cash flows of the HFC/PLI during the period of moratorium.</li> </ul>

2	Maximum amount disburseable to individual PLIs	<ul style="list-style-type: none"> <li>• <b>30% of the NoF of the PLI or NHB, whichever is lower, subject to a maximum of Rs. 2,000 crore.</b></li> <li>• Eligible amount to be based on the assessment of the impact of the moratorium on the cash flows of the HFC/PLI during the period of moratorium.</li> </ul>
3	Security Refinance for	<ul style="list-style-type: none"> <li>• <b>Hypothecation of Book Debts or negative lien as applicable.</b></li> <li>• In addition, the HFCs/PLIs have to sign a Demand Promissory Note.</li> <li>• At the time of draw down, the PLIs will provide flagged loan list and also an undertaking that no charge will be created on these loans (Will be covered under 16 B of NHB Act, 1987).</li> <li>• Only standard accounts can be flagged for the purpose up to 100% of the facility.</li> </ul>

6. All other terms and conditions stipulated in the Special Refinance Facility will remain unchanged.

Yours faithfully,

-Sd-

General Manager

Refinance & Project Finance Department