

No. HO/ROD/DAK/2025/04272

NHB (ND)/ROD/ Refinance Circular No. 9/2024-25
January 7, 2025

To,

All Housing Finance Companies

Sir/ Madam,

**Appointment of Nominee Director on the Board of Housing Finance Companies under
Refinance Arrangements**

It has been decided that the National Housing Bank (NHB) may appoint a Nominee Director on the Board of any HFC, in the following circumstances:

- (a) the outstanding refinance of the housing finance company from NHB, constitutes 30% or above of the total borrowings of the HFC as on the latest quarter-end of the financial year; or
- (b) if the outstanding refinance of the housing finance company, from NHB stood at ₹10,000 crore or above and also constitute 15% or more of the total borrowings of the housing finance company, as on the latest quarter-end of the financial year; or
- (c) if NHB is satisfied that such an appointment is necessary, whether or not the conditions of borrowings as specified in (a) and (b) above are met, to safeguard its own interests as a lender including, but not limited to, cases where the affairs of the housing finance company, are being conducted in a manner which may, directly or indirectly, impair the ability of the company to repay the refinance facility(ies), wholly or partly, to NHB.

2. This measure is a refinance arrangement covenants in the nature of lender-to-borrower obligation and shall be applicable to all existing and prospective refinance arrangements with HFCs, subject to necessary modifications, as NHB may deemed fit.

Yours faithfully,

Sd/-
(Yogesh Panchal)
Deputy General Manager
National Housing Bank