

No. HO/ROD/DAK/2025/04421

NHB (ND)/ROD/ Refinance Circular No. 13 /2024-25
January 31, 2025

To,

All Housing Finance Companies

Sir/ Madam,

Penal charges for submission of ineligible Loan Pool against Refinance Facility

It has been decided that the National Housing Bank (NHB) will levy a penal charge of 5% on the aggregate outstanding amount of loans, within the underlying loan pool, that are subsequently found ineligible post-disbursement of refinance, as per the eligibility criteria of the refinance scheme. The penal charge shall be applicable with effect from the date of disbursement.

2. This provision shall uniformly apply to all underlying loan pools submitted for disbursement or replenishment, across all refinance schemes, including those with or without concessions.

3. Further, this constitutes a refinance arrangement covenant in the nature of a lender-to-borrower obligation and shall be deemed applicable to all prospective refinance facilities and to all such refinance facilities outstanding as on January 1, 2025. The necessary documentation as may be required in this regard will be informed separately.

Please ensure strict adherence to the above provisions.

Yours faithfully,

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