

No. HO/ROD/DAK/2025/04286

NHB (ND)/ROD/ Refinance Circular No. 11 /2024-25
January 8, 2025

To,

All Housing Finance Companies

Sir/ Madam,

**Requirement of Prior Consent for Appointment or Continuation of
MD/CEO/Head of the Institution in cases of Promoter Shareholding Dilution by
HFCs under Refinance Arrangements**

It has been decided that all Housing finance companies (HFCs) must obtain prior written consent from the National Housing Bank (NHB) for the appointment or continuation of the Managing Director (MD) and/or Chief Executive Officer (CEO) / Head of the Institution in cases where the single largest promoter's shareholding of the HFC is less than 26 per cent or is going to be less than 26 per cent.

2. This measure is a refinance arrangement covenant in the nature of a lender-to-borrower obligation and shall be deemed applicable to all existing and prospective refinance arrangements with HFCs.

Yours faithfully,

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