



Refinance & Project Finance Department
Special Refinance Facility (SRF) scheme

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

Accordingly, National Housing Bank has launched **Special Refinance Facility (SRF) scheme**. 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 into the overall housing finance system. The total amount allocated under this scheme shall be Rs. 10,000 crore. The eligibility norms and other parameters under the scheme are as given hereunder.

a.	Eligible Institutions	HFCs/ RRBs/SFBs/ SCBs as eligible for Refinance under the Liberalised Refinance Scheme (LRS) of NHB with some relaxations only for the specific purpose of SRF: <ul style="list-style-type: none"> • Max Net NPA limit is 7.50%. • Ratio of Individual Housing Loans to Total Assets be a minimum of 51%, as under LRS. • 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.
b.	Period of Loan	Up to One year from the date of draw down. To be repaid at the end of tenor permitted or any date before it (with 30 days' notice in case of prepayment).
c.	Interest	Interest rate will be based on the Internal Credit Rating of the PLI and has to be paid on quarterly basis along with payment of interest on other Refinance schemes.
d.	Quantum of Refinance under the facility	<ul style="list-style-type: none"> • 20% of the NoF of the PLI or Rs. 750 crore, whichever is lower. • 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 (01/3/2020 to 31/5/2020).

e.	Security for Refinance	<ul style="list-style-type: none"> As applicable under existing Liberalised Refinance Scheme (LRS) of NHB. In addition, the HFCs/PLIs have to sign a Demand Promissory Note. 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). Only standard accounts can be flagged for the purpose up to 100% of the facility. 										
f.	Utilisation	<ul style="list-style-type: none"> HFCs/PLIs are required to utilise the funds drawn under this facility for disbursement of individual housing loans falling under the category of Priority Sector, as defined by Reserve Bank of India, over a period of one year period, as here under: <table border="1" data-bbox="646 766 1175 989"> <thead> <tr> <th>Minimum</th> <th>Period</th> </tr> </thead> <tbody> <tr> <td>25%</td> <td>Three months</td> </tr> <tr> <td>50%</td> <td>Six months</td> </tr> <tr> <td>75%</td> <td>Nine months</td> </tr> <tr> <td>100%</td> <td>One year</td> </tr> </tbody> </table> HFCs/PLIs have to submit utilisation certificate every quarter. In case the above ratio is not reached, additional interest rate of 2% will be charged till the short fall is bridged/achieved. 	Minimum	Period	25%	Three months	50%	Six months	75%	Nine months	100%	One year
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g.	Application	<ul style="list-style-type: none"> HFCs/PLIs desirous of availing this facility may submit their application in the prescribed format (made available in website of NHB) to the General Manager, Refinance & Project Finance Department, National Housing Bank, New Delhi along with copy of provisional Balance Sheet as on 31.03.2020 and P&L statement for the year ended 31.03.2020. The Balance Sheet and other provisional statements as on 31.03.2020 are to be jointly certified by the CEO and CFO. 										

Ratio of Individual Housing Loan, Net Owned Fund and NNPA Ratio and the internal rating of PLIs will be taken/carried out based on the last Audited Balance Sheet not older than March 31, 2019. Wherever the audited financials for FY 2020 are not available, the rating may be carried out based on provisional financial statements duly verified by CEO and CFO of the PLIs and such provisional rating will be utilised only for the purpose of SRF.



PLIs to note that this is a short term Refinance facility and hence, interested PLIs are requested to submit their applications completed in all respect with full set of duly certified documents quickly for timely processing, documentation and disbursement.

New Delhi
29-04-2020

General Manager
Refinance & Project Finance Department, NHB