

RBI/2008/322

UBD.PCB.Cir.No.42 /09.09.001/08-09

May 15, 2008

The Chief Executive Officers of
All Primary(Urban) Co-operative Banks

Dear Sir/Madam,

**Revision of Individual Housing Loan Limits-
Annual Policy Statement for the Year 2008-09-UCBs**

Please refer to our circular UBD.PCB.Cir.No.16/09.09.001/06-07 dated October 17, 2006 permitting UCBs to extend individual housing loans up to the limit of Rs 25.00 lakh per beneficiary of a dwelling unit.

2. In this connection a reference is invited to Para 213 of the Annual Policy Statement for the year 2008-09 dated April 29, 2008 (copy enclosed). As announced in the Annual Policy Statement, it has been decided to permit Tier II UCBs to extend individual housing loans up to a maximum of Rs.50 lakh per beneficiary of a dwelling unit subject to extant prudential exposure limits.

3. All other instructions issued in this regard remain unchanged.

Yours faithfully,

(A.K Khound)
Chief General Manager-in-Charge

Extract from the Annual Policy Statement for the Year 2008-09

213. As per extant norms, UCBs can grant housing loans to individuals up to a maximum of Rs.25 lakh. Based on the representations made by UCBs, it is proposed:

- to increase the extant limit on individual housing loans from Rs.25 lakh to a maximum of Rs.50 lakh in respect of Tier-II UCBs, subject to certain conditions.