

NHB offers Refinance linked to PLR of the Bank (with annual Reset) from 01-01-2023

National Housing Bank, at present, offers refinance facility to eligible Primary Lending Institutions (PLIs) on following terms:

- (a) Refinance at Fixed Rate of Interest linked to AAA Bond Rates with applicable markups as per internal rating of PLIs. The rate of interest on such refinance is reset on annual basis.
- (b) Refinance at Floating Rate of Interest linked to PLR of the Bank with applicable markups as per internal rating of PLIs. The rate of interest on such refinance is reset as and when PLR of the Bank is revised.

2. In addition to the fixed rate of interest linked to AAA Bond rates, the Bank is now introducing an additional option wherein eligible PLIs can avail refinance at fixed rate of interest linked to PLR of the Bank with applicable markups as per internal credit rating of PLIs. The rate of interest on such loans would be reset on an annual basis as per prevailing PLR of the Bank at the time of reset. All other terms and conditions as applicable under existing refinance scheme offered on fixed rate of interest shall continue to be applicable.

3. The Bank on a one-time basis is offering all eligible existing borrowers an irrevocable option to switch from AAA bond rate linked refinance to PLR linked refinance. In case a PLI opts for new pricing scheme, the rate of interest on its existing loans on fixed rate basis (linked to AAA Bond Rates) shall be reset as per pricing mechanism applicable for PLR linked refinance on fixed rate of interest basis for the residual period of current reset cycle from the date of acceptance of such option by NHB. The next reset of such loan accounts shall be due on original scheduled dates as per the date of disbursement. **No reset shall be permitted on retrospective basis.**

PLIs may contact Refinance Operations Department of the Bank for further details.