



## Refinance Operations Department

### Special Refinance Facility 2021 (SRF-2021)

Post COVID -19, the housing finance sector has revived and showing steady improvement in sanctions and disbursements since the second quarter of FY2020- 21. Last year in May/June, NHB had provided refinance support of Rs. 10,000 crore under the Special Refinance Facility granted by Reserve Bank of India (Aatma Nirbhar Bharat Abhiyaan). This facility was for one year and the repayment is due in May 2021.

In view of the recent surge of COVID -19 cases, to sustain the growth momentum, the Reserve Bank of India has provided another Special Liquidity Facility-2 (SLF-2) of Rs.10,000 crore to National Housing Bank (NHB).

Accordingly, NHB has launched **Special Refinance Facility - 2021 (SRF-2021) scheme**. The objective of the scheme is to provide short term refinance support to HFCs and other eligible PLIs to meet their liquidity requirement. The total amount allocated under this scheme shall be Rs.10,000 crore. **Further, this facility will be repaid in 4 quarterly instalments to avoid abrupt withdrawal of liquidity from the system.**

The eligibility norms and other parameters under the scheme are as given hereunder.

<b>a.</b>	Eligible Institutions	All PLIs who have availed financial assistance under SRF/ ASRF including any other eligible PLI (HFCs/ RRBs/ SFBs/ SCBs as eligible for Refinance under LRS) with some relaxations as on 31.03.2020 <b>only for the specific purpose of SRF-2021:</b> <ul style="list-style-type: none"><li>• Max Net NPA limit is 7.50%.</li><li>• Ratio of Individual Housing Loans to Total Assets be a minimum of 51%, as under LRS (<i>for HFCs</i>).</li></ul>
<b>b.</b>	Period of Loan	<ul style="list-style-type: none"><li>• Up to One year from the date of draw down.</li><li>• To be repaid in 4 equal quarterly instalments permitted or any date before it (with 30 days' notice in case of prepayment).</li></ul>
<b>c.</b>	Interest	<ul style="list-style-type: none"><li>• Interest rate will be based on the Internal Credit Rating of the PLI. Thus, interest rate charges will be repo rate (presently at 4%) plus the rating spread as applicable.</li><li>• Frequency of compounding will be monthly and that of Payment will be quarterly.</li><li>• Interest to be paid on quarterly basis along with instalment.</li></ul>

d.	Maximum Quantum of Refinance under the facility	<ul style="list-style-type: none"> <li>• 20% of the Net Owned Fund of the PLI as on 31.03.2020/ NHB or Rs.2000 crore, whichever is lower.</li> <li>• Financial performance during the FY 2020-21 will also be reckoned.</li> </ul>
e.	Security for Refinance	<ul style="list-style-type: none"> <li>• As applicable under existing Liberalised Refinance Scheme (LRS) of NHB. In addition, the HFCs/PLIs 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 16B of NHB Act, 1987).</li> <li>• Only standard accounts can be flagged for the purpose up to 100% of the facility.</li> </ul>
f.	Application	<ul style="list-style-type: none"> <li>• HFCs/PLIs desirous of availing this facility may submit their application in the prescribed format (made available on website of NHB) to the General Manager, Refinance Operations Department, National Housing Bank, New Delhi along with copy of provisional Balance Sheet as on 31.03.2021 and P&amp;L statement for the year ended 31.03.2021 to be certified by the CEO/ CFO.</li> </ul>

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 as on March 31, 2020.

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

New Delhi  
13-04-2021

General Manager  
Refinance Operations Department, NHB