

Limit for Indirect Housing Finance under Priority Sector raised from Rs.5 lakh to Rs.10 lakh for UCBs

RBI/2011-12/567 UBD.BPD. (PCB) CIR NO.33/09.09.001/2011-2012,May 18,2012

In the above circular addressed to all Primary (Urban) Co-operative Banks, RBI has stated as follows:

Please refer to our Circular UBD.PCB.Cir.No.11/09.09.01/2007-08 dated August 30,2007 forwarding the guidelines for UCBs on lending to priority Sector. In terms of para 7.4 of section I of Annex of the above Circular, assistance given to a non-governmental agency approved by the NHB for the purpose of refinance for construction/reconstruction of dwelling units or for slum clearance and rehabilitation of slum dwelling ,subject to a ceiling of loan component of Rs.5lakh per dwelling unit, is eligible for classification under priority sector.

2.Pursuant to the announcements made by the union finance Minister in the budget speech for the year 2012-13,it has been decided to increase the above limit from Rs.5 lakh to Rs.10 lakh. The revised limit will be applicable to loans sanctioned from the date of this circular.