

NHB(ND)/ROD/2407/2021  
May 3, 2021



To All Eligible Primary Lending Institutions

Madam / Dear Sir,

**Refinance Scheme under Affordable Housing Fund (AHF) FY 2020-21**

National Housing Bank (NHB) aims to promote a sound, healthy, viable and cost effective housing finance system to cater to all segments of the population.

2. Pursuant to the announcement in the Union Budget 2018-19, a dedicated Affordable Housing Fund (AHF) in NHB was established to provide refinance assistance to PLIs in respect of their individual housing loans to target segments in rural and urban areas. NHB has issued various circulars detailing the scheme details/parameters on Bank's website from time to time.

3. A corpus of Rs. 10,000 crore has been allocated for the FY 2020-21 under the Affordable Housing Fund scheme. The broad guidelines of the Affordable Housing Fund (AHF) scheme FY 2020-21 has been detailed in *Annexure I*.

4. The claims will be processed **on first-come first-serve basis and subject to availability of funds.**

Yours faithfully,

Vishal Goyal  
General Manager  
Refinance Operations Department

## Refinance Scheme under Affordable Housing Fund -FY 2020-21

Salient features of Refinance Scheme under AHF (FY 2020-21) are as follows.

- **Objective**

The AHF shall be utilized for refinancing the individual housing loans having outstanding as on date of request for refinance which were disbursed during previous 12 months, falling under rural and urban category based on the demands received from the PLIs.
- **PLIs eligible for refinance under Affordable Housing Fund**
  - Housing Finance Companies (HFCs)
  - Scheduled Urban Cooperative Banks (UCBs)
  - Regional Rural Banks (RRBs)
  - Small Finance Banks (SFBs)
  - Apex Cooperative Housing Finance Societies (ACHFS)
  - Agricultural & Rural Development Banks (ARDBs)
- **Areas Covered**
  - **Urban** - All areas falling under the Statutory Town definition of Pradhan Mantri Awas Yojana - Urban;
  - **Rural** - Any other areas not falling under the Statutory Town definition of Pradhan Mantri Awas Yojana - Urban.
- **Eligible individual housing loans**
  - Individual Housing Loans having outstanding as on date of request for refinance which were disbursed **during previous 12 months**.
  - Individual housing loans disbursed as provided in para 12.1(i) of RBI's Master Directions on Priority Sector lending.
  - Individual housing loans under Weaker Section category as defined in the RBI's guidelines on lending to the priority sector and women.
  - In respect of loans to borrowers other than weaker section and women, the annual household income of borrowers should not exceed ₹3 lakh in rural areas and ₹6 lakh in urban areas.
- **Loan Tenure** - Maximum 7 years
- **On-lending interest rate Cap:** 350 bps over the 10-year G-Sec yield (*yield as on the last day of the quarter will be considered for refinance for the ensuing quarter*)

- **Rate of Interest-** Refinance offered by NHB to PLIs will be at a fixed rate of interest and the interest rates would be fixed by ALCO as per the Government's / RBI's direction.

- **Payment of Interest-** Compounded monthly and payable quarterly

- **Repayment of Principal - Quarterly**

- **Others**

Any disbursement made under the AHF will be within the PLI's annual sanction limit approved by the NHB and other terms and conditions applicable under NHB's Regular Refinance Scheme. PLIs are required to submit the category wise eligible individual housing loan accounts list in soft format as well as print outs.

- **Special Dispensation for EWS households**

Refinance upto 100% of the claim amount in respect of EWS individual borrowers with annual household income not exceeding Rs. 3 lakh in both rural and urban areas, for HFCs/SFBs/RRBs.

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